

**TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY**

**California State University  
Office of the Chancellor—Glenn S. Dumke Auditorium\*  
401 Golden Shore  
Long Beach, CA 90802**

**Agenda  
May 19-22, 2024**

<b>Time**</b>	<b>Committee</b>	<b>Location<sup>1</sup></b>
<b><i>SUNDAY, MAY 19, 2024</i></b>		
<b>9:00 a.m.</b>	<b><u>Board of Trustees – Closed Session</u> Executive Personnel Matters Government Code §11126(a)(1)</b>	<b>Long Beach Marriott</b>
<b><i>MONDAY, MAY 20, 2024</i></b>		
<b>10:00 a.m.</b>	<b><u>Board of Trustees—Closed Session</u> Executive Personnel Matters Government Code §11126(a)(1)  Pending Litigation Government Code §11126(e)(1) Lin v. Upshaw, et al.  Anticipated Litigation: 2 potential matters  Security Matters Government Code §11126(c)(18)</b>	<b>Munitz</b>

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<sup>1</sup> All committees meet in the Dumke Auditorium unless otherwise noted.

\*\*The Board of Trustees is a public body, and members of the public have a right to attend and participate in its meetings. This schedule of meetings is established as a best approximation of how long each scheduled meeting will take to complete its business. Each meeting will be taken in sequence, except in unusual circumstances. Depending on the length of the discussions, which are not possible to predict with precision in advance, the scheduled meeting times indicated may vary widely. For two-day meetings, items scheduled for one day may be heard either the day before or the day after depending upon the time spent on each matter. The public is advised to take this uncertainty into account in planning to attend any meeting listed on this schedule.

**TUESDAY, MAY 21, 2024**

**8:30 a.m.      Committee on Collective Bargaining—Closed Session      Munitz**  
Government Code §3596(d)

**9:00 a.m.      Board of Trustees**  
Call to Order  
Roll Call  
Public Comment  
Chair’s Report  
Academic Senate CSU Report: *Chair—Beth Steffel*  
California State Student Association Report: *President— Dominic Treseler*  
California State University Alumni Council Report: *President— John Poli*  
Chancellor’s Report

**12:00 p.m.      Luncheon**

**12:45 p.m.      Committee on Institutional Advancement**  
Consent  
*Action*      1. Approval of Minutes  
**Discussion**  
*Action*      2. Naming of the John Madden Football Center – California Polytechnic State University, San Luis Obispo  
*Action*      3. Naming of the Noyce School of Applied Computing – California Polytechnic State University, San Luis Obispo

**1:15 p.m.      Committee on Audit**  
Consent  
*Action*      1. Approval of Minutes  
*Information*      2. Status Report on Audit and Advisory Services Activities  
**Discussion**  
*Action*      3. Fiscal Year 2024-2025 Audit Plan  
*Information*      4. Audited Financial Statements and Single Audit Report



**TUESDAY, MAY 21, 2024 (cont.)**

**2:00 p.m. Committee on Governmental Relations**

**Consent**

*Action* 1. Approval of Minutes

**Discussion**

*Information* 2. Update on NAGPRA and CalNAGPRA Compliance

*Information* 3. State Legislative Update

**2:45 p.m. Committee on Collective Bargaining – Open Session**

**Consent**

*Action* 1. Approval of Minutes

*Action* 2. Adoption of Initial Proposals for a New Collective Bargaining Agreement with Bargaining Unit 15 (Student Assistants), California State University Employees Union (CSUEU)

**2:50 p.m. Joint Committee on Finance and Campus Planning, Buildings and Grounds**

**Consent**

*Action* 1. Approval of Minutes

**Discussion**

*Action* 2. California State University, Fullerton Student Housing, Phase 5 Schematic Design and Debt Issuance Approval

**3:10 p.m. Break**

**3:20 p.m. Committee on Finance**

**Consent**

*Action* 1. Approval of Minutes

*Action* 2. Approval to Issue Debt for the California Polytechnic State University, San Luis Obispo Football Center

**Discussion**

*Information* 3. California State University Quarterly Investment Report

*Information* 4. 2024-25 Operating Budget Update

**TUESDAY, MAY 21, 2024 (cont.)**

**4:05 p.m. Committee on Campus Planning, Buildings and Grounds**

**Consent**

- Action* 1. Approval of Minutes
- Action* 2. San José State University Speed City & Spirit of '68 Track Facility Development Project and Grant Assignment

**4:10 p.m. Committee on Educational Policy**

**Consent**

- Action* 1. Approval of Minutes

**Discussion**

- Information* 2. Educator and Leadership Programs: Preparing California's Educators
- Information* 3. Recommended Amendments to Title 5 Regarding California State University Doctoral Programs
- Information* 4. Advancing Black Student Success in the CSU

**WEDNESDAY, MAY 22, 2024**

**8:00 a.m. Committee on University and Faculty Personnel**

**Consent**

- Action* 1. Approval of Minutes
- Action* 2. Policy on Compensation
- Action* 3. Policy and Procedures for Review of Presidents

**Discussion**

- Action* 4. Executive Compensation: President – California State University, Fullerton
- Information* 5. Update on Civil Rights (Title IX and Other Nondiscrimination) Programs and Services
- Information* 6. Update on Employee Relations: Response to Other Conduct of Concern
- Action* 7. Executive Compensation: FY 2023-2024 Executive Salary Increases
- Action* 8. Executive Compensation: Triennial Performance Reviews – Equity Adjustments

**WEDNESDAY, MAY 22, 2024 (cont.)**

**9:40 a.m.      Board of Trustees  
Call to Order**

**Roll Call**

**Consent**

- Action*      1. Approval of Minutes of the Board of Trustees Meeting of March 26, 2024 and March 27, 2024
- Action*      2. Approval of Committee Resolutions as follows:

**Committee on Institutional Advancement**

- 2. Naming of the John Madden Football Center – California Polytechnic State University, San Luis Obispo
- 3. Naming of the Noyce School of Applied Computing – California Polytechnic State University, San Luis Obispo

**Joint Committee on Finance and Campus Planning, Buildings and Grounds**

- 2. California State University, Fullerton Student Housing, Phase 5 Schematic Design and Debt Issuance Approval

**Committee on Finance**

- 2. Approval to Issue Debt for the California Polytechnic State University, San Luis Obispo Football Center

**Committee on Campus Planning, Buildings and Grounds**

- 2. San José State University Speed City & Spirit of '68 Track Facility Development Project and Grant Assignment

**Committee on University and Faculty Personnel**

- 2. Policy on Compensation
- 3. Policy and Procedures for Review of Presidents
- 4. Executive Compensation: President – California State University, Fullerton
- 7. Executive Compensation: FY 2023-2024 Executive Salary Increases
- 8. Executive Compensation: Triennial Performance Reviews – Equity Adjustments

**Discussion**

- Action*      3. Approval of Board of Trustees' Standing Committee Assignments for 2024-2025
- Action*      4. Election of the Chair and Vice Chair of the Board of Trustees for 2024-2025

## ADDRESSING THE BOARD OF TRUSTEES

Members of the public have the opportunity to observe the meeting in-person or online and to offer public comment as follows:

- The meeting is broadcast via the [livestream](#) through the Board of Trustees website.
- **For in-person attendance:** The Chancellor's Office requires that all visitors comply with Cal/OSHA and local health department safety measures that may be in effect at the time of the meeting. Depending on circumstances, masks may be required, and the Dumke Auditorium may have limited seating to ensure proper physical distancing. Visitors who do not comply with the safety measures, or if the Dumke Auditorium has reached capacity, will be asked to watch the meeting via the [livestream](#) on the Board of Trustees website through their phone or computer. Because of possible physical distancing measures and the uncertainty of our seating capacity, members of the public are encouraged to observe the meeting via the livestream and offer any public comments through the available remote option.
- All public comment (for all committee and plenary sessions) will take place on **Tuesday, May 21**, at the start of the Board of Trustees' open session (**scheduled to begin at approximately 9:00 a.m.**)
- **Written comments** may be emailed in advance of the meeting by **12:00 p.m. on Monday, May 20** to [trusteesoffice@calstate.edu](mailto:trusteesoffice@calstate.edu). To the extent possible, all written comments will be distributed to members of the board, or its appropriate committee, prior to the beginning of the board or committee meeting.
- Members of the public who wish to offer public comment *during the meeting* may do so **in-person or virtually/telephonically** by providing a written request **by 12:00 p.m. on Monday, May 20** to [trusteesoffice@calstate.edu](mailto:trusteesoffice@calstate.edu). The request should also identify the agenda item the speaker wishes to address or the subject of the intended presentation if it is unrelated to an agenda item. Efforts will be made to accommodate each individual who has requested to speak.

The purpose of public comment is to provide information to the board and not evoke an exchange with board members. Questions that board members may have resulting from public comment will be referred to appropriate staff for response.

In fairness to all speakers, and to allow the committees and board members to hear from as many speakers as possible while at the same time conducting the public business of their meetings within the time available, **public comment will be limited to 1 minute per speaker** (or less depending on the number of speakers wishing to address the board.) Ceding, pooling, or yielding remaining time to other speakers is not permitted. Speakers are requested to make the best use of their public comment opportunity and follow the established rules.

Requests for reasonable modification or accommodation from individuals with disabilities, consistent with the Americans with Disabilities Act, shall be made as follows:

- By email: [trusteesoffice@calstate.edu](mailto:trusteesoffice@calstate.edu), or
- By telephone: (562) 951-4020

**TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY**

**California State University  
Office of the Chancellor  
Glenn S. Dumke Auditorium  
401 Golden Shore  
Long Beach, CA 90802**

**Tuesday, May 21, 2024**

***Presiding: Wenda Fong, Chair***

<b>9:00 am.*</b>	<b><u>Board of Trustees</u></b>	<b>Dumke Auditorium</b>
	<b>Call to Order</b>	
	<b>Roll Call</b>	
	<b>Public Comment</b>	
	<b>Chair’s Report</b>	
	<b>Academic Senate CSU Report: <i>Chair—Beth Steffel</i></b>	
	<b>California State Student Association Report: <i>President—Dominic Treseler</i></b>	
	<b>California State University Alumni Council Report: <i>President—John Poli</i></b>	
	<b>Chancellor’s Report</b>	

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**Agendas, notices, and information on addressing the Board of Trustees may be found on Board of Trustees website: <https://www.calstate.edu/csu-system/board-of-trustees/Pages/default.aspx> .**

## AGENDA

### COMMITTEE ON INSTITUTIONAL ADVANCEMENT

**Meeting:** 12:45 p.m., Tuesday, May 21, 2024  
Glenn S. Dumke Auditorium

Anna Ortiz-Morfit, Chair  
Douglas Faigin, Vice Chair  
Diego Arambula  
Raji Kaur Brar  
Jean Picker Firstenberg  
Mark Ghilarducci  
Jonathan Molina Mancio  
Yammilette Rodriguez  
Jose Antonio Vargas

- Consent** 1. Approval of Minutes, *Action*
- Discussion** 2. Naming of the John Madden Football Center – California Polytechnic State University, San Luis Obispo, *Action*
3. Naming of the Noyce School of Applied Computing – California Polytechnic State University, San Luis Obispo, *Action*

**MINUTES OF THE MEETING OF THE  
COMMITTEE ON INSTITUTIONAL ADVANCEMENT**

**Trustees of the California State University  
Office of the Chancellor  
Glenn S. Dumke Auditorium  
401 Golden Shore  
Long Beach, California**

**March 26, 2024**

**Members Present**

Anna Ortiz-Morfit, Chair  
Douglas Faigin, Vice Chair  
Raji Kaur Brar  
Jean Picker Firstenberg  
Mark Ghilarducci  
Jonathan Molina Mancio  
Jose Antonio Vargas

Wenda Fong, Chair of the Board  
Mildred García, Chancellor

Trustee Faigin called the meeting to order.

**Approval of Minutes**

The minutes of January 30, 2024, were approved as submitted.

**Naming of the Federated Indians of Graton Rancheria Learning Center – Sonoma State University**

Greg Saks, vice chancellor, external relations and communications, reported that the proposed naming recognizes the \$2.85 million gift from the Federated Indians of Graton Rancheria to Sonoma State University to transform the existing facilities at the 450-acre Fairfield Osborn Preserve. The project includes refurbishment of the 2,800-square-foot visitor center; a new outdoor conversation space for group activities; accessibility improvements, such as parking, walkways, building entrances and restrooms; and increased parking capacity for school buses. He shared that the project is especially significant to the Tribe because the preserve lies on the northwest flank of Sonoma Mountain—the Tribe’s ancestral homeland.



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Sonoma State President Mike Lee recognized the Tribe for the profound impact they have had on the region and for being a loyal Sonoma State University partner. Chancellor Mildred García thanked the Tribe for the vision and generosity of their transformational gift. Tribal Council Members Lawrence Stafford and Robert Stafford, Jr. were present, and Lawrence Stafford shared remarks on behalf of the Tribe.

The committee approved the proposed resolution (RIA 03-24-03) that the visitor center at Sonoma State University's Fairfield Osborne Preserve be named the Federated Indians of Graton Rancheria Learning Center.

Trustee Faigin adjourned the meeting.

## **COMMITTEE ON INSTITUTIONAL ADVANCEMENT**

### **Naming of the John Madden Football Center – California Polytechnic State University, San Luis Obispo**

#### **Presentation By**

Greg Saks  
Vice Chancellor  
External Relations and Communications

Jeffrey D. Armstrong  
President  
California Polytechnic State University, San Luis Obispo

#### **Summary**

This item will consider the naming of a new facility at the California Polytechnic State University, San Luis Obispo campus as the John Madden Football Center.

This proposal, submitted by California Polytechnic State University, San Luis Obispo (Cal Poly), meets the criteria and the conditions specified in the Board of Trustees Policy on Naming California State University Facilities and Properties, including approval by the system review panel and the campus academic senate.

#### **Background**

The John Madden Football Center recognizes a significant gift from John and Virginia Madden and the Madden family to support construction of a new \$45M two-story, 33,000 GSF facility dedicated to Cal Poly Football student athletes. This generous gift exceeds the minimum naming guidelines of 10% of the building's value. Thanks to the Madden family's support and engagement, this transformative facility will serve as the centralized home for the entire football community, elevating every aspect of Mustang football.

Utilizing Mustang Memorial Plaza as its primary entrance, the center will welcome visitors into a spacious first-floor lobby designed with a reception area, comfortable furnishings and a collection of wall treatments and exhibits celebrating John Madden and the great moments during more than 100 years of Cal Poly Mustang Football.

The new facility was planned together with Coach Madden and the Madden Family, who were focused first and foremost on the health, well-being and overall experience of football players.

Specifically, this new facility includes:

- A spacious first-floor lobby designed with a reception area and a collection of wall treatments and exhibits celebrating John Madden and more than 100 years of Cal Poly Mustang Football;
- Players' lounge, locker room, shower and restroom facilities;
- Sports medicine center with treatment, rehabilitation, taping and hydrotherapy equipment;
- Strength and conditioning facilities, fueling stations, and team lounge;
- Hall of Champions;
- Offices for coaches, equipment personnel and athletic trainers;
- Team meeting room with tiered theater-style seating for 125 players; and
- Second-floor viewing deck overlooking the stadium's south end zone.

This naming request satisfies the terms associated with a gift from the Madden family dated January 2023.

John Madden was a revered former professional football coach, animated sports broadcaster and television personality, best-selling author and dedicated philanthropist. He received numerous accolades, as a football player, coach, NFL Hall of Fame member, and earned 16 Emmy Awards for his work as a television commentator.

Madden earned his bachelor's degree in physical education in 1959, and his master's in education in 1961 both from Cal Poly. As a Mustang, Madden played both offense and defense on the football team and was a catcher for Cal Poly's baseball team. It was during his time at Cal Poly that he met his wife Virginia, who also earned a master's in education in 1961. Madden was selected as Cal Poly's Honored Alumnus in 1975 and inducted into Cal Poly's Athletics Hall of Fame in 1987. In the 1980s, Madden was a major fundraiser for Cal Poly's athletic programs as he lent his name to an annual golf tournament. He was also involved in Cal Poly's 1991 athletics referendum which ultimately led to the Mustangs' elevation to NCAA Division I status in 1994. In 2021, Madden was awarded the honorary degree of Doctor of Humane Letters from Cal Poly. Madden has two sons, Mike and Joe, and five grandchildren. Madden's grandson, Jack, is a Cal Poly nutrition major.

After playing professionally for the Philadelphia Eagles, Madden coached at Allan Hancock Junior College in Santa Maria, California, and later at San Diego State University. Madden began his professional football coaching career in 1967 with the Oakland Raiders. Under his leadership, Oakland never experienced a losing season.

Following his retirement as a coach, Madden joined the CBS football broadcasting team in 1979. Over the following three decades, he became one of the most celebrated analysts on television. His obvious enthusiasm for the sport appealed to even the most casual fans. Madden has served

as a commercial pitchman and became the face of the wildly successful video game franchise, Madden NFL.

Madden was elected to the Pro Football Hall of Fame in 2006. In 2010, Madden was inducted by Governor Arnold Schwarzenegger and Maria Shriver into the California Hall of Fame, which honors individuals and families who embody California's innovative spirit and have made their mark on history.

### **Recommended Action**

The following resolution is recommended for approval:

**RESOLVED**, by the Board of Trustees of the California State University, that the football center at California Polytechnic State University, San Luis Obispo be named the John Madden Football Center.

## COMMITTEE ON INSTITUTIONAL ADVANCEMENT

### **Naming of the Noyce School of Applied Computing – California Polytechnic State University, San Luis Obispo**

#### **Presentation By**

Greg Saks  
Vice Chancellor  
External Relations and Communications

Jeffrey D. Armstrong  
President  
California Polytechnic State University, San Luis Obispo

#### **Summary**

This item will consider the naming of a recently established school at the California Polytechnic State University, San Luis Obispo campus as the Noyce School of Applied Computing.

This proposal, submitted by California Polytechnic State University, San Luis Obispo (Cal Poly), meets the criteria and the conditions specified in the Board of Trustees Policy on Naming California State University Academic and Athletic Programs, including approval by the system review panel and the campus academic senate.

#### **Background**

The Noyce School of Applied Computing recognizes a \$59M transformational gift from the Robert N. Noyce Trust to create an interdisciplinary school at Cal Poly within the College of Engineering, the first of its kind in the CSU and UC systems, merging three departments: Electrical Engineering, Computer Engineering, and Computer Science and Software Engineering. The formation of this school provides faculty with additional resources for teaching and applied research with undergraduate students in computing, chances to further their interests in teaching and learning, and more connections to industry. Specifically, this school is:

- Expanding opportunities for students interested in fields related to computing;
- Providing students with greater exposure to opportunities in fields related to computing;
- Providing support to faculty interested in engaging in applied research in computing, especially with undergraduates enrolled in the school;
- Providing unique research, mentoring and paid internship opportunities to undergraduates in the school;

- Providing scholarship opportunities to undergraduate students in the school;
- Positioning Cal Poly to address a growing need for skilled workers in current and developing fields related to computing; and
- Growing interest in computing majors and related fields that will result in positive impacts locally, in the State of California and throughout the nation.

This naming request satisfies the terms associated with a gift from the Robert N. Noyce Trust dated April 2022.

Robert N. Noyce was a co-founder of Intel Corporation and inventor of the integrated circuit, which fueled the personal computer revolution and gave Silicon Valley its name. Nicknamed the “Mayor of Silicon Valley,” Noyce’s impact on the field of computing and society at large cannot be overstated. At Cal Poly, the Noyce School of Applied Computing will honor Robert Noyce’s name and legacy by training future generations of computer scientists and preparing them to tackle the challenges of tomorrow.

### **Recommended Action**

The following resolution is recommended for approval:

**RESOLVED**, by the Board of Trustees of the California State University, that that the recently established school at California Polytechnic State University, San Luis Obispo be named the Noyce School of Applied Computing.

## AGENDA

### COMMITTEE ON AUDIT

**Meeting:** 1:15 p.m., Tuesday, May 21, 2024  
Glenn S. Dumke Auditorium

Yammilette Rodriguez, Chair  
Jean Picker Firstenberg, Vice Chair  
Leslie Gilbert-Lurie  
Lillian Kimbell  
Jonathan Molina Mancio  
Christopher Steinhauser  
Darlene Yee-Melichar

- Consent**
1. Approval of Minutes, *Action*
  2. Status Report on Audit and Advisory Services Activities, *Information*
- Discussion**
3. Fiscal Year 2024-2025 Audit Plan, *Action*
  4. Audited Financial Statements and Single Audit Report, *Information*

**MINUTES OF THE MEETING OF THE  
COMMITTEE ON AUDIT**

**Trustees of the California State University  
Office of the Chancellor  
Glenn S. Dumke Auditorium  
401 Golden Shore  
Long Beach, California**

**March 26, 2024**

**Members Present**

Jean Picker Firstenberg, Vice Chair  
Leslie Gilbert-Lurie  
Lillian Kimbell  
Christopher Steinhauser  
Darlene Yee-Melichar  
Wenda Fong, Chair of the Board

Trustee Jean Firstenberg called the meeting to order.

**Approval of the Consent Agenda**

The minutes of the January 30, 2024, meeting of the Committee on Audit were approved as submitted.

Item two, Status Report on Audit and Advisory Services Activities, was an information item.

**Quality Assurance Review of The California State University System Internal Audit Program**

Vice Chancellor Vlad Marinescu presented the results of the recent quality assurance review of Audit and Advisory Services, along with Julia Hann, chief audit executive, University of North Florida. The IIA Standards for the Professional Practice of Internal Auditing stipulate that external assessments must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organization. Audit and Advisory Services completed its most recent external quality assurance review in January 2024, and prior to this, a review was completed in 2019.

A team of three higher education audit professionals, independent from the CSU, performed the review and as part of their review process visited the Chancellor's Office in December 2023. The primary objective of the review was to provide reasonable assurance that the internal auditing program at the California State University conforms to the IIA's Standards and Code of Ethics, and to appraise the quality of operations. The review concluded that Audit and Advisory Services generally conforms to The IIA Standards for the Professional Practice of Internal Auditing. According to the IIA Quality Assessment Manual, "Generally Conforms" means that an internal audit activity has a charter, policies, and processes that are judged to be in conformance with the Standards. Generally Conforms is the highest rating possible under IIA guidance. The review also identified organizational leading practices and strengths and opportunities for program



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enhancement, which were presented by Ms. Hann. Vice Chancellor Marinescu addressed the opportunities for program enhancement and discussed next steps for evaluation and implementation.

Trustees acknowledged the positive results of the report and thanked Ms. Hann for traveling from Florida to provide the presentation.

Trustee Firstenberg adjourned the Committee on Audit.

## **COMMITTEE ON AUDIT**

### **Status Report on Audit and Advisory Services Activities**

#### **Presentation By**

Vlad Marinescu  
Vice Chancellor and Chief Audit Officer  
Audit and Advisory Services

#### **Summary**

This item provides an update on internal audit activities and initiatives. It also includes a status update on the 2023-24 audit plan. Attachment A summarizes the status of audit assignments by university.

For the current year audit plan, assignments were made to execute individual university audit plans and conduct financial, operational, compliance, and information technology audits; use continuous auditing techniques and data analytics tools; provide advisory services; support intergovernmental audits; and perform investigation reviews, as needed.

Audit and Advisory Services recently completed its annual audit planning/risk assessment process, working with the 23 universities and the Chancellor's Office to formulate the audit plan for the 2024-25 fiscal year. This comprehensive planning process considers a multitude of factors, including information gathered from interviews and meetings with over 90 systemwide and university executives and representatives; consideration of CSU strategic initiatives; research of higher education trends; and review of financial, regulatory, and other risks. The resulting audit plan is being presented for Committee on Audit approval this month.

### **ASSURANCE AUDITS AND DATA ANALYTICS**

#### **Status of In-Process and Completed Audits**

Audit and Advisory Services continues to make progress on the 2023-24 audit plan. Twenty-five audits have been completed and twenty-two audits are currently in process. Follow-up on current and past assignments is being conducted on 34 completed university reviews. Completed audit reports are posted on the California State University website at <https://www.calstate.edu/csu-system/transparency-accountability/audit-reports>.

The status of university progress toward implementing recommendations for completed audits is included in Attachment A. Prior year audits that have open recommendations are also included in Attachment A and are removed from the report once all recommendations are completed.

Both university management and audit management are responsible for tracking the implementation/completion status of audit recommendations contained in university audit reports. During the audit process, university management identifies a target completion date for addressing each audit recommendation. Target completion dates are subject to approval by audit management prior to the audit report being finalized. Implementation timelines are reviewed for appropriateness, reasonableness, and timeliness, which also includes evaluating the nature and level of risk and whether any mitigating controls can or should be put in place on an interim basis while audit recommendations are being implemented.

If there are difficulties or unexpected delays in addressing/completing audit recommendations within the agreed upon timeframes, escalation processes for resolution are followed by audit management. Audit management first contacts the university senior leadership team (president and/or VP/CFO) to resolve any delays. In rare instances in which delays cannot be resolved during discussions between university and audit management, the chancellor and audit committee chair and/or vice chair may help resolve delays, as needed.

Corrective action is reviewed on an on-going basis, and each year we typically review follow-up documentation submitted to our office on approximately 250 recommendations from completed audits. We also conduct follow-up reviews for select prior-year audits to ensure that implemented corrective actions continue to operate effectively.

### Data Analytics

The data analytics team continues to monitor credit card data by reviewing potential anomalies and policy exceptions. For the six-month period ending December 2023, 23 universities and the Chancellor's Office were reviewed for possible separated employees with active cards and/or credit card purchase exceptions. For Concur travel expenditures, the data analytics team recently completed its review of travel expense transactions at ten universities and the Chancellor's Office and follow up was performed on all potential anomalies.

## ADVISORY SERVICES

Audit and Advisory Services partners with management to identify solutions for business issues, offer opportunities to improve the efficiency and effectiveness of operating areas, and assist with special requests, while ensuring the consideration of related internal control issues. Advisory services are more consultative in nature than traditional audits and are performed in response to requests from university management. The goal is to enhance awareness of risk, control and

compliance issues and to provide a proactive independent review and appraisal of specifically identified concerns. Reviews are ongoing.

## INVESTIGATIONS AND INTERGOVERNMENTAL AUDITS

Audit and Advisory Services is periodically called upon to provide investigative reviews of alleged fiscal improprieties. Investigations are performed both at the request of an individual university or the chancellor's office and by referral from the state auditor. Additionally, Audit and Advisory Services assists with tracking external audits being conducted by state and federal agencies, offers assistance to universities undergoing such audits, and acts as a liaison for the California State University system throughout the audit process when appropriate.

The federal Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (Clery Act) requires all eligible institutions that participate in federal student aid programs under Title IV of the Higher Education Act of 1965 to prepare, publish, and distribute annual security reports disclosing specified campus crime statistics and campus security policies. The California State Auditor (CSA) is required by the California Education Code to conduct Clery Act audits every three years of at least six higher education institutions. The CSA typically includes at least one CSU campus in each Clery Act audit. The CSA started a new Clery Act audit in February 2024, and selected California State University, Chico for review. The CSA's website indicates an estimated completion date of Fall 2024.

The CSA started its audit of community college transfers in July 2023. The audit is reviewing California's higher education systems' efforts to improve the rate of community college transfers to the California State University and University of California. The audit is currently in progress and the estimated completion date is August 2024. The scope and objectives of the audit are available on the State Auditor's website at:

<https://www.auditor.ca.gov/pdfs/analyses/2023-123.pdf>.

In December 2023 and January 2024, the CSU submitted the required six-month responses for the CSA Native American Graves Protection and Repatriation Act (NAGPRA) and Title IX audits, respectively. The responses provide information on the status of the CSU's implementation of the audit recommendations and can be viewed on the CSA's website:

- <https://auditor.ca.gov/reports/recommendations/2022-107> - for NAGPRA
- <https://auditor.ca.gov/reports/recommendations/2022-109> - for Title IX

The one-year follow-up response to the CSA NAGPRA audit is due in June 2024 and the Title IX response is due in July 2024.

## OUTREACH AND ENGAGEMENT

Audit and Advisory Services continues to partner and work with our university and system stakeholders beyond what would be the usual course of business for an audit or advisory review in order to find opportunities to add value to the organization when possible. This includes partnering activities such as participating in and leading affinity groups, providing support to university and chancellor's office management, sharing information and common themes across universities, and acknowledging feedback and insights provided by management.

## INTERNAL AUDIT FRAMEWORK AND STANDARDS

Education Code Section 89045, enacted by Chapter 1406 of the Statutes of 1969, provides for the establishment of an internal auditing function reporting directly to the Trustees of the California State University. Audit and Advisory Services assists university management and the Trustees in the effective discharge of their fiduciary and administrative responsibilities by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. Additionally, Audit and Advisory Services serves the university in a manner that is consistent with the International Professional Practices Framework and the Code of Ethics as promulgated by the Institute of Internal Auditors, including organizational independence, as outlined in the Audit and Advisory Services Charter.

Audit and Advisory Services is organizationally independent and free from interference in determining the scope of internal audits, performing work, and communicating results. To ensure organizational independence, Audit and Advisory Services reports functionally to the Trustees of the California State University, and administratively to the Chancellor.

## STATUS REPORT ON CURRENT AND PAST AUDIT ASSIGNMENTS

Campus	Category	Audit Topic	Audit Plan Year	Total # of Recommendations	*Status	
Bakersfield	Audits Currently in Progress	Computer Security Incident Response	FY 23-24			
		Parking Operations	FY 23-24			
Chancellor's Office	Status of Recommendations	Payroll and Benefits Reporting	FY 22-23	2	<span style="background-color: green; color: white; padding: 2px;">2</span>	
		Emergency Management	FY 23-24	2	<span style="background-color: blue; color: white; padding: 2px;">1</span> <span style="background-color: green; color: white; padding: 2px;">1</span>	
Channel Islands	Audits Currently in Progress	University Auxiliary Services	FY 23-24			
		Computer Security Incident Response	FY 23-24	1	<span style="background-color: green; color: white; padding: 2px;">1</span>	
Chico	Status of Recommendations	Executive Travel and Hospitality	FY 23-24			
		Information Security	FY 22-23	14	<span style="background-color: green; color: white; padding: 2px;">14</span>	
		Endowment Management	FY 23-24	2	<span style="background-color: blue; color: white; padding: 2px;">2</span>	
Dominguez Hills	Status of Recommendations	Associated Students	FY 22-23	8	<span style="background-color: green; color: white; padding: 2px;">8</span>	
		Information Security	FY 22-23	8	<span style="background-color: green; color: white; padding: 2px;">8</span>	
		Property and Equipment	FY 23-24	12	<span style="background-color: blue; color: white; padding: 2px;">9</span> <span style="background-color: green; color: white; padding: 2px;">3</span>	
East Bay	Audits Currently in Progress	East Bay Foundation	FY 23-24			
		Construction Management	FY 23-24	5	<span style="background-color: blue; color: white; padding: 2px;">3</span> <span style="background-color: green; color: white; padding: 2px;">2</span>	
Fresno	Audits Currently in Progress	Executive Travel and Hospitality	FY 23-24			
		Fleet Services	FY 23-24			
		Information Security	FY 23-24	13	<span style="background-color: blue; color: white; padding: 2px;">13</span>	
Fullerton	Audits Currently in Progress	Americans with Disabilities Act	FY 23-24			
		Business Continuity and IT Disaster Recovery	FY 23-24	7	<span style="background-color: blue; color: white; padding: 2px;">6</span> <span style="background-color: green; color: white; padding: 2px;">1</span>	
Humboldt	Status of Recommendations	International Programs	FY 23-24	5	<span style="background-color: blue; color: white; padding: 2px;">5</span>	
Long Beach	Audits Currently in Progress	Information Security	FY 23-24			
		Youth Programs	FY 23-24	5	<span style="background-color: blue; color: white; padding: 2px;">5</span>	
Los Angeles	Status of Recommendations	Accessible Technology	FY 23-24	3	<span style="background-color: blue; color: white; padding: 2px;">3</span>	
		Financial Aid	FY 23-24	2	<span style="background-color: blue; color: white; padding: 2px;">1</span> <span style="background-color: green; color: white; padding: 2px;">1</span>	
Maritime Academy	Status of Recommendations	Financial Aid	FY 23-24	4	<span style="background-color: blue; color: white; padding: 2px;">3</span> <span style="background-color: green; color: white; padding: 2px;">1</span>	
Monterey Bay	Audits Currently in Progress	Follow Up - Otter Student Union	FY 23-24			
		Accessible Technology Initiative	FY 22-23	6	<span style="background-color: green; color: white; padding: 2px;">6</span>	
		Executive Travel and Hospitality	FY 23-24	2	<span style="background-color: blue; color: white; padding: 2px;">2</span>	
		Financial Aid	FY 23-24	3	<span style="background-color: blue; color: white; padding: 2px;">3</span>	
Northridge	Audits Currently in Progress	Business Continuity and IT Disaster Recovery	FY 23-24			
		Athletics Fiscal Administration	FY 22-23	6	<span style="background-color: blue; color: white; padding: 2px;">1</span> <span style="background-color: green; color: white; padding: 2px;">5</span>	
Pomona	Audits Currently in Progress	Fundraising and Gift Processing	FY 23-24			
		No Reportable Recommendations	Associated Students, Inc.	FY 23-24	n/a	
Sacramento	Audits Currently in Progress	Youth Programs	FY 23-24			
		No Reportable Recommendations	Executive Travel and Hospitality	FY 23-24	n/a	
		Status of Recommendations	Capital Public Radio	FY 22-23	17	<span style="background-color: blue; color: white; padding: 2px;">16</span> <span style="background-color: green; color: white; padding: 2px;">1</span>

\*Status  
 Closed (green) - Recommendations have been satisfactorily implemented  
 Open (blue) - Implementation of recommendations is in progress and within the agreed upon timeframe  
 Exceeds Agreed Upon Timeframe (red) - Recommendations have not been implemented within the agreed upon timeframe

## STATUS REPORT ON CURRENT AND PAST AUDIT ASSIGNMENTS

Campus	Category	Audit Topic	Audit Plan Year	Total # of Recommendations	*Status
San Bernardino	Audits Currently in Progress	Follow Up - Human Resource Management	FY 23-24		
		University Enterprises Corporation	FY 23-24		
	Status of Recommendations	Athletics Fiscal Administration	FY 23-24	8	<div style="width: 100%; background-color: blue; text-align: center; color: white;">8</div>
San Diego	Audits Currently in Progress	Information Security	FY 23-24		
		Research Foundation	FY 23-24		
	Status of Recommendations	Aztec Shops	FY 22-23	5	<div style="width: 100%; background-color: green; text-align: center; color: white;">5</div>
		Academic Department Fiscal Review	FY 23-24	2	<div style="width: 100%; background-color: green; text-align: center; color: white;">2</div>
San Francisco	Audits Currently in Progress	Information Security	FY 23-24		
	Status of Recommendations	University Corporation	FY 23-24	6	<div style="width: 100%; background-color: blue; text-align: center; color: white;">6</div>
San José	Audits Currently in Progress	The Student Union of San José State University	FY 23-24		
	Status of Recommendations	Athletics Fiscal Administration	FY 22-23	6	<div style="width: 100%; background-color: green; text-align: center; color: white;">6</div>
		Information Security	FY 22-23	5	<div style="width: 100%; background-color: green; text-align: center; color: white;">5</div>
		Endowment Management	FY 23-24	3	<div style="width: 100%; background-color: blue; text-align: center; color: white;">3</div>
San Luis Obispo	Audits Currently in Progress	Accessible Technology Initiative	FY 23-24		
	Status of Recommendations	Financial Aid	FY 23-24	2	<div style="width: 100%; background-color: blue; text-align: center; color: white;">2</div>
San Marcos	Audits Currently in Progress	San Marcos Foundation	FY 23-24		
	Status of Recommendations	Accessible Technology Initiative	FY 22-23	6	<div style="width: 100%; background-color: blue; text-align: center; color: white;">3</div> <div style="width: 100%; background-color: green; text-align: center; color: white;">3</div>
		Counseling and Psychological Services	FY 23-24	2	<div style="width: 100%; background-color: green; text-align: center; color: white;">2</div>
Sonoma	Status of Recommendations	Business Continuity and IT Disaster Recovery	FY 23-24	10	<div style="width: 100%; background-color: blue; text-align: center; color: white;">5</div> <div style="width: 100%; background-color: green; text-align: center; color: white;">5</div>
		Construction Management	FY 23-24	3	<div style="width: 100%; background-color: blue; text-align: center; color: white;">3</div>
Stanislaus	Audits Currently in Progress	Professional and Continuing Education	FY 23-24		
	Status of Recommendations	Information Security	FY 23-24	15	<div style="width: 100%; background-color: blue; text-align: center; color: white;">8</div> <div style="width: 100%; background-color: green; text-align: center; color: white;">7</div>

\*Status  
 Closed (green) - Recommendations have been satisfactorily implemented  
 Open (blue) - Implementation of recommendations is in progress and within the agreed upon timeframe  
 Exceeds Agreed Upon Timeframe (red) - Recommendations have not been implemented within the agreed upon timeframe

## **COMMITTEE ON AUDIT**

### **Fiscal Year 2024-2025 Audit Plan**

#### **Presentation By**

Vlad Marinescu  
Vice Chancellor and Chief Audit Officer  
Audit and Advisory Services

#### **Summary**

The Education Code provides for the establishment of an internal auditing function reporting directly to the Trustees of the California State University. Audit and Advisory Services assists university management and the Trustees in the effective discharge of their fiduciary and administrative responsibilities by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. Additionally, Audit and Advisory Services serves the university in a manner that is consistent with the standards set forth by the Institute of Internal Auditors.

In accordance with the audit committee charter, each year Audit and Advisory Services presents its audit plan to the Board of Trustees' Committee on Audit for review and approval.

Attachment A includes the audit plan for fiscal year 2024-2025.

The following resolution is recommended for approval:

**RESOLVED**, By the Committee on Audit of the California State University Board of Trustees that the Fiscal Year 2024-2025 Audit Plan, as detailed in Agenda Item 3 of the Committee on Audit at the May 19-22, 2024, meeting, be approved.



# Audit Plan 2024-2025

Item 3  
Committee on Audit  
May 19-22, 2024





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# Executive Summary

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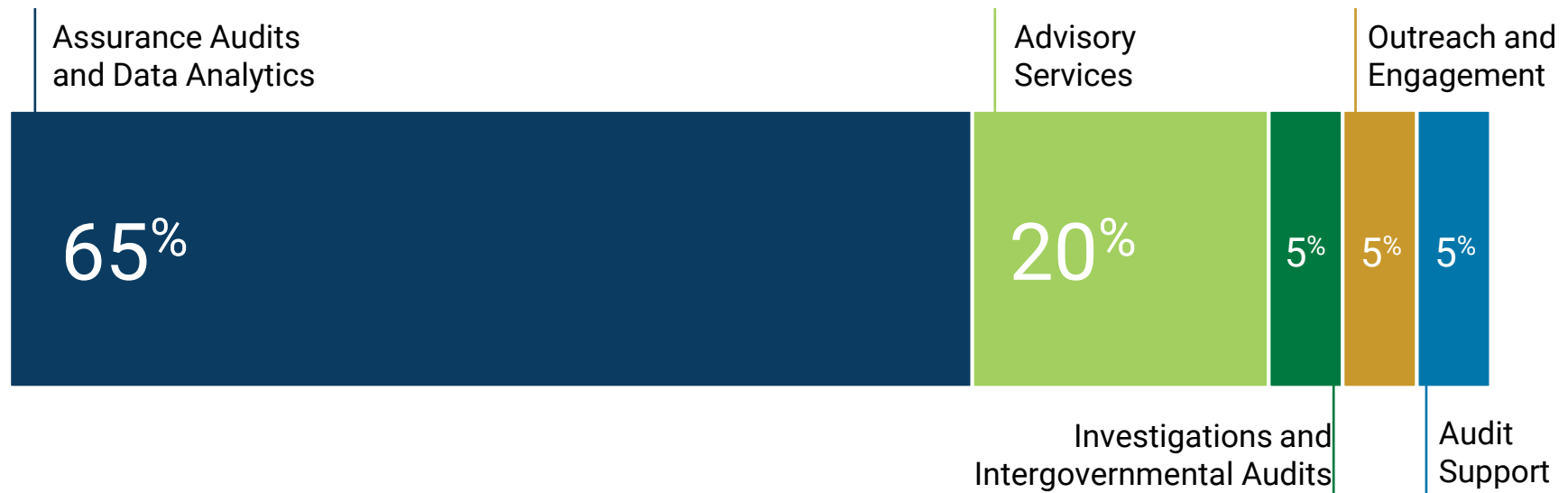
In accordance with the audit committee charter, Audit and Advisory Services has completed its annual risk assessment and developed the audit plan for fiscal year 2024-25.

## PLAN OBJECTIVES

- Provide assurance that risks are being mitigated and the CSU is operating effectively and efficiently
- Assist trustees and management in fulfilling their oversight responsibilities
- Enhance awareness and understanding of risks and controls
- Promote appropriate ethics and values
- Add value to university and systemwide operations and foster continuous improvement

# Audit Plan Resource Allocation

The following chart illustrates how Audit and Advisory Services staff resources are allocated across the five major areas of the 2024-25 audit plan. The resource allocation is based on estimated workload assumptions and is fluid in nature. Resources are allocated as necessary based on opportunities to address risk and add value through collaboration with university and systemwide management and in response to the changing risk landscape.



# Assurance Audits

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Assurance audits are independent, objective reviews designed to evaluate the organization's internal controls, evaluate the efficiency and effectiveness of operations, and assess compliance with relevant requirements and regulations.

## SYSTEMWIDE REVIEW

Audit and Advisory Services conducts a comprehensive systemwide risk assessment which considers approximately 120 topics based on both qualitative and quantitative factors. This assessment includes input from meetings with systemwide executive management, consideration and review of CSU strategic initiatives, and current trends and topics in higher education. The purpose of this review is to identify the top 20 topics that will be further discussed at the university level.

## UNIVERSITY REVIEW

After the systemwide review is completed, the top 20 topics are incorporated with university-specific topics to create an individualized university risk assessment. This assessment at the individual university level involves interviews and surveys with university leadership, review of university strategic plans and initiatives, and prior internal and external audit history, among other factors.

A separate auxiliary organization assessment is also conducted to review the 89 recognized 501(c)3 auxiliary organizations. Collaboration with university partners is an important component of the process to ensure that the risk assessment yields the most relevant, accurate, and impactful results.

# Assurance Audits

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## AUDIT PLAN

A customized individual audit plan is developed for each of the 23 universities and the chancellor's office, and is incorporated into the systemwide audit plan that is presented to the audit committee in the May Board of Trustees meeting. This plan includes consideration of both university-based and systemwide themes and risks and addresses core support areas, higher-education specific topics, and CSU auxiliary organizations. Throughout the year, the audit plan is continuously reassessed, and adjustments are made as needed.

The audit process does not end with the issuance of the audit report. We also dedicate time in our audit plan to work with university management to ensure that corrective action is completed timely. Each year we typically review follow-up documentation submitted to our office on approximately 250 recommendations from completed audits. We also include follow-up reviews for selected prior-year audits in our audit plan to ensure that implemented corrective actions continue to operate effectively.

Appendix A includes a brief description of the scope for each assurance audit topic planned for 2024-25.



# Assurance Audit Plan

<b>Core Support</b>	<u>Administration and Compliance</u> <ul style="list-style-type: none"><li>• Americans with Disabilities Act</li><li>• Campus Safety</li><li>• Human Resources</li><li>• Police Services</li><li>• Title IX</li><li>• Youth Programs</li></ul>	<u>Business and Finance</u> <ul style="list-style-type: none"><li>• Budget Process</li><li>• Construction</li><li>• Executive Travel and Hospitality</li><li>• Supplier Administration and Payments</li></ul>	<u>Information Technology</u> <ul style="list-style-type: none"><li>• Cloud Computing</li><li>• Information Security</li><li>• Logical Access and Security</li><li>• Sensitive Data Management</li></ul>
<b>Higher Education Specific</b>	<u>Academic Administration</u> <ul style="list-style-type: none"><li>• Academic Human Resources</li><li>• Faculty Assigned Time and Additional Employment</li><li>• Multi-Campus Centers, Institutes and Affinity Groups</li></ul>	<u>Student Activities and Services</u> <ul style="list-style-type: none"><li>• Admissions</li><li>• Counseling and Psychological Services</li><li>• Housing</li></ul>	<u>University Advancement</u> <ul style="list-style-type: none"><li>• Related audits performed in Philanthropic Foundation auxiliary reviews</li></ul>
<b>CSU Auxiliary Organizations</b>	<u>Auxiliary Organizations</u> <ul style="list-style-type: none"><li>• Associated Students</li><li>• Commercial Services</li><li>• Philanthropic Foundations</li><li>• Research Foundations</li><li>• Site Authority</li></ul>		

# Data Analytics

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## ASSURANCE AUDIT SUPPORT

Audit and Advisory Services' data analytics function works to strategically enhance assurance audits by improving the evaluation of risks and internal controls. Data analytics has been integrated into the audit planning process to identify trends or anomalies, select more relevant samples for review, and provide an analysis on the entire population of data when applicable.



## CONTINUOUS MONITORING OF ANALYTICS RESULTS

The continuous monitoring phase of the project development cycle has been achieved for four data analytics areas: Concur travel, credit cards, payroll and risk indicators. Automated analytics test results in these areas are periodically reviewed at determined intervals, and we perform follow-up with university management on possible anomalies or policy exceptions. The results of this follow-up, as well as any significant trends or patterns identified by our analyses are shared with university management to proactively raise awareness of noted risks or issues.



## DATA ANALYTICS PROJECTS

The data analytics team performs projects that are intended to supplement the assurance audit plan. The ultimate goal for each of our data analytics projects is to enable on-going continuous monitoring that allows us to reallocate valuable assurance resources to other areas. We are continually exploring additional areas/topics to determine whether it is viable and effective to implement data analytics processes.



## DATABASE AND DASHBOARD MANAGEMENT

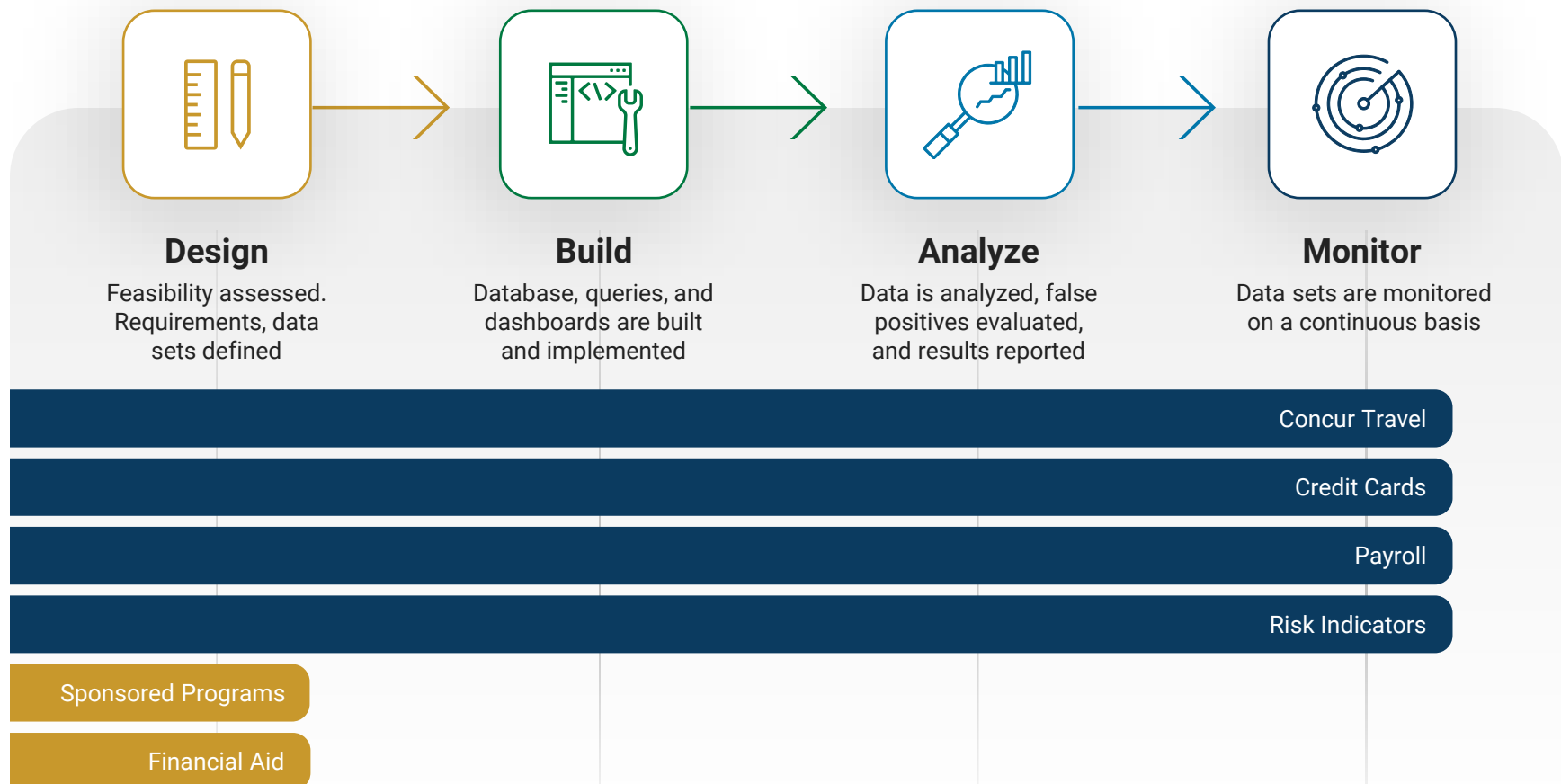
Effective data management is an important component of a successful data analytics program. The data analytics team has partnered with the Chancellor's Office Business Intelligence and Data Operations team to consolidate data from various university data sources into a single database. Once consolidated, the data analytics team ensures data completeness by performing validations of the data and creates other transactional tables to be used in the data analytics process. In addition, the data analytics team creates and maintains various dashboards for use in the data analytics program. The development and maintenance of the data analytics infrastructure is a critical and time-intensive component of the Audit and Advisory Services data analytics program.



# Data Analytics

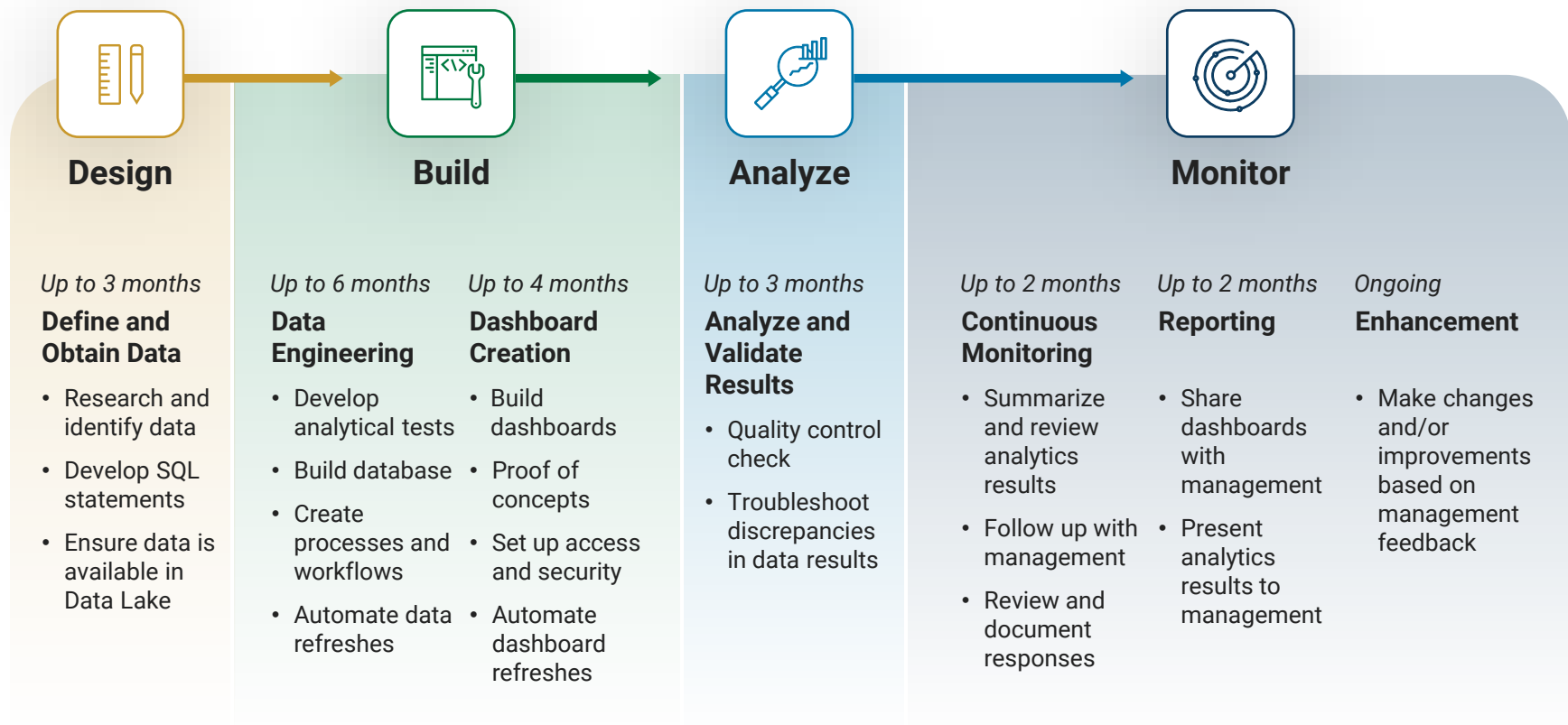
This chart illustrates the 2024-25 data analytics projects and their respective phases.

A summary of each of these data analytics projects can be found in Appendix B.



# Data Analytics Process

The data analytics process is complex and involves four distinct phases: Design, Build, Analyze, and Monitor.



# Advisory Services

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Advisory reviews are performed at the request of university or systemwide management and are not driven by the audit risk assessment process. These collaborative projects are an important component of the internal audit function, as they are an effective way to assist management in improving operations and processes, mitigating risk, and strengthening CSU internal controls.

## TYPES OF ADVISORY SERVICES



### **BUSINESS PROCESS ASSESSMENTS**

These reviews assist university management with assessing current or proposed business processes, addressing internal controls, governance, risk management, compliance, or other areas of interest and concern.



### **POLICY ADVISEMENT**

These reviews are limited scope engagements to assist the university in assessing its compliance with current or newly issued policies, regulations and/or systemwide directives



### **TRANSITION REVIEWS**

Leadership transitions are a significant milestone for an organization. Advisory transition reviews assist incoming leadership in the onboarding process by performing an operational review of key administrative processes.



### **PRIOR AUDIT TOPICS**

Prior audit topic reviews assess controls and processes for topics that are closely aligned with the assurance audit plan but may not have taken precedence for the university during the annual risk assessment process and tend to be more operational in nature. Alternatively, if the university has received an audit, a follow-up advisory review can be requested to validate the implementation of the university's corrective action plan.

# Investigations and Intergovernmental Audits

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## INVESTIGATIONS

The investigations unit is responsible for conducting investigations and providing support for university-conducted investigations. The investigations unit is also responsible for managing processes and information related to the university reporting of fiscal improprieties.

Because the need for investigations fluctuates depending on when issues and allegations arise, investigations resources may also be deployed to perform audit, advisory and outreach work targeted toward fraud risk and prevention.



## INTERGOVERNMENTAL AUDITS

The investigations unit assists with tracking external audits being conducted by state and federal agencies, provides assistance to universities undergoing such audits, and, when appropriate, acts as a liaison for the California State University system throughout the audit process.

For audits conducted by the California State Auditor (CSA), the investigations unit facilitates inter-departmental workgroups at the Chancellor's Office to ensure that the appropriate subject matter experts are involved, and audit requests are thoroughly addressed.

# Outreach & Engagement and Audit Support

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## **OUTREACH AND ENGAGEMENT**

Audit and Advisory Services partners with university and system stakeholders beyond what would be the usual course of business for an audit or advisory review in order to find opportunities to add value to the organization.

This includes activities such as participating in and leading affinity groups, providing support to university and chancellor's office management, sharing information and common themes across universities, and acknowledging feedback and insights provided by management.



## **AUDIT SUPPORT**

Audit support includes the day-to-day administration of Audit and Advisory Services, such as scheduling; personnel administration; maintenance of department standards and protocols; administration of the department's electronic workpaper system; and department quality assurance and improvement.

# Appendix A – Assurance Audit Topics

## ADMINISTRATION AND COMPLIANCE

### Americans with Disabilities Act

Americans with Disabilities Act (ADA) includes compliance with federal, state and local rules and regulations which relate to the Americans with Disabilities Act of 1990 and Sections 504 and 508 of the Rehabilitation Act of 1973.

Proposed scope may include, but is not limited to, review of processes to compile information and verify disabilities, provision of reasonable access to accommodations for students and employees, grievance procedures, protection of disability information from unauthorized disclosure, fiscal accountability, and processes to review and prioritize the removal of physical barriers to access.

### Campus Safety

California Senate Bill 553 requires employers to establish, implement, and maintain an effective workplace violence prevention plan beginning on July, 1, 2024. In addition, establishing multidisciplinary threat assessment teams and utilizing threat assessment tools have become best practices for institutes of higher education to help prevent violence on campuses for the safety of faculty, staff, students, and visitors.

Proposed scope may include, but is not limited to, review of plans for reporting, identifying, evaluating, and responding to potential or actual workplace violence emergencies, as well as other plans and procedures used to help prevent violence on campus.

### Human Resources

Human resources has oversight over processes designed to recruit, develop, and retain the over 63,000 employees in the CSU workforce.

Proposed scope may include, but is not limited to, recruiting and selection practices, training and development programs, and employee appraisals and performance evaluations.

### Police Services

Each university operates a police department, whose peace officers are sworn and certified by the California Commission on Peace Officer Standards and Training.

Proposed scope may include, but is not limited to, review of certification and training records, cost recovery for services and events, overtime approvals, and proper recordkeeping and safeguarding of weapons, equipment and ammunition.

### Title IX

Two reports related to Title IX processes at the CSU were issued in mid-2023, one by the California State Auditor, and the other a result of a CSU Board of Trustees-initiated review by Cozen O'Connor. The CSU is currently in the process of implementing the recommendations from these reports.

Proposed scope may include, but is not limited to, reviewing Chancellor's Office (CO) and university Title IX implementation plans, as well as the CO process to perform Title IX compliance reviews at the 23 universities.

## Appendix A – Assurance Audit Topics

### BUSINESS AND FINANCE

#### **Budget Process**

Budgeting is an essential component of financial planning. Accurate and reliable budgets ensure resource availability and allow organizations to accurately set goals, prioritize projects, and plan for future expenses.

Proposed scope may include, but is not limited to, review of budget policies and procedures, budget formation, monitoring practices, and actions taken to resolve discrepancies between budgeted and actual revenues and expenditures.

#### **Construction**

Major construction projects such as academic buildings, student housing, and university unions are completed every year.

Proposed scope may include, but is not limited to, review of permitting and approvals, the bid and award process, project accounting and reporting practices, and the project closeout process.

#### **Executive Travel and Hospitality**

Travel and hospitality expenses may be incurred if they are ordinary, reasonable, appropriate, and necessary to conduct official university business, and serve a purpose consistent with the mission and fiduciary responsibilities of the university.

Proposed scope may include, but is not limited to, review of travel and hospitality expenses reimbursed to, or paid on behalf of, selected executive officers and key management personnel.

#### **Supplier Administration and Payments**

The central repository of supplier information, the supplier master file (SMF), is a critical feature in the defense against fraud and erroneous payments.

Proposed scope may include, but is not limited to, processes for creating and modifying supplier records, maintenance and review of the SMF, appropriate segregation of duties, payment approval processes, and bank reconciliations.

## Appendix A – Assurance Audit Topics

### INFORMATION TECHNOLOGY

#### Cloud Computing

The CSU has adopted various strategies to migrate from traditional on-premise data centers to hybrid cloud models.

Proposed scope may include, but is not limited to, a review of university governance practices, operations of infrastructure as a service and platform as a service cloud models, and a review of the university cloud architecture as it relates to industry best practices.

#### Information Security

The CSU is responsible for protecting the confidentiality, integrity, and availability of CSU information assets. It is the collective responsibility of all users to safeguard information that the CSU must protect from unauthorized access; ensure the integrity and availability of information stored on or processed by CSU information systems; and ensure compliance with applicable laws, regulations, and CSU policies governing information security and privacy protection.

Proposed scope may include, but is not limited to, information security governance, asset management, access control, cryptography, operations security, incident management and compliance.

#### Logical Access And Security

Logical access is the process of assigning access to the various systems, designing system login authentication, and assigning segregation of duties that restrict access to certain data fields and business functions.

Proposed scope may include, but is not limited to, review of controls for granting and removal of access privileges, access to operating systems and database systems for the sampled applications, logical security measures for related data repositories, review of roles with administrative or sensitive data access, and management review of access privileges.

#### Sensitive Data Management

Sensitive data management is a specific subset of the systemwide information security policy that addresses the lifecycle of data including the ownership, classification, handling, storage and disposal of sensitive data.

Proposed scope may include, but is not limited to, a review of processes to periodically inventory university sensitive data, practices for ensuring the confidentiality and integrity of sensitive data stored on university systems, and compliance with the associated regulatory requirements.



## Appendix A – Assurance Audit Topics

### ACADEMIC ADMINISTRATION

#### Academic Human Resources

Academic Human Resources includes activities involved in recruiting, hiring, evaluation, and retention of the academic workforce.

Proposed scope may include, but is not limited to, review of faculty recruitment and appointment, evaluation of employees as required per collective bargaining agreements, administration of family medical leave and other employee programs, and identification and tracking of additional and outside employment activities.

#### Faculty Assigned Time and Additional Employment

The primary professional responsibilities of instructional faculty members are teaching, research, scholarship, creative activity, and service to the university, profession and the community. Substantially all elements of faculty employment and workload are addressed in the Unit 3 Collective Bargaining Agreement.

Proposed scope may include, but is not limited to, administration of the assignment, monitoring, and reporting of faculty workload and leave time, including procedures to review, approve and monitor requests for faculty assigned time, sabbatical leaves, and additional employment positions; and controls to ensure the accuracy of data reported in the systemwide academic personnel database.

#### Multi-Campus Centers, Institutes and Affinity Groups

Multi-campus centers, institutes, and affinity groups are interdisciplinary or collaborative units that are approved by the chancellor or designee to operate within the CSU and use the CSU name.

Proposed scope may include, but is not limited to, oversight and governance structures, appointment of personnel, fiscal administration and controls, and required reporting.

## Appendix A – Assurance Audit Topics

### STUDENT ACTIVITIES AND SERVICES

#### Admissions

The admissions office evaluates student applications based on a number of qualitative and quantitative factors and communicates admissions decisions to prospective students.

Proposed scope may include, but is not limited to, review of the evaluation of admissions applications, including use of supplemental admissions criteria for impacted programs, redirection of eligible applicants, transfer students, special admits, residency determinations, application fee processing and granting of fee waivers, and security of applicant data.

#### Counseling and Psychological Services (CAPS)

The CSU offers CAPS to matriculated CSU students to support student learning, well-being, and overall academic success.

Proposed scope may include, but is not limited to, provision of mental health services to students, medical records management, establishment and management of student mental health service fees, and management of third-party vendors and providers.

#### Housing

Each university provides on-campus housing options for students that provide living accommodations while complementing the academic programs of the institution. Housing often sponsors social events, discussion sessions, and other meetings and activities that build a sense of community, health and wellness. Housing administration also includes strategic planning, fiscal responsibility, and facilities maintenance.

Proposed scope may include, but is not limited to, housing agreements, resident placement, financial administration, processes to hire and train residential coordinators and advisors, residence hall programs and activities, facility maintenance, and safety procedures.

## Appendix A – Assurance Audit Topics

### CSU AUXILIARY ORGANIZATIONS & COMPONENT UNITS

Auxiliary organizations are non-profit organizations and separate legal entities that are authorized to provide supplemental services and support to the universities of the CSU.

#### **Associated Students (AS)**

Associated Students auxiliaries are student-run entities that include the student government and provide student-focused programs and activities.

Proposed scope may include, but is not limited to, review of auxiliary governance, student body programs run by AS such as social, cultural, educational, and entertainment opportunities, and fiscal administration.

#### **Commercial Services**

The extent of commercial services operated by auxiliaries varies by organization, and may include bookstores, dining operations, catering and event services or property management.

Proposed scope may include, but is not limited to, review of auxiliary governance, administration of commercial operations, other auxiliary functions and programs, and fiscal administration.

#### **Philanthropic Foundations**

Philanthropic foundations are auxiliary organizations that are primarily responsible for the acceptance and management of philanthropic gifts designated for the university.

Proposed scope may include, but is not limited to, review of auxiliary governance, gift and donation processing, fund-raising event administration, investment management practices, and fiscal administration.

#### **Research Foundations**

Research foundations are auxiliary organizations that are responsible for the post-award administration of grants and contracts funded by external sources.

Proposed scope may include, but is not limited to, review of auxiliary governance, roles and responsibilities for sponsored programs administration, fiscal administration of program costs, conflict-of-interest reporting, subrecipient management and monitoring, effort reporting certifications, and project close-out processes.

## Appendix A – Assurance Audit Topics

### CSU AUXILIARY ORGANIZATIONS & COMPONENT UNITS

While most of the discretely presented component units in the CSU financial statements are auxiliary organizations, there are a few other component units with various responsibilities that we consider during our risk assessment process.

#### Site Authority

The Channel Islands Site Authority is a special authority composed of representatives of the CSU and local government created for the purpose of a specific reuse plan of the property previously known as the Camarillo State Hospital to support the mission of California State University, Channel Islands.

Proposed scope may include, but is not limited to, review of organizational governance, budgeting and reserves, fiscal and contract administration, and other program operations.



# Appendix B – Data Analytics Topics

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## MONITOR PHASE

### CREDIT CARDS

All 23 universities and the chancellor’s office participate in the US Bank credit card program under a systemwide contract. There are four primary types of cards: procurement, travel, one card and instant card. Credit card analytics are currently limited to accounts participating under the university contract (auxiliary organizations with separate US Bank or other bank accounts are not included).

Key data analytics areas that we plan to review include, but are not limited to:

Spending trends, account limits, credit exposure, possible split transactions, unusual transactions, and open accounts for separated employees.

## MONITOR PHASE

### CONCUR TRAVEL

Sixteen of the 23 universities and the chancellor’s office use Concur, a web-based tool that fully integrates travel requests, reservations, and expense data into one automated system. Our analytics will review transactions processed by the chancellor’s office and the 11 universities using the systemwide single instance of Concur for travel expense reporting in 2024-25.

Key data analytics areas that we plan to review include, but are not limited to:

Airline and hotel expenses over established thresholds, timely submission and approval of expense reports, and possible duplicate transactions.



## Appendix B – Data Analytics Topics

### MONITOR PHASE

#### PAYROLL

The payroll function is responsible for processing and reconciling payroll data to ensure the accuracy of employee payments. Payroll analytics are performed using reports obtained from the State Controller’s Office Personnel/Payroll Information Management System (PIMS) and the PeopleSoft Human Resources system.

Key data analytics areas that we plan to review include, but are not limited to:

Duplicate payments, overtime hours, and employees paid after separation dates.

### MONITOR PHASE

#### RISK INDICATORS

Risk indicator dashboards have been created to assist with the identification and assessment of key risk metrics at our universities. There are ten risk metrics in the areas of finance, student affairs, human resources, and risk management and these metrics provide a way to quantify and measure risks in key areas to further strengthen our risk assessment planning process.

Key data analytics areas that we plan to review include, but are not limited to:

Budget and revenue comparison among universities and trends over the years, faculty and management turnover, training compliance, and insurance claims.



## Appendix B – Data Analytics Topics

### DESIGN PHASE

#### FINANCIAL AID

Financial aid programs provide support for students to help meet the costs of obtaining a college education.

Key data analytics areas may include, but are not limited to:

Student eligibility, athletics awards, scholarship disbursements, and financial aid payments.

### DESIGN PHASE

#### SPONSORED PROGRAMS

Sponsored programs include all work performed under grants or contracts funded by external sources, such as federal agencies, state agencies, and non-profit organizations.

Key data analytics areas may include, but are not limited to:

Training compliance, additional employment, cost sharing, and project close-out.

# **CSU** The California State University

23 UNIVERSITIES					
					
					
					



## **COMMITTEE ON AUDIT**

### **Audited Financial Statements and Single Audit Report**

#### **Presentation By**

Steve Relyea  
Executive Vice Chancellor and  
Chief Financial Officer

Tracey L. Richardson  
Assistant Vice Chancellor/Controller  
Financial Services

Chris Ray  
Partner, Audit  
KPMG

#### **Summary**

Systemwide financial statement audits are performed annually for the California State University (CSU) and for its discretely presented component units (i.e., auxiliary organizations), which separately issue stand-alone audited financial statements. The audited CSU systemwide financial statements for fiscal year ended June 30, 2023, included as Attachment A to this item, were issued with an unmodified opinion on March 27, 2024.

The CSU single audit report of federal funds was also issued on March 27, 2024, and is included as Attachment B to this item. The single audit report covers CSU's federal awards expenditures, including aid from the Higher Education Emergency Relief Fund (HEERF I, II, and III) and student financial aid, subject to both compliance and internal control audit procedures as required by the Office of Management and Budget Compliance Supplement and the Uniform Guidance. The single audit report included findings related to (1) internal controls and an instance of noncompliance over timely and accurate reporting on the HEERF grant, (2) internal controls over enrollment reporting for federal financial aid program at one campus. Corrective actions regarding the findings are in progress.





SAN FRANCISCO STATE UNIVERSITY



CALIFORNIA STATE UNIVERSITY, CHICO



SONOMA STATE UNIVERSITY



CALIFORNIA STATE UNIVERSITY, STANISLAUS



CALIFORNIA STATE UNIVERSITY, BAKERSFIELD



CALIFORNIA STATE UNIVERSITY, EAST BAY



CALIFORNIA STATE UNIVERSITY, NORTHRIDGE



CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA



CALIFORNIA STATE UNIVERSITY, LONG BEACH



CALIFORNIA STATE UNIVERSITY SAN MARCOS



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# LETTER FROM THE EXECUTIVE VICE CHANCELLOR, CHIEF FINANCIAL OFFICER

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## LETTER FROM THE EXECUTIVE VICE CHANCELLOR, CHIEF FINANCIAL OFFICER



When the California State University announced the appointment of Dr. Mildred García as its 11<sup>th</sup> chancellor, Governor Gavin Newsom called the appointment “a boon for California’s future” that would help ensure that the CSU remains “the nation’s strongest incubator of upward mobility – the nucleus of the California Dream.”

A first-generation student who has lived the challenges experienced by so many of the CSU’s students, Chancellor García’s life was transformed through the power of higher education. She has dedicated her career to bringing that same transformative power to future generations of students, elevating lives, families and communities while driving social and economic prosperity. No university system does this better than, or at the scale of, the CSU.

The CSU is the nation’s largest, most ethnically and economically diverse, and most consequential four-year public university – as well as its greatest escalator to opportunity. Nowhere is this more evident than in CollegeNET’s 2023 Social Mobility Index (SMI), where the CSU dominates the rankings. In fact, Cal State universities claimed the top spot, five of the top 10 positions and 12 of the top 25. The SMI is the leading measure of approximately 1,500 universities’ impact in providing opportunities for students from all backgrounds and walks of life to graduate into well-paying jobs.

The financial benefit of a Cal State degree is clear. According to Georgetown’s Center on Education and the Workforce, a college degree has an average lifetime value of \$2.8 million dollars.

But beyond economic gain, a CSU degree provides often overlooked societal benefits. College graduates are more engaged with their communities. Degree holders volunteer more; vote more; are more likely to assume leadership roles in educational, religious or community organizations; donate more to charity; pay more in taxes; and rely significantly less on public services.

Indeed, a CSU education is a public good every bit as much as it is a private one. And it is a great value, with one of the most affordable tuition rates in the country. Sixty percent of the CSU’s students have the full cost of tuition covered by grants and financial aid, and more than half graduate with zero debt.

California’s educated workforce drives what is projected to soon become the world’s fourth-largest economy, and it is the business community’s greatest competitive advantage. The CSU fuels that workforce at an unmatched scale and with a vibrant and dynamic diversity. For example, almost 7,000 of Apple’s global employees are CSU graduates; 6,500 work at Disney; more than 6,000 work at Northrop Grumman; and Oracle, Intel and Cisco each employ more than 2,500 CSU graduates. The university system confers approximately 130,000 degrees annually and produces about half of California’s bachelor’s degrees. In fact, one out of every 10 California employees is a Cal State graduate.

Every Cal State campus partners with its local business community to help address regional challenges and economic needs. On a broader scale, Cal State universities collaborate with one another and with businesses, non-profits and governmental organizations in specialized institutes and affinity groups to develop solutions to some of the state’s most pressing challenges. This includes the areas of wildfire control, water resource management, sustainable agriculture, biotechnology, STEM education, marine and coastal resource management, palliative care, and the social sciences, to name a few.

While Chancellor García’s inspired, visionary and compassionate leadership ushers in an exciting new era for the California State University, the university system’s student-focused mission remains unchanged: to transform lives and families, to uplift communities and to drive the state toward its brightest future.

For California,

A handwritten signature in black ink, appearing to read "Steve Relyea". The signature is stylized and fluid.

Steve Relyea  
Executive Vice Chancellor, CFO  
The California State University



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# INDEPENDENT AUDITORS' REPORT

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KPMG LLP  
Suite 1500  
550 South Hope Street  
Los Angeles, CA 90071-2629

## Independent Auditors' Report

The Board of Trustees  
California State University:

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the business-type activities and the aggregate discretely presented component units of the California State University (the University), an agency of the State of California, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the University, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Except for the financial statements of the California State University Institute and the California State University Risk Management Authority, we did not audit the financial statements of the other discretely presented component units listed in note 2 to the financial statements, which represent 95.58% and 92.77%, respectively, of the assets and revenues of the aggregate discretely presented component units as of June 30, 2023 and for the year then ended. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for those entities, are based solely on the reports of the other auditors.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the University, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Emphasis of Matter*

As discussed in Note 1, the financial statements of the University are intended to present the financial position, the changes in financial position, and, where applicable, cash flows of only that portion of the business-type activities, each major fund, and the aggregate discretely presented component units of the State of California that is attributable to the transactions of the University. They do not purport to, and do not, present fairly the financial position of the State of California, as of June 30, 2023, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles. Our opinions are not modified with respect to this matter.



### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### *Required Supplementary Information*

U.S. generally accepted accounting principles require that the management's discussion and analysis, schedule of University's proportionate share of the net pension liability and related ratios, schedule of employer contributions related to pension, schedule of University's total other postemployment benefits liability and related ratios, and schedule of employer contributions related to other postemployment benefits be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.





### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements. The accompanying supplementary information included in Schedules 5 and 8 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The supplementary information included in Schedules 6 and 7 is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or any form of assurance thereon.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2024 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

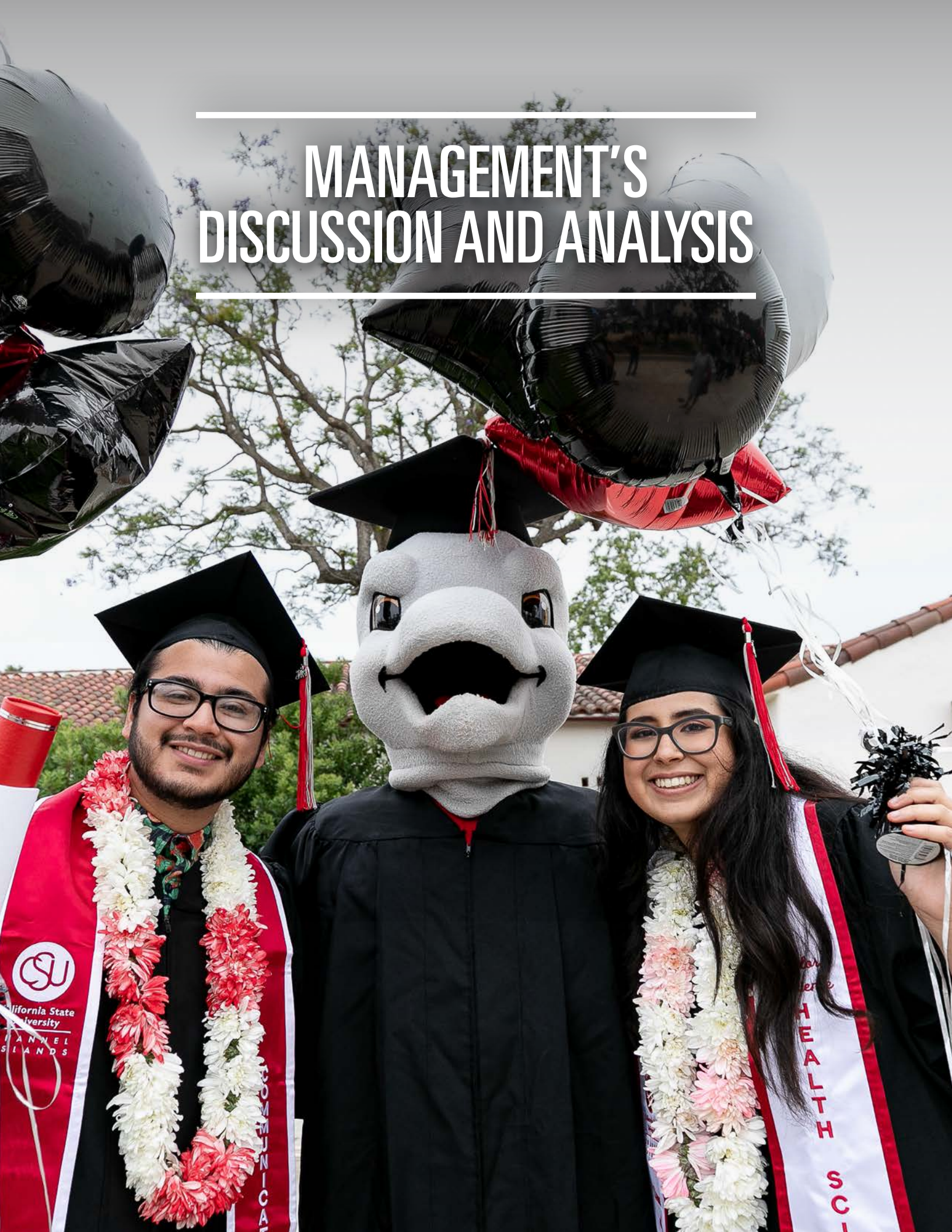
**KPMG LLP**

Los Angeles, California  
March 27, 2024

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# MANAGEMENT'S DISCUSSION AND ANALYSIS

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**CALIFORNIA STATE UNIVERSITY**  
Management's Discussion and Analysis  
June 30, 2023

The discussion and analysis below provide an overview of the financial position and performance of the California State University, including 23 campuses and the Office of the Chancellor (collectively referred to as the University), and 93 discretely presented component units as of and for the year ended June 30, 2023. The discussion has been prepared by management and should be read in conjunction with the audited financial statements and accompanying notes that follow this section. Separate financial statements for each of the discretely presented component units may be obtained from the individual campuses.

**The California State University**

The University promotes student success through high-quality education that prepares students to become leaders in the changing workforce, making the University a vital economic engine for California.

The University was established under the State of California Education Code as a public university to offer undergraduate and graduate instruction for professional and occupational goals in the liberal arts and sciences. As an agency of the State of California (the State), the University is also included in the State's financial statements. Responsibility for the University is vested in the Trustees of California State University (the Trustees) who, in turn, appoint the chancellor, who is the chief executive officer of the University, and the University presidents, who are the chief executive officers of the respective campuses.

The discretely presented component units of the University consist primarily of recognized auxiliary organizations. These not-for-profit organizations are separate legal entities created in support of the University to perform essential functions classified into the following categories:

- Student self-governance
- Student body center, union, and recreation center
- Externally supported research and sponsored programs
- Commercial services such as bookstores, food services, housing, or real estate development
- Philanthropic activities

**Impact of COVID-19 Global Pandemic**

In March 2020, the World Health Organization declared the outbreak of Coronavirus Disease (COVID-19) to be a global pandemic significantly impacting University's operations. The University faced increased costs associated with the pandemic and shift to virtual instruction. In addition, self-funded enterprise programs such as student housing, parking, dining services, and professional and continuing education suffered financially. While the University continues its efforts to respond to and mitigate the spread of COVID-19, the University resumed pre-pandemic operations in 2022.

The University received \$3.10 billion funding through the Higher Education Emergency Relief Fund (HEERF) authorized by the Coronavirus Aid, Relief, and Economic Security (CARES) Act (2020); the Coronavirus Response and Relief Supplemental Appropriations Act (2021); and the American Rescue Plan (2021). The financial support received from federal sources allowed the University to offer emergency grants to students experiencing financial hardships due to COVID-19. A portion of the funds were also available to cover costs incurred by the University associated with significant changes to the delivery of instruction following the global pandemic.

**CALIFORNIA STATE UNIVERSITY**  
Management's Discussion and Analysis  
June 30, 2023

Further, certain component units received federal Payroll Protection Program (PPP) loans administered by the U.S. Small Business Administration (SBA).

**Financial Statements**

The financial statements of the University as of and for the year ended June 30, 2023 have been prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, as amended by GASB Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*. For reporting purposes, the University is considered a special-purpose government engaged in business-type activities.

This discussion and analysis is intended to serve as an introduction to the University's basic financial statements: the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows. The financial statements are designed to provide readers with information on the financial position of the University and the financial activity and results of its operations during the year. The University's discretely presented component units are presented in a separate column to enable the reader to distinguish between the University and these separate but related not-for-profit organizations.

The University implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective for the fiscal year ended June 30, 2023. This changed the accounting and financial reporting for Subscription-Based Information Technology Arrangements (SBITA). This Statement applies to contracts that convey the right to use another party's information technology software as specified in the contract in an exchange or exchange-like transaction for a term exceeding 12 months. A right-to-use (ROU) subscription asset and a corresponding subscription liability should be recognized at the commencement of the subscription term which is when the subscription asset is placed into service. As a result of the implementation, the University applied the standard retroactively for the year ended June 30, 2022 for SBITA. See note 2 Summary of Significant Accounting Policies for more information regarding the restatement. The amounts reported for 2022 in the MD&A were not adjusted for the restatement.

Following the State's adoption of GASB Statement No. 84 *Fiduciary Activities*, the State's payroll revolving fund was reclassified as a non-fiduciary activity because it is derived solely from a government's own-source revenues. Due to this implementation, the State adopted an allocation methodology and required the University to record a portion of the payroll revolving fund originating from the University. This resulted in an increase in the beginning balance of cash and cash equivalents by \$333.14 million, increase in accounts receivable, net by \$2.49 million, and increase in accrued salaries and benefits by \$335.62 million. There was no impact to net position. The amounts reported for 2022 in the MD&A were not adjusted as a result of this implementation.

**CALIFORNIA STATE UNIVERSITY**  
Management's Discussion and Analysis  
June 30, 2023

***Statement of Net Position***

The Statement of Net Position is the University's balance sheet. It presents information on all of the University's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between these four reported as net position (equity). Assets, deferred outflows of resources, liabilities, and deferred inflows of resources are generally reported at book value, except investments, which are reported at fair value. Over time, increases or decreases in net position may serve as a useful indicator of the financial position of the University. The University's net position is classified as net investment in capital assets, restricted, or unrestricted.

Changes from one fiscal year to the next in total net position as presented on the Statement of Net Position are based on the activity presented on the Statement of Revenues, Expenses, and Changes in Net Position.

***Statement of Revenues, Expenses and Changes in Net Position***

The Statement of Revenues, Expenses, and Changes in Net Position is the University's income statement. Revenues earned and expenses incurred during the fiscal year on an accrual basis are classified as either operating or nonoperating. This distinction results in operating deficits, as the GASB Statement No. 35 reporting model requires classification of state appropriations, a significant revenue stream to fund current operations, as nonoperating revenue.

***Statement of Cash Flows***

The Statement of Cash Flows presents the changes in the University's cash and cash equivalents during the most recent fiscal year. The Statement is prepared using the direct method and breaks out the sources and uses of the University's cash and cash equivalents into four categories:

- Operating activities
- Noncapital financing activities
- Capital and related financing activities
- Investing activities

The Statement of Cash Flows provides additional information about the financial health of the University. The statement assesses the University's ability to generate future cash flows, the ability to meet obligations as they come due, and the need for external financing. The Statement of Cash Flows for the discretely presented component units is not included in the University's financial statements.

**CALIFORNIA STATE UNIVERSITY**  
Management's Discussion and Analysis  
June 30, 2023

**Financial Position**

The Statement of Net Position presents the financial position of the University and its discretely presented component units. The major components of the Statement of Net Position include assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. A condensed comparative Statement of Net Position are as follows as of June 30:

	University		Discretely presented component units	
	2023	2022	2023	2022
	(In thousands)			
<b>Assets</b>				
Current assets	\$ 6,083,603	5,146,226	2,093,429	1,809,586
Capital assets, net	12,046,134	11,743,837	1,041,436	993,911
Other noncurrent assets	3,959,149	3,666,155	3,724,903	3,568,376
Total assets	22,088,886	20,556,218	6,859,768	6,371,873
Deferred outflows of resources	5,480,742	3,312,096	76,691	46,499
<b>Liabilities</b>				
Current liabilities	2,278,404	1,705,836	617,330	504,021
Noncurrent liabilities	31,618,768	31,010,137	1,168,940	1,119,432
Total liabilities	33,897,172	32,715,973	1,786,270	1,623,453
Deferred inflows of resources	5,962,940	5,115,906	458,730	468,733
<b>Net position</b>				
Net investment in capital assets	3,572,960	3,538,920	396,572	402,479
<b>Restricted</b>				
Nonexpendable	1,595	1,641	1,830,118	1,731,240
Expendable	131,415	146,928	1,457,874	1,303,722
Unrestricted	(15,996,454)	(17,651,054)	1,006,895	888,745
Total net position	<u>\$ (12,290,484)</u>	<u>(13,963,565)</u>	<u>4,691,459</u>	<u>4,326,186</u>

Current assets include those that may be used to support current operations, and consist primarily of cash and cash equivalents, short-term investments, and accounts receivable. Other noncurrent assets are primarily composed of lease receivable, notes receivable, and other long-term investments.

Current liabilities generally are due and payable within one year and include accounts payable, accrued salaries and benefits, unearned revenues, and current portion of lease liabilities, SBITA liabilities, and long-term debt obligations. Noncurrent liabilities are primarily composed of the net pension liability, other postemployment benefits (OPEB) liability, and noncurrent portion of lease liabilities, SBITA liabilities, and long-term debt obligations.

**CALIFORNIA STATE UNIVERSITY**  
Management's Discussion and Analysis  
June 30, 2023

Deferred outflows of resources are consumption of assets that are applicable to a future reporting period, which has a positive effect on the net position. Deferred outflows of resources consist of transactions related to pension, OPEB, and loss on debt refunding.

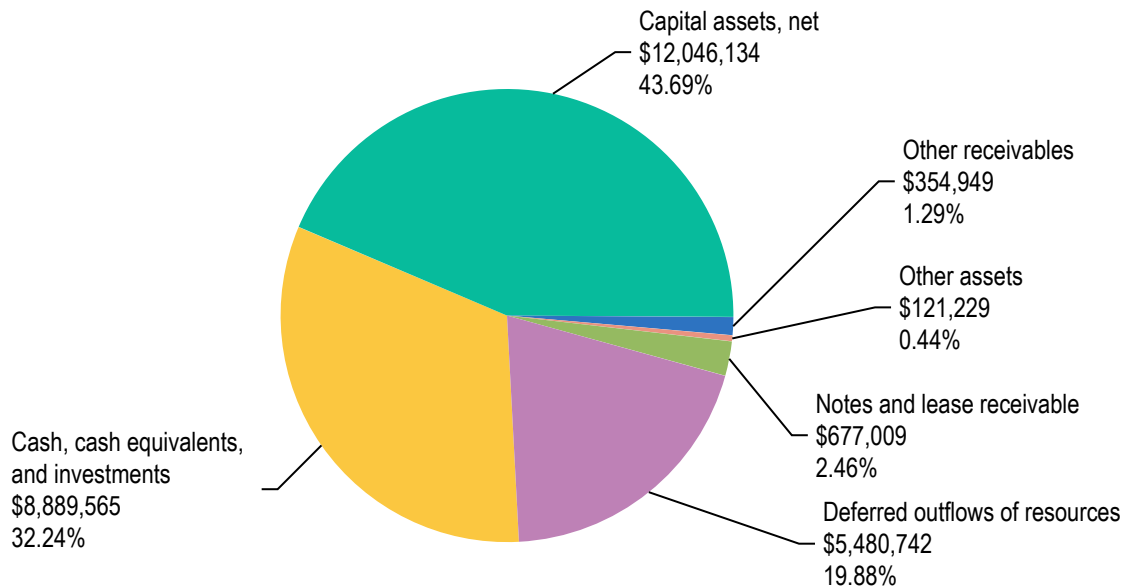
Deferred inflows of resources are acquisition of net assets that are applicable to a future reporting period, which has a decreasing effect on the net position. Deferred inflows of resources consist of transactions related to pension, OPEB, leases, gain on debt refunding, and nonexchange transactions.

**The University's Financial Position**

***Assets and Deferred Outflows of Resources***

Total assets increased to \$22.09 billion in 2023 from \$20.56 billion in 2022 . Deferred outflows of resources increased to \$5.48 billion in 2023 from \$3.31 billion in 2022.

**University's Assets and Deferred Outflows of Resources for 2023**  
(In thousands)



**CALIFORNIA STATE UNIVERSITY**  
Management's Discussion and Analysis  
June 30, 2023

*Capital Assets, Net*

The University's capital assets, net of accumulated depreciation and amortization, represent the largest portion of total assets. The University's net capital assets are as follows as of June 30:

	<u>2023</u>	<u>2022</u>
	(In thousands)	
Land and land improvements	\$ 420,158	403,563
Buildings and building improvements	8,546,666	7,745,208
Improvements other than buildings	267,775	195,634
Infrastructure	847,404	721,235
Equipment	229,264	205,797
Library books and materials	32,412	32,607
Works of art and historical treasures	59,085	58,119
Intangible assets	88,473	115,611
Construction work in progress	1,158,003	1,955,854
ROU assets	396,894	310,209
Total capital assets, net	<u>\$ 12,046,134</u>	<u>11,743,837</u>

The University continues to expand its campuses and renovate existing facilities to meet the needs of students, faculty, and staff. The capital spending includes constructing and renovating academic buildings, student union and recreation centers, and housing facilities. Major projects in 2023 included the Fresno Central Utility Plant replacement, Humboldt Craftsman Mall Student Housing, Northridge Sierra Annex Academic building, San Diego Mission Valley, San Francisco West Campus Green Housing/Health Center, San Francisco Science building replacement, and San Jose Interdisciplinary Science building.

*Cash, Cash Equivalents, and Investments*

Cash and cash equivalents of \$372.83 million in 2023 mainly consist of demand deposits held at the State Treasury, commercial banks, and petty cash.

The University invests its funds mainly in the Liquidity Portfolio (LP), the Intermediate Duration Portfolio (IDP), and the Total Return Portfolio (TRP), collectively referred herein as CSU Consolidated Investment Pool. The purpose of the Liquidity Portfolio is to provide sufficient and immediate liquidity to meet the operating needs of the University. The purpose of the IDP is to provide opportunity for modest, additional risk adjusted returns on University funds not needed for immediate liquidity. The investment objective for TRP is to achieve prudent return within a moderate risk level. In addition, funds are invested in Surplus Money Investment Fund (SMIF), which is managed and invested by the State Treasurer in a short-term pool. The proceeds from the sale of Systemwide Revenue Bonds (SRB) are held by the State and invested in SMIF, as required by state law.



**CALIFORNIA STATE UNIVERSITY**  
Management's Discussion and Analysis  
June 30, 2023

The investment balances are as follows as of June 30:

	<b>2023</b>	<b>Percentage of total</b>	<b>2022</b>	<b>Percentage of total</b>
	(In thousands)	%	(In thousands)	%
Liquidity portfolio (LP)	\$ 3,786,050	44.46	\$ 3,487,319	45.78
Intermediate duration portfolio (IDP)	1,247,580	14.65	1,251,320	16.43
Total return portfolio (TRP)	2,398,324	28.16	1,374,368	18.04
Surplus money investment fund (SMIF)	1,084,782	12.73	1,505,112	19.75
Total investments	<u>\$ 8,516,736</u>	<u>100.00</u>	<u>\$ 7,618,119</u>	<u>100.00</u>

Investments increased by \$898.62 million due to increased investments from operating funds, Learning-Aligned Employment Program, a multi-year program ending in 2031 that received full funding in 2023, and investment gains/earnings. This is offset by capital project spending and debt service payments.

*Notes and Lease Receivable*

The University utilizes discretely presented component units to support a broad range of functions. In certain cases, the discretely presented component units are involved in the financing of campus facilities as well as off-campus facilities serving the needs of the campus. These facilities are mostly financed from the SRB program using either lease or loan arrangements.

Before a change in state law in 2008, ground lease agreements between campuses and discretely presented component units facilitated the debt financing. The outstanding lease receivable from discretely presented component unit financed from the SRB program decreased to \$166.07 million in 2023 from \$179.26 million in 2022. All other lease receivable have increased to \$56.61 million in 2023 from \$55.15 million in 2022.

Subsequent to the state law change in 2008, loan arrangements are exclusively used when discretely presented component units finance facilities from the SRB program. Under the terms of the loan agreement, in return for the loan from the University, the component unit agrees to acquire, construct and/or maintain the facility and repay the loan to the University. The outstanding loan balance is carried by the University as notes receivable. Notes receivable from discretely presented component units increased to \$451.85 million in 2023 from \$431.15 million in 2022. This is due to \$38.07 million new loan agreements, reduced by collection of \$15.03 million and \$2.33 million in adjustments.

Notes receivable unrelated to the SRB program have decreased to \$2.48 million in 2023 from \$10.31 million in 2022.

*Deferred Outflows of Resources*

Deferred outflows of resources increased by \$2.17 billion in 2023. The deferred outflows related to OPEB increased \$1.05 billion due to changes in the demographic experience resulting from more members retiring, retiring earlier, and living longer than assumed, unfavorable healthcare claims experience and plan design changes where member claim costs were slightly higher than assumed. In addition, the deferred outflows of resources related to pension increased by \$1.25 billion due to the difference between projected and actual earnings on pension plan investments, and changes in assumptions of \$842.42 million. The University's OPEB and pension contributions made subsequent to measurement date increased by \$230.19 million. These are offset by the decrease in the University's proportionate share in the State's pension plan by \$244.19 million and the change in proportionate share of the beginning balance

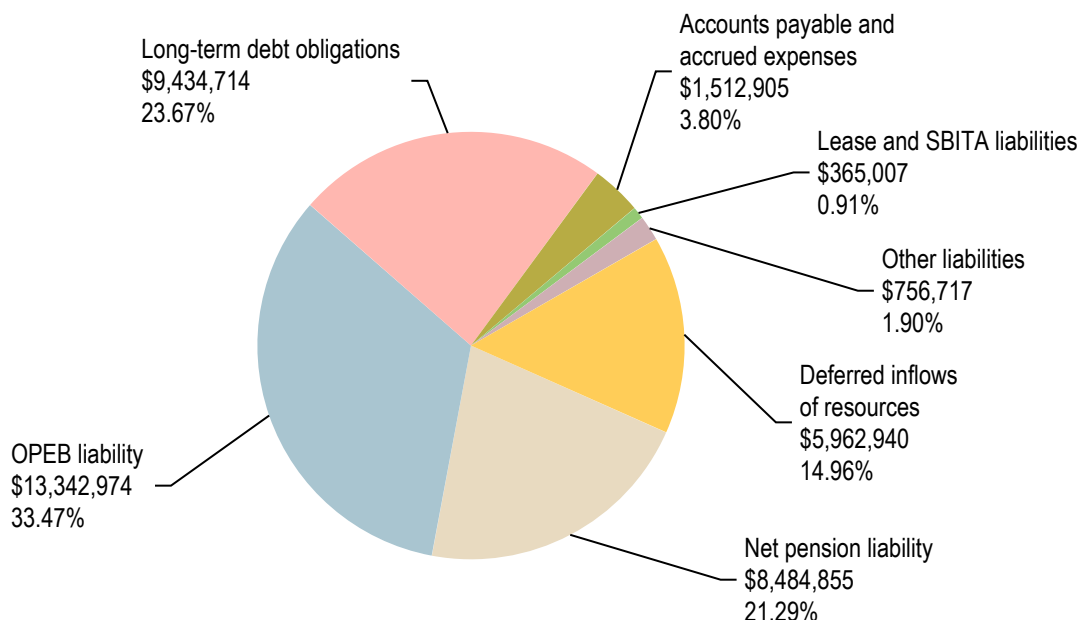
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related to pension by \$40.26 million. The amortization expense also decreased the deferred outflows of resources during the year by \$920.58 million.

**Liabilities and Deferred Inflows of Resources**

Total liabilities increased to \$33.90 billion in 2023 from \$32.72 billion in 2022. Deferred inflows of resources increased to \$5.96 billion in 2023 from \$5.12 billion in 2022.

**University's Liabilities and Deferred Inflows of Resources for 2023**  
(In thousands)



**OPEB Liability**

The State has a Retiree Health Benefits Program with California Public Employees' Retirement System (*CalPERS*) as an agent multiple-employer defined-benefit plan and CalPERS functions as the investment and administrative agent for its members. The University, as a state agency, participates in the State's Retiree Health Benefits Program. The OPEB benefits are funded on a pay-as-you-go basis as eligible participants retire and receive those benefits.

OPEB liability decreased to \$13.34 billion in 2023 from \$15.43 billion in 2022. The decrease in OPEB liability is mainly due to the higher discount rate at 3.69% compared to 1.92% from previous measurement date. Employer pay-as-you-go contributions also reduced the OPEB liability. This is offset by change in the demographic experience, plan design changes, service cost, interest, and changes in other actuarial assumptions.

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*Long-Term Debt Obligations*

The University's capital assets are financed using the State's capital appropriations, SRB, and reserves. Bond anticipation notes (BAN) provide short-term financing for capital assets during the construction period. The University's total long-term debt obligations decreased by \$215.54 million in 2023. The University's long-term debt obligations are summarized as follows as of June 30:

	<u>2023</u>	<u>2022</u>
	(In thousands)	
Systemwide revenue bonds (SRB)	\$ 8,556,625	8,760,030
Bond anticipation notes (BAN)	151,711	115,370
State public works board (SPWB) lease revenue bond	96,805	96,805
Other long-term debt obligations	79,121	96,637
	<u>8,884,262</u>	<u>9,068,842</u>
Unamortized net bond premium	550,452	581,410
Total long-term debt obligations	9,434,714	9,650,252
Less current portion	(259,325)	(232,066)
Total long-term debt obligations, net of current portion	<u>\$ 9,175,389</u>	<u>9,418,186</u>

- *Systemwide Revenue Bonds (SRB)*

The University's SRB program issues revenue bonds to finance housing, parking, health centers, student body centers, continuing education facilities, and other special projects related to the educational mission of the University. The following revenues have been pledged as a security for outstanding SRB: student tuition fees, student housing fees, student body center fees, parking fees, health center facility fees, and fees from the professional and continuing education program, as well as payments from various auxiliary organizations and special purpose government entities.

Moody's Investors Service currently provides an intrinsic rating of Aa2, with a stable outlook, for the SRB. S&P Global Ratings Services currently provides an intrinsic rating of AA-, with a stable outlook, for the SRB. All maturities in SRB Series 2007B, and 2007C are insured. Since the middle of fiscal year 2008, some providers of insurance for SRB have been downgraded to ratings below Aaa/AAA. Those bonds that are uninsured bear the intrinsic ratings of the SRB, which are Aa2 from the Moody's Investors Service and AA- from S&P Global Ratings Services.

The long-term debt obligations related to SRB decreased by \$203.41 million due to payments of outstanding debt.

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- *Bond Anticipation Notes (BAN)*

BANs are used as short-term financing to acquire and construct capital assets. The BAN payable increased by \$36.34 million from prior year's balance of \$115.37 million, due to issuance of additional BANs amounting to \$52.69 million, offset by redemption of \$16.35 million.

- *State Public Works Board (SPWB) Lease Revenue Bonds*

The long-term debt obligation related to SPWB lease revenue bond program as of June 30, 2023 is \$96.81 million. The University has participated in the SPWB program since 1986 in connection with the construction of campus facilities and related equipment. As part of the annual budget process, the State of California augments the University's operating budget to provide additional funds for the required debt service.

- *General Obligation (GO) Bonds*

The State's GO Bond program has provided capital funding for various projects of the University. The debt related to these projects is not allocated to the University by the State and is not recorded in the University's financial statements. The total GO Bonds carried by the State related to University projects decreased to \$1.72 billion in 2023 from \$1.82 billion in 2022. As a result of the enactment of Education Code Section 89770, the University's share continues to decrease as bonds are paid by the State with no new debt issued for capital facilities.

#### *Net Pension Liability*

The State's pension plans with CalPERS are agent multiple-employer defined-benefit pension plans and CalPERS functions as the investment and administrative agent for its members. The University, as a state agency, participates in the State's pension plans. The plans act as cost-sharing, multiple-employer defined-benefit pension plans for the University. The University's share in the net pension liability, which is actuarially determined, is based on its proportionate share in the total pensionable compensation of all the participating state agencies for the measurement period.

The net pension liability increased to \$8.48 billion in 2023 from \$5.62 billion in 2022. The increase is mainly due to \$1.91 billion of additional pension liability which included the impact of service costs, interest, and administrative expenses, \$1.76 billion increase due to the difference in actual earnings on pension plan investments compared to projected earnings, and \$842.42 million due to change in assumptions. The increase is offset by the combined retirement contributions of the University and its employees of \$1.39 billion, and \$253.52 million due to difference between expected and actual experience.

#### *Deferred Inflows of Resources*

Deferred inflows of resources increased by \$847.03 million to \$5.96 billion in 2023 from \$5.12 billion in 2022 due to \$3.78 billion increase related to changes in actuarial assumptions (i.e., discount rate changes to 3.69% from 1.92%, healthcare trends, participation rates, and plan election assumptions) used in determining OPEB liability. In addition, the deferred inflows related to pension increased by \$854.37 million mainly due to changes in the proportionate share in pensionable compensation and differences between expected and actual experience. Leases increased deferred inflows of resources by \$1.88 million. These were offset by the \$1.41 billion amortization during the year, decrease of

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\$2.11 billion due to the net difference between projected and actual earnings on pension plan investments, and a decrease of \$263.84 million for the proportionate share change of the beginning balance related to pension.

**Net Position**

Net position may serve over time as a useful indicator of the University's financial position. Net position represents the residual interest in the University's assets and deferred outflows of resources after all liabilities and deferred inflows of resources are deducted.

Net position by category are as follows as of June 30:

	2023	2022
	(In thousands)	
Net investment in capital assets	\$ 3,572,960	3,538,920
Restricted		
Nonexpendable	1,595	1,641
Expendable	131,415	146,928
Unrestricted	(15,996,454)	(17,651,054)
Total net position	\$ (12,290,484)	(13,963,565)

- *Net Investment in Capital Assets*

The net position category "Net investment in capital assets" represents the University's capital assets, net of accumulated depreciation and amortization, and also net of outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets and any related deferred outflows of resources. The net investment in capital assets increased to \$3.57 billion in 2023 from \$3.54 billion in 2022.

- *Restricted*

Restricted net position has constraints on its use that are either externally imposed by creditors or imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes a government to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for specific purposes. Such restrictions are primarily related to endowments, scholarships and fellowships, research, loans, capital projects, and debt service funds. The restricted net position category consists of two subcategories: "Restricted nonexpendable" and "Restricted expendable."

- i. *Restricted Nonexpendable*

The restricted nonexpendable net position is made up of the permanent endowment funds, the corpus of which may not be expendable. The University's foundations, which are discretely presented component units, hold the significant majority of the University-related endowments.

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ii. Restricted Expendable

Restricted expendable net position represents resources that are subject to external restrictions on how they may be used. Such restrictions are primarily related to scholarships and fellowships, research, loans, capital projects, and debt service funds. The restricted expendable net position decreased mainly due to debt service payments.

- *Unrestricted*

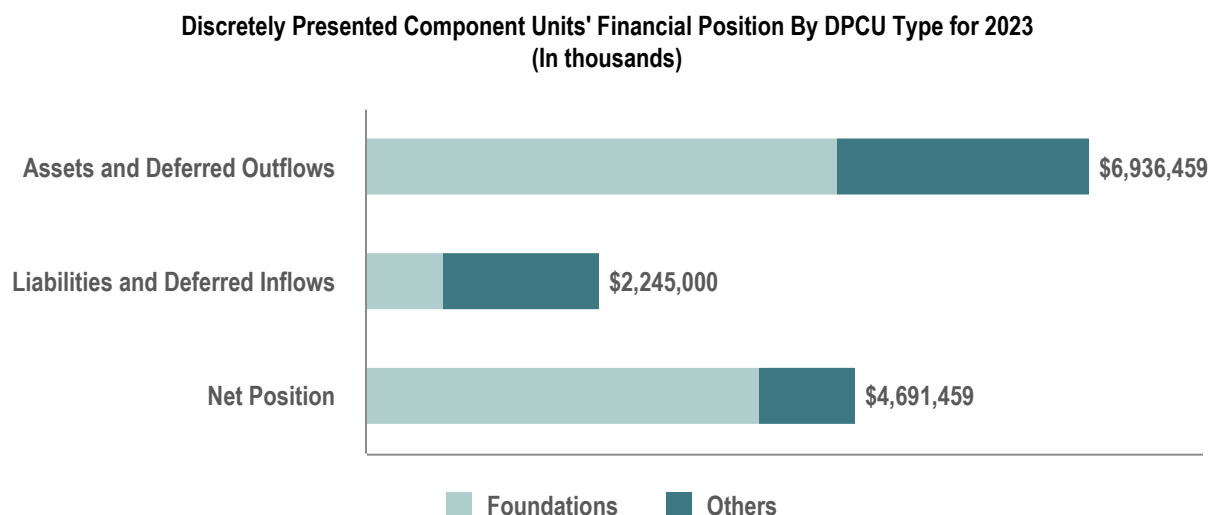
The unrestricted net position represents all other net resources available to the University for general and educational obligations. Under U.S. generally accepted accounting principles, net position that is not subject to externally imposed restrictions governing their use must be classified as unrestricted for financial reporting purposes. Although unrestricted net position is not subject to externally imposed restrictions per accounting definitions, the predominant portions of the unrestricted net position are designated by statute for specific programs or projects related to certain revenue sources. The University, an agency of the State of California, considers statutory restrictions as internally imposed restrictions rather than externally imposed restrictions.

These resources are derived from fee collections and other activities that are designated for very specific purposes and are not to be repurposed and spent on other activities. For example, students pay fees, including housing, parking, and campus activities fees, all of which are to be used for specific designated purposes as described in the State of California Education Code. The University also has certain designated resources that represent amounts pledged to support the SRB program.

On June 30, 2023, unrestricted net position reflects a deficit of \$16.00 billion due primarily to the implementation of GASB Statement No. 68 *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27* during 2015, and the implementation of GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* in 2018. These Statements require the University to record its share of the State's actuarially determined liabilities for pension and OPEB. Unrestricted net position increased \$1.65 billion in 2023. Operating losses associated with unrestricted activities and interest expense on capital-asset-related debt were offset by unrestricted investment income, state appropriations, and state financial aid grants. Despite the deficit, the University's current ratio, which measures its ability to pay-off short-term obligations, remains positive for both years at an average of 2.84.

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**Discretely Presented Component Units' Financial Position**



*Assets and Deferred Outflows*

Discretely presented component units managed \$6.86 billion and \$6.37 billion of assets, representing 23.70% and 23.66% of the University's combined total assets in 2023 and 2022, respectively. Foundations, that administer a variety of activities primarily consisting of sponsored programs and philanthropic gifts, managed \$4.48 billion or 65.35% of the total assets of all discretely presented component units in 2023.

The increase in assets of the discretely presented component units is primarily due to favorable market conditions increasing the market value of investments, increase in notes receivable for capital projects, and increase in capital assets, net and lease receivable resulting from implementation of new accounting standards.

Discretely presented component units' deferred outflows of resources increased to \$76.69 million in 2023 from \$46.50 million in 2022. Deferred outflows of resources related to pension and OPEB increased in 2023.

*Liabilities and Deferred Inflows*

Discretely presented component units have \$1.79 billion and \$1.62 billion of liabilities, representing 5.01% and 4.73% of the University's combined total liabilities in 2023 and 2022, respectively. The liabilities from commercial papers issued by CSU Institute, unearned revenues, and net pension liability increased in 2023.

Discretely presented component units' deferred inflows of resources is \$458.73 million and \$468.73 million in 2023 and 2022, respectively. Deferred inflows of resources related to pension, leases, and OPEB decreased in 2023.

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*Net Position*

Discretely presented component units' net position is \$4.69 billion and \$4.33 billion in 2023 and 2022, respectively.

The restricted net position, expendable and nonexpendable, of the discretely presented component units was \$3.29 billion and \$3.03 billion, representing 96.11% and 95.33% of the University's total combined restricted net position in 2023 and 2022, respectively.

The combined University and discretely presented component units' net position reflects a deficit of \$7.60 billion in 2023 compared to \$9.64 billion deficit in 2022.



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**Results of Operations**

The Statement of Revenues, Expenses and Changes in Net Position represents the University's and its discretely presented component units' result of operations. Major components are operating revenues, operating expenses, and nonoperating revenues (expenses). A condensed comparative presentation of the results of operations follows for the years ended June 30:

	University		Discretely presented component units	
	2023	2022	2023	2022
	(In thousands)			
Operating revenues				
Student tuition and fees, net	\$ 2,319,592	2,331,726	—	—
Grants and contracts, noncapital	82,795	73,966	729,491	634,268
Sales and services of educational activities	60,459	38,580	62,446	36,911
Sales and services of auxiliary enterprises, net	752,878	627,545	421,215	354,116
Other operating revenues	306,937	258,134	676,546	583,977
Total operating revenues	3,522,661	3,329,951	1,889,698	1,609,272
Operating expenses	10,674,769	10,594,647	2,115,869	1,852,515
Operating loss	(7,152,108)	(7,264,696)	(226,171)	(243,243)
Nonoperating revenues (expenses)				
State appropriations, noncapital	6,223,371	5,596,488	—	—
Financial aid grants, noncapital	2,311,383	1,986,733	2,552	1,845
Grants and gifts, noncapital	335,461	1,760,041	229,689	316,119
Investment income (loss), net	298,874	(334,395)	94,685	(110,523)
Endowment income (loss), net	(15)	11	180,901	(231,458)
Interest expense	(321,904)	(319,381)	(20,229)	(21,736)
Other nonoperating revenues (expenses)	(93,790)	(51,624)	23,025	32,393
Net nonoperating revenues (expenses)	8,753,380	8,637,873	510,623	(13,360)
Income (loss) before other revenues (expenses)	1,601,272	1,373,177	284,452	(256,603)
State appropriations, capital	—	138	—	—
Grants and gifts, capital	71,809	132,011	43,192	42,238
Additions to permanent endowments	—	—	46,092	73,237
Change in net position	1,673,081	1,505,326	373,736	(141,128)
Net position – beginning of year, as restated	(13,963,565)	(15,468,891)	4,317,723	4,467,314
Net position – end of year	<u>\$ (12,290,484)</u>	<u>(13,963,565)</u>	<u>4,691,459</u>	<u>4,326,186</u>

The beginning net position of the discretely presented component units of the University has been restated to reflect changes mainly due to correction of accounting errors and implementation of new accounting standards.

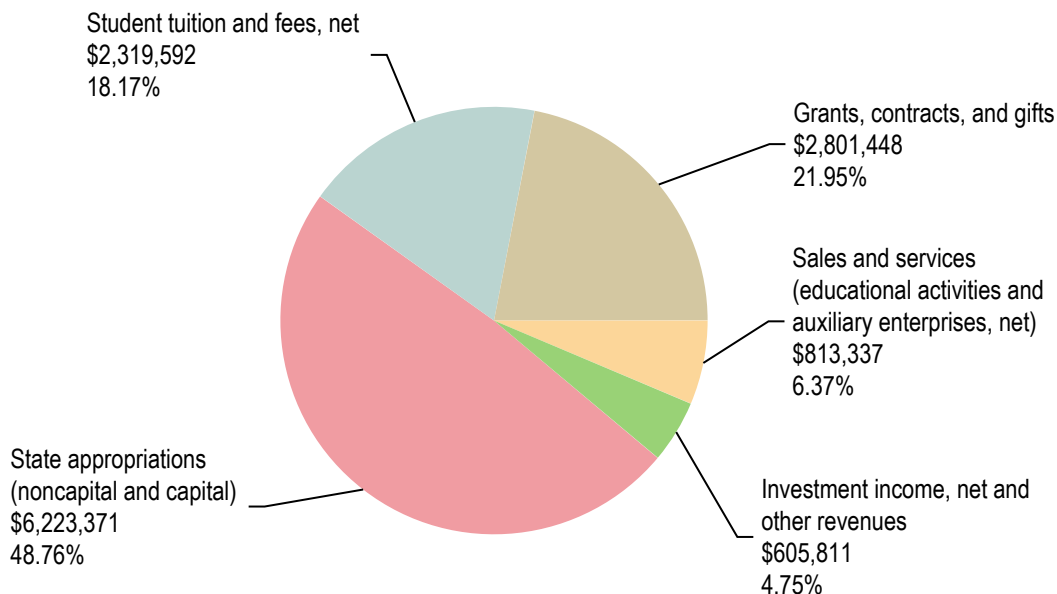
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For additional information regarding the restatement of the individual discretely presented component units, refer to their separately issued financial statements.

**Revenues (Operating and Nonoperating)**

The University's two major sources of revenues are state appropriations and student tuition and fees, net, which accounted for a combined 66.93% and 63.57% of total revenues in 2023 and 2022, respectively. State appropriations are received for both noncapital and capital purposes. Another major source of revenues are grants, contracts, and gifts which represent 21.95% of total revenues in 2023.

**University's Revenues (Operating and Nonoperating) for 2023**  
(In thousands)



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The University's total revenues consisted of the following:

	<u>2023</u>	<u>Percentage of total</u>	<u>2022</u>	<u>Percentage of total</u>
	(In thousands)	%	(In thousands)	%
State appropriations (noncapital and capital)	\$ 6,223,371	48.76	\$ 5,596,626	44.88
Student tuition and fees, net	2,319,592	18.17	2,331,726	18.70
Grants, contracts, and gifts	2,801,448	21.95	3,952,751	31.70
Sales and services (educational activities and auxiliary enterprises), net	813,337	6.37	666,125	5.34
Investment income (loss), net and other revenues	605,811	4.75	(76,250)	(0.62)
Total revenues (operating and nonoperating)	<u>\$ 12,763,559</u>	<u>100.00</u>	<u>\$ 12,470,978</u>	<u>100.00</u>

*State Appropriations (Noncapital and Capital)*

The University's state appropriations (noncapital and capital) consisted of the following:

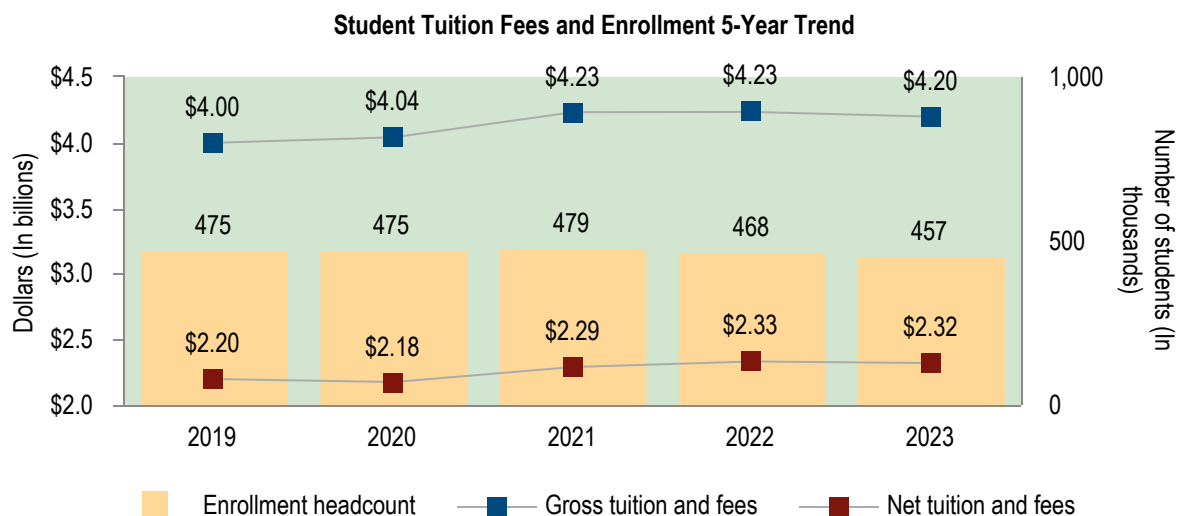
	<u>2023</u>	<u>2022</u>
	(In thousands)	
State appropriations, general fund	\$ 5,765,422	5,207,394
State's contribution on behalf of the University for OPEB	457,949	389,094
Total state appropriations, noncapital	<u>6,223,371</u>	<u>5,596,488</u>
State appropriations, capital	—	138
Total state appropriations (noncapital and capital)	<u>\$ 6,223,371</u>	<u>5,596,626</u>

State appropriations are shown as nonoperating revenues but are primarily used to fund the University's core operations. The State general fund appropriations increased by \$558.03 million in 2023 to support operating costs.

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*Student Tuition and Fees, Net*

The student tuition and fees (before scholarship allowances) amounted to \$4.20 billion in 2023. The following chart displays the five-year trend between enrollment headcount and student tuition and fees:



The gross student tuition and fees revenue reflects an increasing trend from 2019 to 2021. The peak in 2021 is primarily due to the implementation of GASB Statement No. 84, *Fiduciary Activities*, when certain fee-based student programs are now presented as the University's student tuition and fees rather than depository transactions on behalf of discretely presented component units. Following this peak, the trend on student tuition and fees remained consistent from 2021 to 2023.

The University offers eligible students fee waivers and institutional grants that are applied toward student tuition and fees, in addition to federal agencies, state agencies, and nongovernmental student financial aid grants. Collectively, these are referred to as scholarship allowance, an offset to the gross student tuition and fees. The gap between the gross and net student tuition and fees reflects growth or decline in the waivers and financial aid grants made available to students. During the last five years, approximately half of student tuition and fees were paid through waivers and financial aid grants.

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The gap in the last two years is shown in the following table:

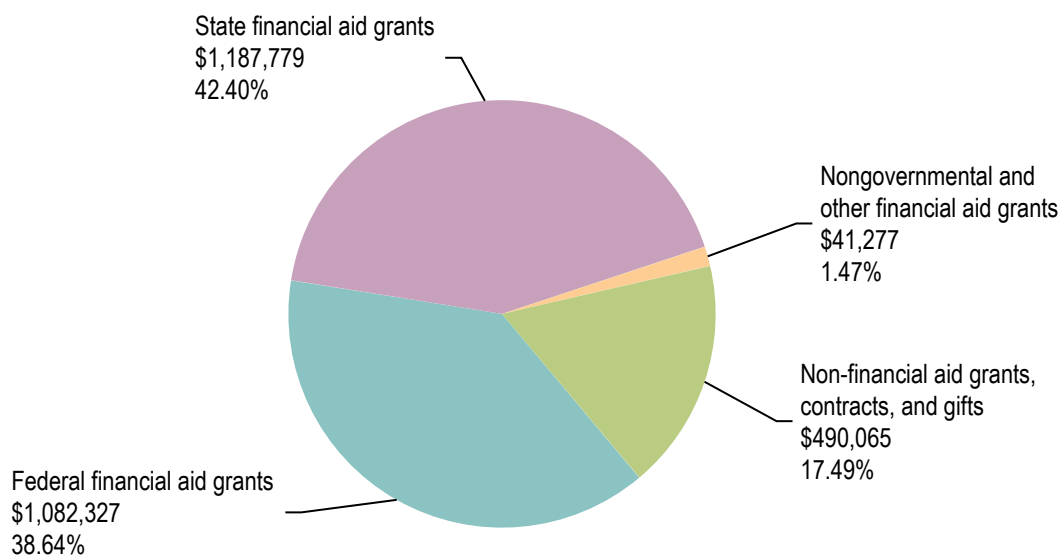
	<u>2023</u>	<u>2022</u>
	(In thousands)	
Gross student tuition and fees	\$ 4,197,833	4,233,773
Less		
Financial aid grants	(1,055,645)	(1,098,438)
Institutional grants	(822,596)	(803,609)
Total student tuition and fees, net	<u>\$ 2,319,592</u>	<u>2,331,726</u>

Scholarship allowance of \$1.06 billion from financial aid grants were comprised of \$347.04 million from Federal Pell Grant program, \$559.99 million from California Grant program, \$143.31 million from Middle Class Scholarship, and \$5.30 million from other sources. The scholarship allowance from institutional grants of \$822.60 million includes \$715.81 million from State University Grants (SUG) and \$106.79 million from other sources.

*Grants, Contracts, and Gifts*

Grants, contracts, and gifts revenues are derived substantially from the student financial aid grants from federal agencies, state agencies, and nongovernmental grantors. Major federal financial aid grants came from the Pell Grant, Federal Supplemental Educational Opportunity Grant, and Federal Work-Study. Major state financial aid grants came from Cal Grants and Middle Class Scholarship. HEERF grants are reported under other federal nonoperating grants in the Statement of Revenues, Expenses, and Changes in Net Position.

**University's Grants, Contracts, and Gifts for 2023**  
(In thousands)



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Student financial aid grants totaled \$2.31 billion, an increase of \$324.65 million from the previous year mainly due to the increase in the Middle Class Scholarship from the State for undergraduates and students pursuing a teaching credential.

The remainder of the grants, contracts, and gifts include non-financial aid grants, contracts, changes to permanent endowments, and gifts (capital and noncapital), which amounted to \$490.07 million, or 17.49%, of total grants, contracts, and gifts. Other federal nonoperating grants of \$261.98 million included \$258.06 million of the remaining HEERF grants provided as financial aid to students and to the University to help with expenses and revenue losses associated with the COVID-19 pandemic. Noncapital grants and contracts, and gifts of \$228.08 million included gifts received from discretely presented component units amounted to \$99.41 million.

*Sales and Services (Educational Activities and Auxiliary Enterprise)*

Sales and services of educational activities include revenues related incidentally to the conduct of instruction, research, and public service, and revenues for activities that exist to provide instructional and laboratory experience for students that incidentally create goods and services that may be sold to faculty, students, staff, and the general public. Net revenues from sales and services of educational activities amounted to \$60.46 million in 2023, an increase from \$38.58 million in 2022.

Auxiliary enterprises exist predominantly to furnish goods or services to students, faculty, or staff, for a fee. Net revenues from sales and services of auxiliary enterprises, primarily from student housing and parking, amounted to \$752.88 million, which is a \$125.33 million increase when compared to 2022. The increase is due to the slowing down of COVID-19 pandemic as operations and demand returned closer to normal.

*Investment Income, Net and Other Revenues*

Investment income, net and other revenues amounted to \$605.81 million in 2023 from \$76.25 million loss in 2022, an increase of \$682.06 million due to rise in unrealized investment gains during the fiscal year compared to unrealized investment losses in prior year.

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**Expenses (Operating and Nonoperating)**

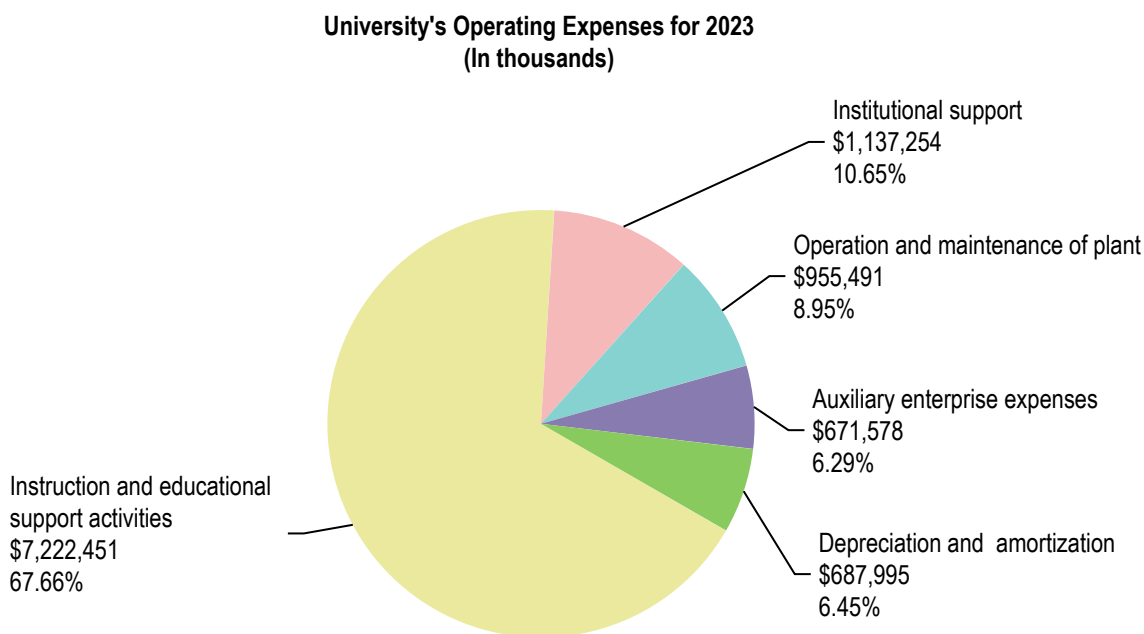
The University's total expenses of \$11.09 billion are comprised of operating expenses of \$10.67 billion, or 96.25%, and nonoperating expenses of \$415.71 million, or 3.75%.

	<b>2023</b>	<b>Percentage of total</b>	<b>2022</b>	<b>Percentage of total</b>
	(In thousands)	%	(In thousands)	%
Instruction	\$ 3,554,481	32.05	3,577,426	32.62
Research	83,389	0.75	63,883	0.58
Public service	60,788	0.55	34,386	0.31
Academic support	942,584	8.50	938,008	8.55
Student services	1,338,054	12.06	1,214,545	11.09
Student grants and scholarships	1,243,155	11.21	1,706,130	15.56
Total instruction and educational support activities	7,222,451	65.12	7,534,378	68.71
Institutional support	1,137,254	10.25	1,236,897	11.28
Operation and maintenance of plant	955,491	8.62	802,469	7.32
Auxiliary enterprise expenses	671,578	6.06	404,401	3.69
Depreciation and amortization	687,995	6.20	616,502	5.62
Total operating expenses	10,674,769	96.25	10,594,647	96.62
Investment loss, net	\$ —	—	\$ —	—
Endowment loss, net	15	—	—	—
Interest expense	321,904	2.90	319,381	2.91
Other nonoperating expenses, net	93,790	0.85	51,624	0.47
Total nonoperating expenses	415,709	3.75	371,005	3.38
Total expenses (operating and nonoperating)	\$ 11,090,478	100.00	10,965,652	100.00

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*Operating Expenses*

When the mission-critical educational support activities of student services, academic support, student grants and scholarships, public service, and research are added to direct classroom instruction, the total instruction and educational support activities account for 67.66% and 71.11% of the 2023 and 2022 total operating expenses of the University, respectively.



- *Salaries*

The University's salaries expense increased to \$4.29 billion in 2023 from \$3.96 billion in 2022. Salaries have increased in instruction and educational support by \$174.92 million, institutional support by \$84.79 million, operation and maintenance of plant by \$53.93 million, and auxiliary enterprise expenses by \$18.46 million. The increases in compensation are mainly due to the return to normal operations which showed an increase in FTE and general salary increases.

- *Benefits*

The University's benefits decreased by \$14.00 million to \$2.10 billion in 2023 from \$2.11 billion in 2022.

The pension related benefits expense increased by \$365.35 million in 2023 mainly due to the difference between projected and actual earnings on plan investments during the measurement period. The OPEB expense decreased by \$453.97 million in 2023, due mainly to the net effect of the changes in the assumptions and lower interest cost. All other benefits expense increased by \$74.62 million in 2023.



**CALIFORNIA STATE UNIVERSITY**  
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- *Supplies and Services*

The University's supplies and other services increased to \$2.35 billion in 2023 from \$2.20 billion in 2022. The increase of \$153.51 million is comprised of \$79.96 million in instruction and educational support activities, \$136.98 million in auxiliary enterprise expenses, \$35.22 million in operation and maintenance of plant, offset with \$98.65 million decrease in institutional support.

- *Scholarships and Fellowships*

The scholarship and fellowships, which represent financial aid directly paid to students, decreased from \$1.71 billion in 2022 to \$1.24 billion in 2023. The decrease is mainly due to the phase out of HEERF grants provided to qualifying students.

*Nonoperating Expenses*

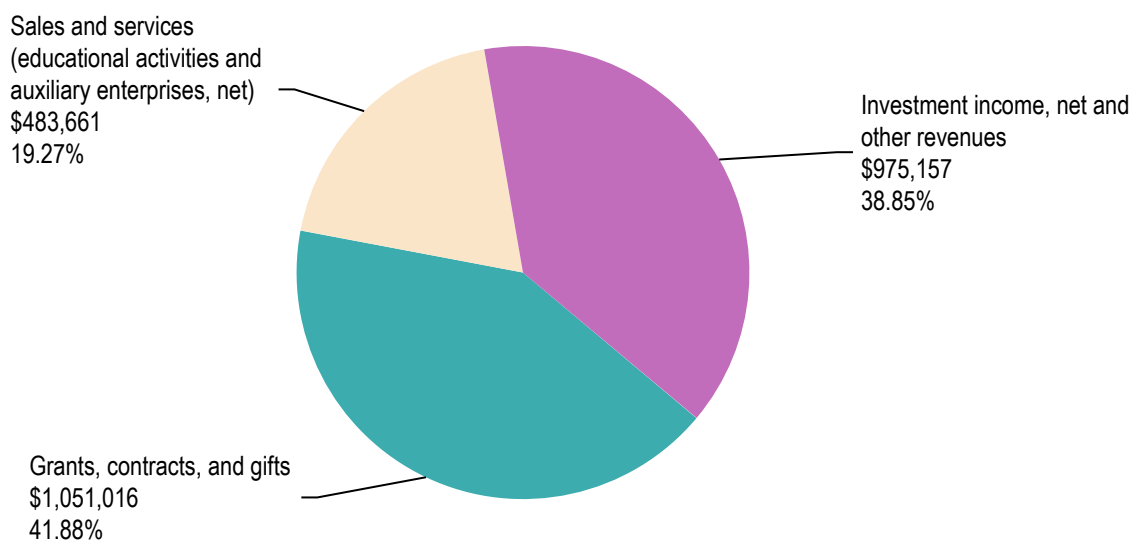
- *Interest Expense*

The University's interest expense increased to \$321.90 million in 2023 from \$319.38 million in 2022. The increase of \$2.52 million is mainly due to the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.

**Discretely Presented Component Units' Results of Operations**

**Revenues (Operating and Nonoperating)**

**Discretely Presented Component Units' Revenues (Operating and Nonoperating) for 2023**  
 (In thousands)



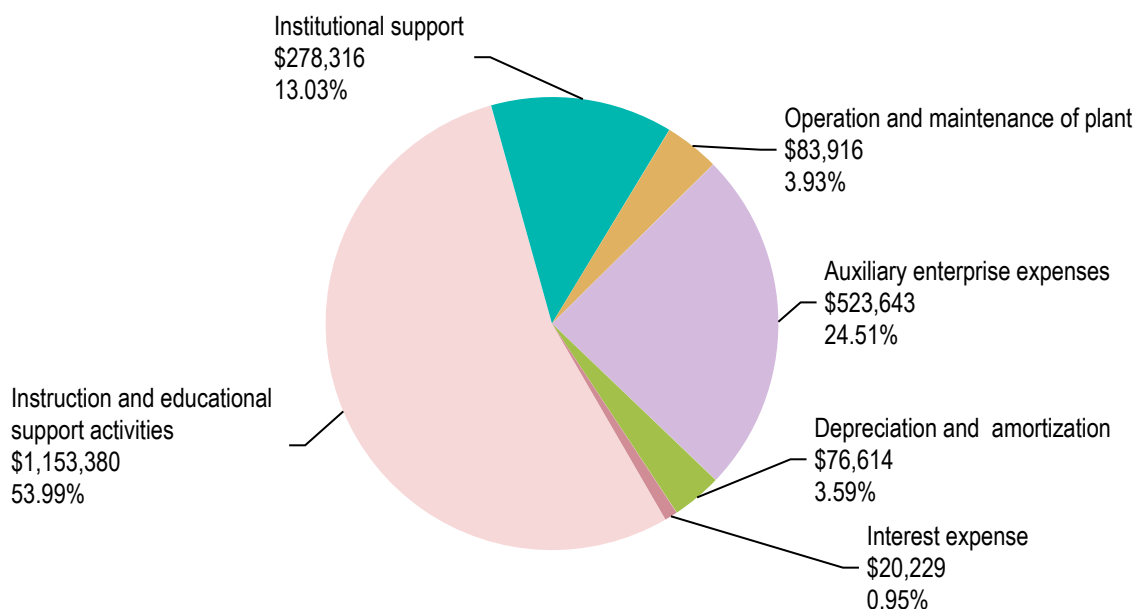
**CALIFORNIA STATE UNIVERSITY**  
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The discretely presented component units generated \$2.51 billion of revenues, representing 16.43% of the University's \$15.27 billion combined total revenues, which is higher compared to the 12.20% in the prior year. The discretely presented component units managed \$1.05 billion grants, contracts, and gifts revenues, representing 27.28% of the University's \$3.85 billion combined total. Discretely presented component units fund many students' co-curricular activities, administer research programs, raise funds, operate student unions, offer recreational programs, coordinate commercial enterprises, and develop public-private partnerships on behalf of the University.

Investment income, net and other revenues increased by \$700.77 million primarily due to favorable market conditions. The sales and services of educational activities and auxiliary enterprise have increased by \$92.63 million reflecting a growing trend as operations and demand return to a more normal state following the COVID-19 pandemic.

**Expenses (Operating and Nonoperating)**

**Discretely Presented Component Units' Expenses (Operating and Nonoperating) for 2023**  
(In thousands)



The discretely presented component units incurred \$2.12 billion of operating expenses in 2023 from \$1.85 billion in 2022. This represents 16.54% of the University's \$12.79 billion combined total operating expenses which is higher compared to the 14.88% in the prior year. Operating expenses by natural classification of the discretely presented component units is composed of the following: supplies and other services of \$1.13 billion, salaries of \$624.14 million, pension benefits expenses of \$34.01 million, OPEB expense of \$(1.83) million, scholarship and fellowships of \$98.23 million, and depreciation and amortization of \$76.61 million.

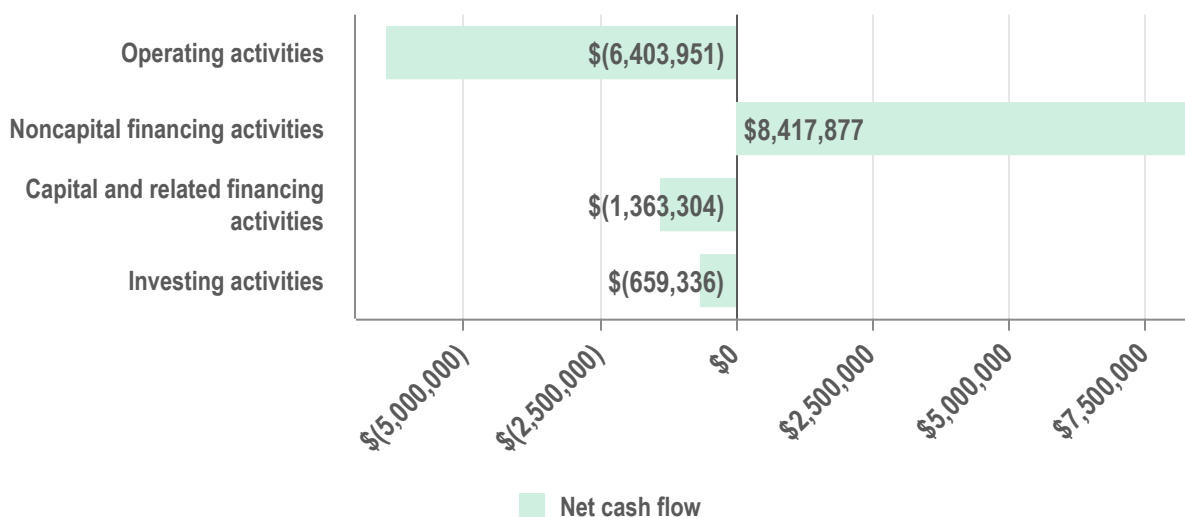
The discretely presented component unit's interest expense of \$20.23 million accounts for 5.91% of the University's combined total interest expense of \$342.13 million. Compared to 2022, the discretely presented component unit's interest expense has decreased by \$2.52 million.

**CALIFORNIA STATE UNIVERSITY**  
Management's Discussion and Analysis  
June 30, 2023

**Cash Flows**

The Statement of Cash Flows presents cash receipts and payments during the fiscal year and assesses the University's ability to generate future net cash flows and meet its obligations as they come due. The University's summarized cash flows activity during the year is as follows:

**University's Condensed Statement of Cash Flows for 2023**  
(In thousands)



The University's routine activities appear in the operating and noncapital financing categories. Cash provided by operating activities includes student tuition and fees and grant and contract revenues. Cash used for operating activities includes payments to suppliers, payments to employees including benefits, and payments to students for scholarships and fellowships. Noncapital financing activities include borrowing money for purposes other than to acquire, construct, or improve capital assets and repaying those amounts borrowed, including interest. The proceeds from the issuance of Systemwide Revenue Bonds (SRB) that will be passed through to the discretely presented component units for capital purposes are reported as noncapital financing activities.

Capital and related financing sources include debt proceeds, state capital appropriations, capital grants and gifts, proceeds from sale of capital assets, and principal and interest payments received on leases. Within the capital and related financing activities, the uses of funds consist of acquisition of capital assets and debt repayments. Sales and purchases of investments are part of investing activities.

The Statement of Cash Flows for the discretely presented component units is not included in the University's financial statements.

**CALIFORNIA STATE UNIVERSITY**  
Management's Discussion and Analysis  
June 30, 2023

**Factors Impacting Future Periods**

Certain information provided by the University may contain forward-looking statements. These statements, addressing future activities, events, or developments, are based on various factors and assumptions. Actual results may differ materially from those projected or suggested in such forward-looking information. The University does not commit to updating this forward-looking information to reflect changes in actual results or assumptions.

In 2024, the University received from the State a permanent base budget increase of \$330.54 million. The University's operating budget for 2024 includes \$4.99 billion in state general fund.

Ongoing challenges include collective bargaining and compensation costs, effects of inflation, heightened energy costs, new commitments, and workload contained in the multi-year compact between the State and the University, and the continued work of narrowing and eliminating equity gaps through Graduation Initiative 2025.

**Subsequent Events**

The University issued SRB Series 2023A and 2023B in August 2023 which total \$799.36 million. The new bonds were issued to fund various capital projects and redeem maturing BANs. The University also issued various BANS for capital projects totaling \$89.83 million and redeemed BANs totaling \$73.30 million.

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# BASIC FINANCIAL STATEMENTS

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**CALIFORNIA STATE UNIVERSITY**

Statement of Net Position

June 30, 2023

(In thousands)

	<u>University</u>	<u>Discretely presented component units</u>	<u>Total</u>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 372,829	373,385	746,214
Short-term investments	5,271,094	1,144,138	6,415,232
Accounts receivable, net	317,351	316,339	633,690
Lease receivable, current portion	18,628	26,349	44,977
P3 receivable, current portion	—	201	201
Notes receivable, current portion	16,038	74,517	90,555
Pledge receivable, net	2,000	117,080	119,080
Prepaid expenses and other current assets	85,663	41,420	127,083
<b>Total current assets</b>	<b>6,083,603</b>	<b>2,093,429</b>	<b>8,177,032</b>
<b>Noncurrent assets</b>			
Restricted cash and cash equivalents	—	47,691	47,691
Accounts receivable, net	3,072	21,183	24,255
Lease receivable, net of current portion	204,055	471,863	675,918
P3 receivable, net of current portion	—	3,710	3,710
Notes receivable, net of current portion	438,288	91,143	529,431
Student loans receivable, net	32,526	441	32,967
Pledge receivable, net	—	116,761	116,761
Endowment investments	1,595	2,414,157	2,415,752
Other long-term investments	3,244,047	515,233	3,759,280
Capital assets, net	12,046,134	1,041,436	13,087,570
Other assets	35,566	42,721	78,287
<b>Total noncurrent assets</b>	<b>16,005,283</b>	<b>4,766,339</b>	<b>20,771,622</b>
<b>Total assets</b>	<b>22,088,886</b>	<b>6,859,768</b>	<b>28,948,654</b>
<b>Deferred Outflows of Resources</b>			
Deferred outflows of resources	5,480,742	76,691	5,557,433
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable	397,546	143,558	541,104
Accrued salaries and benefits	814,964	42,056	857,020
Accrued compensated absences, current portion	144,536	17,670	162,206
Unearned revenues	444,956	166,708	611,664
Lease liabilities, current portion	31,679	24,658	56,337
SBITA liabilities, current portion	32,290	2,028	34,318
Long-term debt obligations, current portion	259,325	92,993	352,318
Claims liability for losses and loss adjustment expenses, current portion	—	22,286	22,286
Depository accounts	4,229	14,885	19,114
Other liabilities	148,879	90,488	239,367
<b>Total current liabilities</b>	<b>2,278,404</b>	<b>617,330</b>	<b>2,895,734</b>

**CALIFORNIA STATE UNIVERSITY**

Statement of Net Position

June 30, 2023

(In thousands)

	<u>University</u>	<u>Discretely presented component units</u>	<u>Total</u>
<b>Noncurrent liabilities</b>			
Accrued compensated absences, net of current portion	\$ 155,859	5,708	161,567
Unearned revenues	30,127	64,095	94,222
Grants refundable	24,784	8,777	33,561
Lease liabilities, net of current portion	271,869	211,171	483,040
SBITA liabilities, net of current portion	29,169	3,176	32,345
Long-term debt obligations, net of current portion	9,175,389	580,789	9,756,178
Claims liability for losses and loss adjustment expenses, net of current portion	—	45,417	45,417
Depository accounts	6	11,458	11,464
Other postemployment benefits liability	13,342,974	80,825	13,423,799
Net pension liability	8,484,855	115,236	8,600,091
Other liabilities	103,736	42,288	146,024
Total noncurrent liabilities	<u>31,618,768</u>	<u>1,168,940</u>	<u>32,787,708</u>
Total liabilities	<u>33,897,172</u>	<u>1,786,270</u>	<u>35,683,442</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflows of resources	<u>5,962,940</u>	<u>458,730</u>	<u>6,421,670</u>
<b>Net Position</b>			
<b>Net position</b>			
Net investment in capital assets	3,572,960	396,572	3,969,532
Restricted for			
Nonexpendable – endowments	1,595	1,830,118	1,831,713
Expendable			
Scholarships and fellowships	33,655	262,369	296,024
Research	—	29,913	29,913
Loans	26,828	6,153	32,981
Capital projects	35,563	106,263	141,826
Debt service	2,089	6,814	8,903
Others	33,280	1,046,362	1,079,642
Unrestricted	<u>(15,996,454)</u>	<u>1,006,895</u>	<u>(14,989,559)</u>
Total net position	<u>\$ (12,290,484)</u>	<u>4,691,459</u>	<u>(7,599,025)</u>

See accompanying notes to financial statements.

**CALIFORNIA STATE UNIVERSITY**  
Statement of Revenues, Expenses, and Changes in Net Position  
Year ended June 30, 2023

(in thousands)

	University	Discretely presented component units	Eliminations	Total
<b>Revenues</b>				
Operating revenues				
Student tuition and fees (net of scholarship allowances of \$1,878,241)	\$ 2,319,592	—	—	2,319,592
Grants and contracts, noncapital				
Federal	53,804	456,272	(39)	510,037
State	15,295	169,666	(462)	184,499
Local	1,728	25,854	(46)	27,536
Nongovernmental	11,968	77,699	(527)	89,140
Sales and services of educational activities	60,459	62,446	(61)	122,844
Sales and services of auxiliary enterprises (net of University scholarship allowances of \$164,669)	752,878	421,215	(3,258)	1,170,835
Other operating revenues	306,937	676,546	(10,988)	972,495
<b>Total operating revenues</b>	<b>3,522,661</b>	<b>1,889,698</b>	<b>(15,381)</b>	<b>5,396,978</b>
<b>Expenses</b>				
Operating expenses				
Instruction	3,554,481	138,883	(2,947)	3,690,417
Research	83,389	294,734	(1,571)	376,552
Public service	60,788	243,994	(3,006)	301,776
Academic support	942,584	115,310	(13,716)	1,044,178
Student services	1,338,054	262,228	(14,413)	1,585,869
Institutional support	1,137,254	278,316	(22,812)	1,392,758
Operation and maintenance of plant	955,491	83,916	(28,195)	1,011,212
Student grants and scholarships	1,243,155	98,231	(39,407)	1,301,979
Auxiliary enterprise expenses	671,578	523,643	(8,159)	1,187,062
Depreciation and amortization	687,995	76,614	—	764,609
<b>Total operating expenses</b>	<b>10,674,769</b>	<b>2,115,869</b>	<b>(134,226)</b>	<b>12,656,412</b>
<b>Operating loss</b>	<b>(7,152,108)</b>	<b>(226,171)</b>	<b>118,845</b>	<b>(7,259,434)</b>
<b>Nonoperating revenues (expenses)</b>				
State appropriations, noncapital	6,223,371	—	—	6,223,371
Federal financial aid grants, noncapital	1,082,327	2,061	—	1,084,388
State financial aid grants, noncapital	1,187,779	443	—	1,188,222
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	41,277	48	(24,317)	17,008
Other federal nonoperating grants, noncapital	261,984	—	—	261,984



**CALIFORNIA STATE UNIVERSITY**  
Statement of Revenues, Expenses, and Changes in Net Position  
Year ended June 30, 2023

(in thousands)

	University	Discretely presented component units	Eliminations	Total
<b>Nonoperating revenues (expenses), continued</b>				
Gifts, noncapital	\$ 73,477	229,689	(49,982)	253,184
Investment income, net	298,874	94,685	—	393,559
Endowment income (loss), net	(15)	180,901	—	180,886
Interest expense	(321,904)	(20,229)	—	(342,133)
Other nonoperating revenues (expenses)	(93,790)	23,025	4,882	(65,883)
Net nonoperating revenues	8,753,380	510,623	(69,417)	9,194,586
Income before other revenues	1,601,272	284,452	49,428	1,935,152
State appropriations, capital	—	—	—	—
Grants and gifts, capital	71,809	43,192	(49,428)	65,573
Additions to permanent endowments	—	46,092	—	46,092
Increase in net position	1,673,081	373,736	—	2,046,817
<b>Net position</b>				
Net position at beginning of year	(13,963,565)	4,317,723	—	(9,645,842)
Net position at end of year	<u>\$ (12,290,484)</u>	<u>4,691,459</u>	<u>—</u>	<u>(7,599,025)</u>

See accompanying notes to financial statements.

**CALIFORNIA STATE UNIVERSITY**

Statement of Cash Flows

Year ended June 30, 2023

(In thousands)

	<u>University</u>
<b>Cash flows from operating activities</b>	
Student tuition and fees	\$ 2,382,191
Federal grants and contracts	59,557
State grants and contracts	56,631
Local grants and contracts	2,251
Nongovernmental grants and contracts	11,424
Payments to suppliers	(2,339,004)
Payments to employees	(4,253,025)
Payments for benefits	(2,168,148)
Payments to students	(1,243,561)
Collections of student loans	1,770
Sales and services of educational activities	60,886
Sales and services of auxiliary enterprises	730,176
Other receipts	294,901
	<hr/>
Net cash used in operating activities	(6,403,951)
<b>Cash flows from noncapital financing activities</b>	
State appropriations	5,765,338
Federal financial aid grants	1,100,554
State financial aid grants	1,219,594
Nongovernmental and other financial aid grants	41,321
Other federal nonoperating grants	299,170
Gifts and grants received for other than capital purposes	74,205
Federal loan program receipts	1,150,884
Federal loan program disbursements	(1,147,177)
Monies received on behalf of others	75,540
Monies disbursed on behalf of others	(75,778)
Principal paid on long-term debt	(28,365)
Interest paid on long-term debt	(16,076)
Issuance of notes receivable	(19,485)
Principal collections on notes receivable	15,235
Interest collections on notes receivable	16,629
Other noncapital financing activities	(53,712)
	<hr/>
Net cash provided by noncapital financing activities	8,417,877

**CALIFORNIA STATE UNIVERSITY**

Statement of Cash Flows

Year ended June 30, 2023

(In thousands)

	<u>University</u>
<b>Cash flows from capital and related financing activities</b>	
Proceeds from capital debt	\$ 45,106
State appropriations	2,238
Capital grants and gifts	53,373
Proceeds from sale of capital assets	18,947
Acquisition of capital assets	(888,505)
Principal paid on capital debt and leases	(289,728)
Interest paid on capital debt and leases	(323,455)
Principal collection on leases receivable	14,093
Interest collection on leases receivable	4,627
	<hr/>
Net cash used in capital and related financing activities	(1,363,304)
<b>Cash flows from investing activities</b>	
Proceeds from sales of investments	9,832,667
Purchases of investments	(10,677,078)
Investment income proceeds	185,075
	<hr/>
Net cash used in investing activities	(659,336)
	<hr/>
Net decrease in cash and cash equivalents	(8,714)
Cash and cash equivalents at beginning of year, as restated	381,543
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Cash and cash equivalents at end of year	\$ 372,829
	<hr/> <hr/>
<b>Reconciliation of operating loss to net cash used in operating activities</b>	
Operating loss	\$ (7,152,108)
Adjustments to reconcile operating loss to net cash used in operating activities	
Depreciation and amortization	687,995
Change in assets and liabilities	
Accounts receivable, net	(15,649)
Student loans receivable, net	(2,715)
Prepaid expenses and other current assets	224
Other assets	528
Deferred outflows of resources	(1,750,296)
Accounts payable	9,096
Accrued salaries and benefits	16,851
Accrued compensated absences	19,029
Unearned revenues	157,919
Other postemployment benefits liability	(2,059,884)
Net pension liability	2,866,173
Other liabilities	(26,382)
Deferred inflows of resources	845,268
	<hr/>
Net cash used in operating activities	\$ (6,403,951)
	<hr/> <hr/>

**CALIFORNIA STATE UNIVERSITY**

Statement of Cash Flows

Year ended June 30, 2023

(In thousands)

	<u>University</u>
<b>Supplemental schedule of noncash transactions</b>	
State's contribution for OPEB	\$ 457,949
Change in unrealized gain on investments	83,494
Gifts in kind - noncapital	71,992
BAN proceeds paid directly to escrow agent by bank	37,600
Change in capital assets due to leases	35,642
Amortization of net bond premium	30,958
Change in capital assets due to implementation of GASB Statement No. 96	23,575

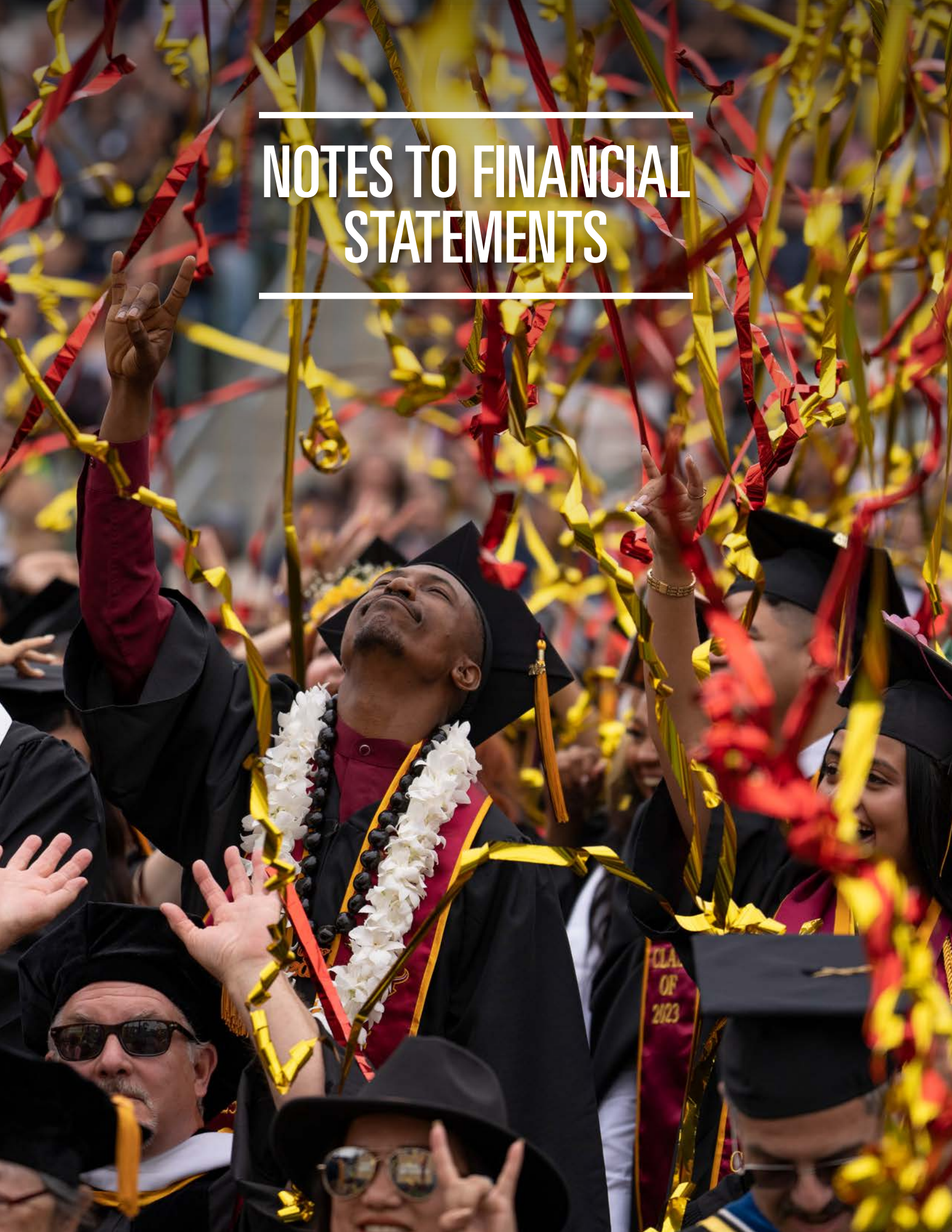
See accompanying notes to financial statements.



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# NOTES TO FINANCIAL STATEMENTS

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# CALIFORNIA STATE UNIVERSITY

## Notes to Financial Statements

June 30, 2023

(In thousands)

### (1) Organization

California State University (the University) was established under the State of California Education Code as a public university to offer undergraduate and graduate instruction for professional and occupational goals emphasizing a broad liberal arts education. As an agency of the State of California (the State), the University is also included in the State's financial statements. Responsibility for the University is vested in the Trustees of California State University (the Trustees) who, in turn, appoint the chancellor, who is the chief executive officer of the University, and the University presidents, who are the chief executive officers of the respective campuses. In addition to the Office of the Chancellor, the following 23 campuses comprise the California State University at June 30, 2023:

- California State University, Bakersfield
- California State University Channel Islands
- California State University, Chico
- California State University, Dominguez Hills
- California State University, East Bay
- California State University, Fresno
- California State University, Fullerton
- California State Polytechnic University, Humboldt
- California State University, Long Beach
- California State University, Los Angeles
- California State University Maritime Academy
- California State University, Monterey Bay
- California State University, Northridge
- California State Polytechnic University, Pomona
- California State University, Sacramento
- California State University, San Bernardino
- San Diego State University
- San Francisco State University
- San José State University
- California Polytechnic State University, San Luis Obispo
- California State University San Marcos
- Sonoma State University
- California State University, Stanislaus

# CALIFORNIA STATE UNIVERSITY

## Notes to Financial Statements

June 30, 2023

(In thousands)

The University provides instruction for baccalaureate, masters', doctorate, and certificate programs, and operates various auxiliary enterprises, such as student housing and parking facilities. In addition, the University administers a variety of financial aid programs that are funded primarily through state and federal programs.

## (2) Summary of Significant Accounting Policies

### (a) Financial Reporting Entity

In accordance with Governmental Accounting Standards Board (GASB) Statements No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, and No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities – an amendment of GASB Statement No. 34*, the accompanying financial statements present the Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, and Statement of Cash Flows of the University.

In addition, the accompanying financial statements include the accounts of the 93 discretely presented component units, which are primarily University-related recognized auxiliary organizations. These discretely presented component units are legally separate entities that provide services primarily to the University and its students. Recognized auxiliary organizations include foundations, associated students, student unions, auxiliary services, university corporations, and similar organizations. Foundations, whose net position comprises approximately 80.43% of the discretely presented component unit totals, carry out a variety of campus-related activities. Such activities consist primarily of administering grants from governmental and private agencies for research, as well as soliciting and accepting donations, gifts, and bequests for University-related use. Separate financial statements for each of the discretely presented component units may be obtained from the individual campuses.

The discretely presented component units are as follows:

- California State University, Bakersfield Foundation
- Associated Students, California State University, Bakersfield, Inc.
- California State University, Bakersfield Student-centered Enterprises, Inc.
- California State University, Bakersfield, Auxiliary for Sponsored Programs Administration
- California State University Foundation
- California State University Institute
- California State University Risk Management Authority
- California State Student Association
- California State University, Channel Islands Foundation
- Associated Students of California State University Channel Islands, Inc.
- CI University Auxiliary Services, Inc.
- California State University Channel Islands Financing Authority

# CALIFORNIA STATE UNIVERSITY

## Notes to Financial Statements

June 30, 2023

(In thousands)

- California State University Channel Islands Site Authority
- Chico State Enterprises
- The University Foundation, California State University, Chico
- Associated Students of California State University, Chico
- California State University, Dominguez Hills Toro Auxiliary Partners \*
- California State University, Dominguez Hills Philanthropic Foundation
- Associated Students, Inc., California State University, Dominguez Hills
- The Donald P. and Katherine B. Loker University Student Union, Inc., California State University, Dominguez Hills
- Cal State East Bay Educational Foundation, Inc.
- California State University, East Bay Foundation, Inc.
- Associated Students, Inc. of California State University, East Bay
- California State University, Fresno Foundation
- The Agricultural Foundation of California State University, Fresno
- The Bulldog Foundation (Fresno)
- Associated Students California State University, Fresno
- California State University, Fresno Athletic Corporation
- California State University, Fresno Association, Inc.
- Fresno State Programs for Children, Inc.
- Cal State Fullerton Philanthropic Foundation
- Associated Students, California State University, Fullerton, Inc.
- CSU Fullerton Auxiliary Services Corporation
- Cal Poly Humboldt Foundation
- Cal Poly Humboldt Sponsored Programs Foundation
- Associated Students of Cal Poly Humboldt
- Humboldt State University Center Board of Directors
- California State University, Long Beach Research Foundation
- CSULB 49er Foundation
- Associated Students, Inc., California State University, Long Beach
- Forty-Niner Shops, Inc. (Long Beach)



# CALIFORNIA STATE UNIVERSITY

## Notes to Financial Statements

June 30, 2023

(In thousands)

- California State University, Los Angeles Foundation
- Associated Students of California State University, Los Angeles, Inc.
- University-Student Union at California State University, Los Angeles
- Cal State L.A. University Auxiliary Services, Inc.
- California Maritime Academy Foundation, Inc.
- Associated Students of the California Maritime Academy
- Cal Maritime Corporation
- Foundation of California State University, Monterey Bay
- University Corporation at Monterey Bay
- Otter Student Union at CSU Monterey Bay
- California State University, Northridge Foundation
- Associated Students, California State University, Northridge, Inc.
- University Student Union California State University, Northridge
- The University Corporation (Northridge)
- North Campus - University Park Development Corporation (Northridge)
- Cal Poly Pomona Foundation, Inc.
- Associated Students, Inc., California State Polytechnic University, Pomona
- Cal Poly Pomona Philanthropic Foundation
- The University Foundation at Sacramento State
- Associated Students of California State University, Sacramento
- University Union Operation of California State University, Sacramento
- University Enterprises, Inc. (Sacramento)
- Capital Public Radio, Inc. (Sacramento)
- CSUSB Philanthropic Foundation
- Associated Students, Incorporated, California State University, San Bernardino
- Santos Manuel Student Union of California State University, San Bernardino
- University Enterprises Corporation at CSUSB
- San Diego State University Research Foundation
- The Campanile Foundation (San Diego)
- Associated Students of San Diego State University

# CALIFORNIA STATE UNIVERSITY

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(In thousands)

- Aztec Shops, Ltd. (San Diego)
- San Francisco State University Foundation
- Associated Students of San Francisco State University
- The University Corporation, San Francisco State
- San José State University Research Foundation
- Tower Foundation of San José State University
- Associated Students of San José State University
- The Student Union of San José State University
- Spartan Shops, Inc. (San José)
- California Polytechnic State University Foundation (San Luis Obispo)
- Associated Students, Inc., California Polytechnic State University, San Luis Obispo
- Cal Poly Corporation (San Luis Obispo)
- California State University San Marcos Foundation
- Associated Students, Inc. of California State University San Marcos
- California State University San Marcos Corporation
- Sonoma State University Foundation
- Associated Students of Sonoma State University
- Sonoma State Enterprises, Inc.
- California State University, Stanislaus Foundation
- Associated Students Incorporated of California State University, Stanislaus
- University Student Center of California State University, Stanislaus
- California State University, Stanislaus Auxiliary and Business Services

*\*Name changed from California State University, Dominguez Hills Foundation*

These component units are presented in the accompanying financial statements as discretely presented component units of the University due to the nature and significance of their relationship with the University. The relationships are such that exclusion of these organizations would render the financial statements incomplete, primarily due to their close affiliation with the University. These organizations are discretely presented to allow the financial statement users to distinguish between the University and the component units. None of the component units are considered individually significant to the total discretely presented component units. All significant nonexchange transactions between the University and discretely presented component units have been eliminated from the financial statements.

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The accompanying financial statements also include the Stockton Center Site Authority, which is included as a blended component unit. This organization primarily provides services to the University in the areas of asset management. The University is financially accountable for this organization.

### **(b) Basis of Presentation**

The accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

As a public institution, the University is considered a special-purpose government under the provisions of GASB Statements Nos. 34 and 35. The University records revenue in part from fees and other charges for services to external users and, accordingly, has chosen to present financial statements using the reporting model for special-purpose governments engaged in business-type activities. This model allows all financial information for the University to be reported in a single column in each of the financial statements, accompanied by aggregated financial information for the discretely presented component units, as discussed above. The effects of internal activities between funds or groups of funds have been eliminated from the financial statements.

### **(c) New Accounting Pronouncements**

During 2022, as part of the implementation of GASB Statement No. 84, *Fiduciary Activities*, the State adopted an allocation methodology in connection to the payroll revolving fund. As a result, participating agencies utilizing the State's payroll process were required to recognize a portion of the payroll revolving fund balances. As a participant, on July 1, 2022, the University increased cash and cash equivalents by \$333,136, increased accounts receivable, net by \$2,488 and increased accrued salaries and benefits of \$335,624 for the allocated share of the State's payroll revolving fund. There was no impact to the University's net position.

On July 1, 2022, the University implemented GASB Statement No. 94, *Public-Private and Public-Public Partnerships (P3) and Availability Payment Arrangements (APA)*. The Statement establishes standards of accounting and financial reporting for arrangements between governments and private entities or other governments. The arrangements generally result in the government transferring the obligation to provide certain public services to an external entity. APAs are agreements in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The adoption of this standard did not have a material impact on the financial reporting for the fiscal year ended June 30, 2023.

On July 1, 2022, the University implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. The Statement establishes standards of accounting and financial reporting for SBITAs by a government end user who enters into SBITA contracts to use vendor-provided information technology. It applies to SBITA contracts that convey control of the right to use another party's information technology (IT) software, alone, or in combination with tangible underlying IT assets in an exchange or exchange-like transaction for a period exceeding 12 months. Under this Statement, the

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government is required to recognize a subscription liability and an intangible right-to-use (ROU) subscription asset. Cash outlays necessary to place the subscription asset in service can be capitalized during the initial project implementation stage. As a result of the implementation of the Statement, the University recognized a ROU subscription asset of and related liabilities amounting to \$101,887, with the beginning net position restated by \$10,760 on June 30, 2022 for SBITA arrangements.

On July 1, 2022, the University implemented GASB Statement No. 99, *Omnibus 2022*, for provisions related to leases, P3s, and SBITAs. The Statement clarifies guidance on leases, P3s, and SBITAs primarily related to the determination of the contract term, and recognition and measurement of the associated liability and asset. Requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of GASB Statement No. 53 are effective for the fiscal year ending June 30, 2024. The implementation did not have a material impact on the University's financial statements.

### **(d) Future Accounting Pronouncements**

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections*, which will be effective for the fiscal year ending June 30, 2024. This Statement is intended to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. It defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity. This Statement requires that (1) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (2) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (3) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The University is evaluating the impact GASB Statement No. 100 will have on the financial statements.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*, which will be effective for the fiscal year ending June 30, 2025. This Statement will update the recognition and measurement guidance for compensated absences. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used, and (2) leave that has been used and not yet paid cash or settled through noncash means. This Statement amends the existing disclosure requirements to allow governments to disclose only the net change in the liability as long as they identify it as a net change. The University is evaluating the impact GASB Statement No. 101 will have on the financial statements.

### **(e) Classification of Current and Noncurrent Assets (Other than Investments) and Liabilities**

The University considers assets to be current that can reasonably be expected, as part of its normal business operations, to be converted to cash and be available for liquidation of current liabilities within 12 months of the Statement of Net Position date. Liabilities that can reasonably be expected, as part of normal University business operations, to be liquidated within 12 months of the Statement of Net Position date are considered to be current. All other assets and liabilities are considered noncurrent. For classification of current and noncurrent investments, refer to note 2(g).

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### **(f) Cash and Cash Equivalents and Statement of Cash Flows**

The University considers highly liquid investments with an original maturity date of three months or less to be cash and cash equivalents. The University considers amounts included in the California State University (CSU) Consolidated Investment Pool to be investments.

The Statement of Cash Flows does not include the cash flows of the discretely presented component units. Certain discretely presented component units are also participants in the CSU Consolidated Investment Pool. The University considers changes in the CSU Consolidated Investment Pool as cash flows from investing activities in the accompanying Statement of Cash Flows.

### **(g) Investments**

Investments are reflected at fair value using quoted market prices. Realized and unrealized gains and losses are included in the accompanying Statement of Revenues, Expenses, and Changes in Net Position as a component of investment income (loss), net.

Investments that are used for current operations are classified as short-term investments. Investments that are restricted from withdrawal or use for other than current operations, designated or restricted for the acquisition or construction of noncurrent assets, designated or restricted for the liquidation of the noncurrent portion of long-term debt obligations, and restricted as to the liquidity of the investments are classified as other long-term investments.

The University invests in the Surplus Money Investment Fund (SMIF), an external investment pool. The State Treasurer invests the SMIF funds through the Pooled Money Investment Account (PMIA). PMIA policy sets as primary investment objectives safety, liquidity, and yield. The Investment Division of the State Treasurer manages the PMIA under statutory authority granted by California Government Code Sections 16430 and 16480.4. The Pooled Money Investment Board governs the PMIA. The State Treasurer chairs this Board, which also includes the State Controller and the State Director of Finance.

### **(h) Accounts Receivable**

The University maintains an allowance for doubtful accounts for estimated losses inherent in its accounts receivable based on types of receivables and expectations of repayment. In establishing the required allowance, management considers one or more of the following: types of receivables, state guidelines, historical losses adjusted to take into account current market conditions, the amount of receivable in dispute, the current receivable aging, and current payment patterns. The University reviews its allowance for doubtful accounts annually. Past-due balances over 90 days and over a specified amount are reviewed individually for collectibility.

### **(i) Capital Assets**

Capital assets are stated at cost or estimated historical cost if purchased, or, if donated, at estimated acquisition value (an entry price) at date of donation. Capital assets, including infrastructure and intangible assets, with an original value of five thousand dollars or more and with a useful life of over one year, are capitalized. Title to all University assets, whether purchased, constructed, or donated, is held by the State. Although title is not with the University for land and buildings, the University has exclusive use of these

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assets and is responsible for the maintenance of these assets, and thus has recorded the cost of these assets in the accompanying financial statements. ROU assets are stated at the present value of payments expected to be made during the lease term, less accumulated amortization. Capital assets, with the exception of land and land improvements, works of art and historical treasures, construction work in progress, and certain intangible assets, are depreciated or amortized on a straight-line basis over their estimated useful lives, which ranges from 3 to 45 years. Library books, unless considered rare collections, are capitalized and depreciated over a 10-year period. Periodicals and subscriptions are expensed as purchased. Works of art and historical treasures are valued at cost, if purchased, or the acquisition value at the date of donation, if contributed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its life are expensed as incurred.

Depreciation and amortization expense is shown separately in the Statement of Revenues, Expenses, and Changes in Net Position rather than being allocated among other categories of operating expenses.

### **(j) Leases**

The University determines if an arrangement is a lease at inception of the lease contract. Lessee arrangements are included in capital assets, net and lease liabilities in the Statement of Net Position. Lease assets represent the University's right to use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Lease assets are amortized on a straight-line basis over the lease term. Lease liabilities represent the University's obligation to make lease payments arising from the lessee arrangement. Lease liabilities are recognized at the commencement date based on the present value of the expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term. The lease term may include options to extend or terminate the lease when it is reasonably certain that the University will exercise that option. Short-term leases with a term of 12 months or less are recognized as expense as the payments are made.

Lessor arrangements are included in lease receivable and deferred inflows of resources in the Statement of Net Position. Lease receivable represent the University's claim to receive lease payments over the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease receivable are recognized at commencement date based on the present value of expected lease payments over the lease term, reduced by any provision for estimated uncollectible amounts. Interest revenue is recognized ratably over the contract term on a straight-line basis. Deferred inflows of resources related to leases are recognized at the commencement date based on the initial measurement of the lease receivable, plus any payments received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The deferred inflows related to leases are recognized as lease revenue on a straight-line basis over the lease term. Short-term leases with a term of 12 months or less are recognized as revenue as the payments are received. Lease revenues are included in other operating revenues in the Statement of Revenues, Expenses, and Changes in Net Position

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**(k) Subscription-Based Information Technology Arrangements (SBITA)**

A SBITA is a contract that conveys control of the right to use another party's information technology software, alone or in combination with tangible capital assets, as specified in the contract in an exchange or exchange-like transaction for a term exceeding 12 months. The University recognizes an ROU subscription asset and a corresponding subscription liability at the commencement of the subscription term, which is when the subscription asset is placed into service. ROU subscription assets are amortized on a straight-line basis over the contract term. SBITA liabilities represent the University's obligation to make contract payments arising from the SBITA. Interest expense is recognized ratably over the contract term. The SBITA term may include options to extend or terminate the contract when it is reasonably certain that the University will exercise that option. Short-term SBITAs with a term of 12 months or less are recognized as expense as the payments are made.

**(l) Unearned Revenues**

Unearned revenues consist primarily of fees collected in advance for summer and fall terms and professional and continuing education programs.

**(m) Compensated Absences**

Compensated absences are recognized, as either current or noncurrent liabilities, when the right to receive the compensation is earned by the employees from vested unpaid vacation and other paid leave programs. Unused sick leave balances are not included in the compensated absences because they do not vest to employees. Vacation is accrued on a monthly basis. The University uses the employee's current pay rate as of July 1, 2023, to calculate the liability for accrued compensated absences. The University provides vacation based on length of service and job classifications.

**(n) Grants Refundable**

The University periodically receives contributions from the federal government in support of its operation of the Federal Perkins and Nursing Loan programs, both Title IV Loan programs. The federal government has the ability to terminate support of these programs at any time and to request that the University return those contributions on a cumulative basis, such as the Federal Perkins Loan Program, which has expired in 2018. Accordingly, the federal contributions received and retained by the University at year-end are considered liabilities of the University and are reflected as such in the accompanying Statement of Net Position.

**(o) Claims Liability for Losses and Loss Adjustment Expenses**

The claims liability for losses and loss adjustment expenses included in the aggregate discretely presented component units column of the financial statements includes California State University Risk Management Authority's (CSURMA) estimated ultimate cost of settling claims relating to events that have occurred on or before June 30, 2023. The liability includes the estimated amount that will be required for future payments of claims that have been reported and claims related to events that have occurred but have not been reported. The liability is also reduced by estimated amounts recoverable from the reinsurance that is related to the liabilities for unpaid claims and claim adjustment expenses. The liability is estimated through an actuarial calculation using individual case basis valuations and statistical analyses. The liability is not discounted.

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Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency, and other economic and social factors. Adjustments to claim liabilities are charged or credited to expense in the periods in which they are made.

In the estimate of the unpaid losses and loss adjustment expenses, CSURMA and its consulting actuary have employed methods and assumptions they considered reasonable and appropriate given the information currently available. Given the inherent uncertainty in the nature of such estimates, future losses may deviate from those estimates.

### **(p) *Deferred Outflows of Resources and Deferred Inflows of Resources***

The University classifies losses on debt refundings as deferred outflows of resources and amortizes it as a component of interest expense over the remaining life of the old debt or the new debt, whichever is shorter.

Changes in net pension liability not included in pension expense are reported as deferred outflows of resources or deferred inflows of resources. Deferred outflows and inflows of resources related to differences between expected and actual experience are amortized over a closed period equal to the average employees' remaining service lives. The deferred outflows and inflows of resources related to differences between projected and actual earnings on pension plan investments are netted and amortized over a closed 5-year period. Employer contributions made subsequent to the measurement date of the net pension liability are reported as deferred outflows of resources, recognized as reduction of net pension liability in the following year.

Changes in other postemployment benefits (OPEB) liability not included in OPEB expense are reported as deferred outflows of resources or deferred inflows of resources. Deferred outflows and inflows of resources related to differences between expected and actual experience and changes in assumptions are amortized over a closed period equal to the average employees' remaining service lives. Employer contributions made subsequent to the measurement date of the OPEB liability are reported as deferred outflows of resources, recognized as reduction in OPEB liability in the following year.

The defeasance of previously outstanding Systemwide Revenue Bond (SRB) debt resulting in losses or gains are recognized as deferred outflows of resources or deferred inflows of resources. These losses or gains are recognized as a component of interest over the remaining life of the old debt or the life of the new debt, whichever is shorter.

Resources received in advance from nonexchange transactions by the University that met all eligibility requirements except for the time requirements are reported as deferred inflows of resources.



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### **(g) Net Position**

The University's net position is classified into the following categories:

- Net Investment in Capital Assets: Capital assets, net of accumulated depreciation, and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets and any related deferred outflows of resources.
- Restricted:
  - Nonexpendable: Net position subject to externally imposed conditions that the University retains in perpetuity. Net position in this category consists of endowments held by the University or its related discretely presented component units.
  - Expendable: Net position subject to externally imposed conditions that can be fulfilled by the actions of the University or by the passage of time.
- Unrestricted: All other categories of net position. In addition, unrestricted net position may have legislative or bond indenture requirements associated with their use or may be designated for use by management of the University. These requirements limit the area of operations for which expenditures of net position may be made and require that unrestricted net position be designated to support future operations in these areas. University housing programs are a primary example of operations that have unrestricted net position with designated uses.

Restricted or unrestricted resources are spent based upon a variety of factors, including funding restrictions, consideration of prior and future revenue sources, the type of expenses incurred, the University's budgetary policies surrounding the various revenue sources or whether the expense is a recurring cost. Unrestricted net position is negative due primarily to liabilities for pension and other postemployment benefits exceeding University assets available to pay such obligations.

### **(r) Classification of Revenues and Expenses**

The University considers operating revenues and expenses in the Statement of Revenues, Expenses, and Changes in Net Position to be those revenues and expenses that result from exchange transactions and from other activities that are connected directly to the University's primary functions. Exchange transactions include charges for services rendered and the acquisition of goods and services. Certain other transactions are reported as nonoperating revenues and expenses in accordance with GASB Statement No. 35. These nonoperating activities include the University's capital and noncapital appropriations from the State, financial aid grants, net investment income, noncapital gifts, interest expense, capital grants and gifts, and changes in permanent endowments.

The State appropriates funds to the University on an annual basis. The appropriations are, in turn, allocated among the campuses by the Office of the Chancellor. Appropriations are recognized as revenue in general when authorization is received and are reported as either noncapital appropriations when used to support general operations or capital appropriations when used for capital projects.

Student tuition and fees revenue and sales and services of auxiliary enterprises, including revenues from student housing programs, are presented net of scholarships and fellowships applied to student accounts.

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Certain other scholarship and fellowships are paid directly to, or refunded to, the student and are reflected as operating expenses.

### **(s) Other Postemployment Benefits (OPEB) Liability**

The University's OPEB liability is an actuarial accrued liability that reflects the present value of future healthcare benefits earned by employees up to June 30, 2022. The University's OPEB liability is determined by discounting the projected benefit for current active employees and retirees based on the discount rate required by GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* for OPEB plans which do not have assets residing in a qualified trust. The University and the State fund their current OPEB expenses on a "pay-as-you-go" basis.

### **(t) Net Pension Liability**

The University records a pension liability equal to the net pension liability for its proportionate share in the State's defined-benefit plans: the State's Miscellaneous Plan and the Peace Officers and Firefighters Plan (Agent Multiple-Employer Defined-Benefit Pension Plans). The net pension liability is measured as the University's proportionate share of the State's total pension liability, less the University's proportionate share of the pension plan's fiduciary net position. The fiduciary net position and changes in net position of the cost sharing defined-benefit plans has been measured consistently with the accounting policies used by the plans.

For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pension, information about the fiduciary net position of the pension plan, and additions to and/or deductions from the pension plans' fiduciary net position have been determined on the same basis as they are reported by the California Public Employees' Retirement System (CalPERS) Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Pension plan investments are reported at fair value.

### **(u) Grant Revenues and Expenses**

The University records grant revenue when all applicable grant eligibility requirements are met. Expenses are recorded as expenditures are incurred. Expenditure-driven grant revenues are recorded as the expenditures are incurred, in amounts equal to the expenditures.

### **(v) Internal Services Activities**

Certain institutional internal service providers offer goods and services to University departments, as well as to external customers. These include activities such as copy centers, postal services, and telecommunications. All significant internal service activities provided to University departments have been eliminated in the accompanying financial statements. These eliminations are recorded by removing the revenue and expense in the internal service sales and service units and, if significant, allocating any residual balances to those departments receiving the goods and services during the fiscal year.

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### **(w) Income Taxes**

The University is an agency of the State and is treated as a governmental entity for tax purposes. As such, the University is generally not subject to federal or state income taxes. The component units are either exempt governmental entities or not-for-profit organizations exempt under IRC Section 501(c)(3). However, the University and its component units remain subject to income taxes on any net income that is derived from a trade or business, regularly carried on and not in furtherance of the purpose for which it was granted exemption. No income tax provision has been recorded. If there is net income from any unrelated trade or business, such provision, in the opinion of management, is not material to the financial statements taken as a whole.

### **(x) Eliminations**

All significant nonexchange transactions between the University and its discretely presented component units have been eliminated from the total column and are separately presented in the eliminations column in the accompanying Statement of Revenues, Expenses, and Changes in Net Position.

### **(y) Use of Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts in the accompanying financial statements. Actual results could differ from those estimates.

### **(z) Risk and Uncertainties**

Although the impacts of COVID-19 have lessened, the University remain in a period of uncertainty due to high rates of inflation, increasing labor costs, and supply chain disruptions. Because of these and other uncertainties regarding the stability of the economy, the pandemic may continue to adversely affect operations and financial condition, including, among other things: the University's ability to conduct its operations, the cost of its operations, governmental and non-governmental funding, and financial markets impacting investments valuation and interest rates, and such effects could be consequential to the University.

## **(3) Cash, Cash Equivalents, and Investments**

The University's cash and cash equivalents and investments as of June 30, 2023, are classified in the accompanying Statement of Net Position as follows:

Cash and cash equivalents	\$	372,829
Short-term investments		5,271,094
Endowment investments		1,595
Other long-term investments		3,244,047
Total investments		8,516,736
Total cash and cash equivalents and investments	\$	8,889,565

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### **(a) Cash and Cash Equivalents**

Cash and cash equivalents consist of demand deposits held at the State Treasury, commercial banks, and petty cash. Total cash and cash equivalents amounted to \$372,829 at June 30, 2023.

Cash in demand deposit accounts is minimized by sweeping available cash balances into the CSU Consolidated Investment Pool on a daily basis.

#### *Custodial Credit Risk for Deposits*

Custodial credit risk for deposits is the risk that in the event of the failure of the custodian, the deposits may not be returned to the University. The University deposits are maintained at financial institutions that are Federal Deposit Insurance Corporation secured. As a result, custodial credit risk for deposits is remote.

### **(b) Investments**

The University's investment portfolio consists primarily of investments in the CSU Consolidated Investment Pool and SMIF. Separate accounting is maintained as to the amounts allocable to the various University funds and programs.

#### *(i) Investment Policy*

State law and regulations require that surplus monies of the University be invested. The objectives of the University's investment policy are to safeguard the principal, to meet liquidity needs of the University, and to obtain the best possible return commensurate with the degree of risk the University is willing to assume in obtaining such return. These objectives may be weighted or prioritized differently for individual portfolios depending on the purpose of the portfolio.

The University's investment policy authorizes funds held in local trust accounts under Education Code Sections 89721 and 89724 to be invested in any of the securities authorized by Government Code Section 16430, and Education Code Sections 89724 and 89725, subject to certain limitations.

In general, the University's investment policies for the Liquidity Portfolio (LP) and Intermediate Duration Portfolio (IDP) permit investments in obligations of the Federal and California state governments, certificates of deposit, high-quality domestic corporate fixed-income securities, and certain other investment instruments.

Per the Education and Government Code of the State, permitted investments within the Total Return Portfolio (TRP) include: mutual funds, including equity mutual funds, subject to registration by, and under the regulatory authority of the United States Securities and Exchange Commission (SEC); publicly traded real estate investment trusts registered with the SEC; institutional commingled funds, including commingled trust funds and collective trust funds, offered by investment advisors registered with, and under the regulatory authority of the SEC. Under State law, investment of funds in the TRP is subject to the University meeting certain conditions regarding investment oversight, reporting, and use of earnings, and may not exceed 65.00% of eligible investments. TRP investments amounted to \$2,398,324 as of June 30, 2023.

Additional earnings from TRP investments shall be used only for capital outlay or maintenance and shall not be used for ongoing operations.

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(In thousands)

(ii) *Interest Rate Risk*

Interest rate risk is the risk that fluctuations in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The University's investment guidelines for the Liquidity Portfolio manage its interest rate risk by limiting an eligible investment to maximum effective maturity and by limiting the average duration of the portfolio. The University's investment guidelines for the IDP manage its interest rate risk by generally maintaining the IDP's effective duration to plus or minus 25.00% of the effective duration of the benchmark for the IDP. There are no restrictions on the duration for the investments in the TRP. The effective maturity date reflects a bond with embedded options such as a call, put, or reset date, and prepayment speed resulting in the maturity of a bond being less than the final maturity date. Duration is a measure of the sensitivity of the price of an investment relative to fluctuations in market interest rates.

Durations of the University's investment portfolio for each investment type, except for SMIF in which weighted average life is used, as of June 30, 2023, are presented in the following table:

Investment type	Fair value	Duration
Money market funds	\$ 49,078	—
Short term investment funds	46,901	—
Certificates of deposit	123,855	0.22399
U.S. agency securities	237,425	1.14254
U.S. Treasury securities	2,156,891	1.39144
Municipal bonds	21,244	7.35345
Corporate bonds	1,633,335	2.43879
Asset-backed securities	24,947	7.15294
Mortgage-backed securities	423,492	5.12448
Commercial paper	315,482	0.03471
Supranational	980	3.36945
Mutual funds		
Fixed income	921,098	5.66063
Equity and real assets	1,477,226	N/A
SMIF	1,084,782	0.71233
Total investments	<u>\$ 8,516,736</u>	

Another way the University manages its exposure to interest rate risk is by purchasing a combination of short-term and long-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or nearing maturity over time as necessary to provide cash flow and liquidity needed for operations.

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(In thousands)

### (iii) Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

The University, except for investments in the TRP, invests in low credit risk securities such as U.S. government securities, securities of federally sponsored agencies, highly rated domestic corporate bonds, prime-rated commercial paper, repurchase and reverse repurchase agreements, banker's acceptance, and negotiable certificates of deposit. Therefore, the credit risk is low and occurrence of default risk is remote.

Investments in the TRP include SEC registered mutual funds invested per a target asset allocation which includes investment grade bonds, higher credit risk bonds (i.e. high yield bonds, bank loans, and emerging market bonds), equities and real assets. Risk for the TRP is viewed holistically and in the context of the overall CSU Consolidated Investment Pool, incorporating quantitative and qualitative assessments into oversight of the TRP. The University accepts a level of risk commensurate with the long-term investment goals of the TRP. The mutual fund investment managers are responsible for assessing the credit risk of the individual securities held in the mutual funds for the TRP. Moreover, certain passive index funds in the TRP will seek to replicate the credit risk of the underlying indices to which the index funds are benchmarked.

Ratings of the University's investment portfolio for each investment type as of June 30, 2023 are presented in the following table:

Investment type	Fair value	AAA	AA	A	BBB	BB	B	Not rated
Money market funds	\$ 49,078	49,078	—	—	—	—	—	—
Short term investment funds	46,901	—	46,901	—	—	—	—	—
Certificates of deposit	123,855	70,062	—	53,793	—	—	—	—
U.S. agency securities	237,425	19,103	218,322	—	—	—	—	—
U.S. Treasury securities	2,156,891	310,086	1,846,805	—	—	—	—	—
Municipal bonds	21,244	—	18,013	3,231	—	—	—	—
Corporate bonds	1,633,335	17,303	265,956	1,342,581	7,495	—	—	—
Asset-backed securities	24,947	23,945	—	—	1,002	—	—	—
Mortgage-backed securities	423,492	345,577	77,915	—	—	—	—	—
Commercial paper	315,482	44,829	—	270,653	—	—	—	—
Supranational	980	980	—	—	—	—	—	—
Mutual funds								
Fixed income	921,098	117,651	518,102	—	—	71,079	214,266	—
Equity and real assets	1,477,226	—	—	—	—	—	—	1,477,226
SMIF	1,084,782	—	—	—	—	—	—	1,084,782
Total investments	<u>\$ 8,516,736</u>	<u>998,614</u>	<u>2,992,014</u>	<u>1,670,258</u>	<u>8,497</u>	<u>71,079</u>	<u>214,266</u>	<u>2,562,008</u>

The mutual funds credit ratings are based on average credit ratings of the underlying mutual funds. Credit ratings for mutual funds related to equity and real assets are not applicable.

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By law, the SMIF only invests in U.S. government securities, securities of federally sponsored agencies, domestic corporate bonds, interest-bearing time deposits in California banks, savings and loan associations and credit unions, prime-rated commercial paper, repurchase and reverse repurchase agreements, security loans, banker's acceptances, negotiable certificates of deposit, and loans to various bond funds.

### *(iv) Concentration Risk*

Concentration risk rises as investments become concentrated relative to a portfolio characteristic such as issuance, issuer, market sector, counterparty, or sovereign nation, and is best mitigated by diversification. The University's investment policy has concentration limits that provide sufficient diversification. As such, the concentration risk is remote.

As of June 30, 2023, there were no investments (excluding U.S. Treasury securities, mutual funds, and external investment pools) that represented 5.00% or more of the University's investment portfolio.

### *(v) Risk and Uncertainties*

The University may invest in various types of investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that the changes could materially affect the amounts reported in the Statement of Net Position.

The University, through the CSU Consolidated Investment Pool, invests in securities with contractual cash flows, such as asset-backed securities and mortgage-backed securities. The value, liquidity, and related income of these securities are sensitive to changes in economic conditions, including real estate values, delinquencies or defaults, or both, and may be adversely affected by shifts in the market's perception of the issuers and changes in interest rates.

### *(vi) Custodial Credit Risk*

Custodial credit risk is the risk that in the event of the failure of the custodian, the investments may not be returned to the University. Substantially all of the University's securities are registered in the University's name by the custodial bank as an agent for the University. As a result, custodial credit risk for such investments is remote.

### *(vii) Fair Value Measurements*

The University uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine the fair value disclosures. The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. However, in certain instances where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including discount rates and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instrument. The University groups its assets and liabilities measured at fair value in three levels, based on markets in which the asset and liabilities are traded, and the reliability of the assumptions used to

# CALIFORNIA STATE UNIVERSITY

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determine fair value. The level in the fair value hierarchy with which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the University has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset and liability. This valuation is accomplished using management's best estimate of fair value, with inputs into the determination of fair value that require significant management judgment or estimation.

The following table presents investments that are measured at fair value on a recurring basis at June 30, 2023:

Investment type	Fair value	Level 2	NAV	Not required to be leveled
Money market funds	\$ 49,078	—	49,078	—
Short term investment funds	46,901	—	46,901	—
Certificates of deposit	123,855	123,855	—	—
U.S. agency securities	237,425	237,425	—	—
U.S. Treasury securities	2,156,891	2,156,891	—	—
Municipal bonds	21,244	21,244	—	—
Corporate bonds	1,633,335	1,633,335	—	—
Asset-backed securities	24,947	24,947	—	—
Mortgage-backed securities	423,492	423,492	—	—
Commercial paper	315,482	315,482	—	—
Supranational	980	980	—	—
Mutual funds				
Fixed income	921,098	921,098	—	—
Equity and real asset	1,477,226	1,477,226	—	—
SMIF	1,084,782	—	—	1,084,782
Total investments	<u>\$ 8,516,736</u>	<u>7,335,975</u>	<u>95,979</u>	<u>1,084,782</u>

The following describe the valuation methodologies used for financial assets and liabilities measured at fair value. The techniques utilized in estimating the fair value are affected by the assumptions used.

Investments are classified in Level 1 as fair value is obtained at the last sale price on the last business day of the current fiscal year, as quoted on a recognized exchange or an industry standard pricing, when available. Investments for which no sale was reported as of the close of the last business day of the current fiscal year are valued at the quoted bid price provided by the



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University's external investment managers or their custodians. There were no investments classified in Level 1.

Investments are classified in Level 2 as fair value is calculated using valuations that include observable market quoted prices for similar assets or liabilities. Observable inputs other than quoted prices such as price services or indices, estimates, appraisals, assumptions, and other methods that are reviewed by management. Changes in market conditions and economic environments may impact on the net asset value (NAV) and consequently, the fair value of the University's interests in the funds.

There were no assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3).

Certain money market funds are not categorized under the fair value hierarchy and are shown at NAV. These investments are measured at amortized cost when calculating NAV per share (or its equivalent) of the investment.

### *(viii) Foreign Currency Risk*

Foreign currency risk, also known as exchange rate risk, is the risk arising from fluctuations in the value of a base currency (U.S. dollar) against foreign currencies related to the underlying currency denomination of securities held for investment.

The majority of the Consolidated Investment Pool is invested in U.S. dollar denominated securities without foreign currency risk.

However, the TRP includes allocations to non-U.S. equities and non-dollar-denominated bonds in the underlying mutual funds for the TRP. The TRP Investment Policy includes an asset allocation policy with targets and acceptable ranges for each asset class, including non-U.S. equity and emerging markets bonds. Additionally, mutual funds utilized in other asset classes within the TRP may also have some foreign currency exposure. However, all mutual funds in the TRP are denominated in U.S. dollars.

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(In thousands)

*(ix) Discretely Presented Component Units' Investments*

Investments of the discretely presented component units at fair value consisted of the following at June 30, 2023:

Investment type	Current	Noncurrent	Total
Money market funds	\$ 74,229	15,565	89,794
Short term investment funds	1,011	31	1,042
Certificates of deposit	12,104	6,872	18,976
U.S. agency securities	6,349	10,375	16,724
U.S. Treasury securities	179,980	130,640	310,620
Municipal bonds	3,632	7,161	10,793
Corporate bonds	155,044	172,226	327,270
Asset-backed securities	1,810	9,215	11,025
Mortgage-backed securities	13,852	30,694	44,546
Commercial paper	8,262	207	8,469
Supranational	21	1	22
Mutual funds	183,175	1,026,015	1,209,190
Exchange-traded funds	81,258	373,059	454,317
Equity securities	99,099	580,805	679,904
Alternative investments			
Private equity (including limited partnerships)	6,117	192,015	198,132
Hedge funds	8,220	135,288	143,508
Real estate investments (including real estate investment trust)	1,461	50,044	51,505
Commodities	—	22,148	22,148
Other alternative investments	3,497	100,631	104,128
Other external investment pools	—	41,063	41,063
Local Agency Investment Fund (LAIF)	304,134	6,949	311,083
SMIF	1	—	1
Other investments	882	18,386	19,268
<b>Total investments</b>	<b>\$ 1,144,138</b>	<b>2,929,390</b>	<b>4,073,528</b>

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(In thousands)

The following table presents investments of the discretely presented component units that are measured at fair value on a recurring basis at June 30, 2023:

<b>Investment type</b>	<b>Fair value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>NAV</b>
Money market funds	\$ 89,794	65,813	16,606	—	7,375
Short term investment funds	1,042	—	—	—	1,042
Certificates of deposit	18,976	288	18,688	—	—
U.S. agency securities	16,724	1,936	14,788	—	—
U.S. Treasury securities	310,620	170,968	134,807	—	4845
Municipal bonds	10,793	2,538	8,255	—	—
Corporate bonds	327,270	166,595	158,737	—	1,938
Asset-backed securities	11,025	7,274	3,751	—	—
Mortgage-backed securities	44,546	796	40,843	—	2,907
Commercial paper	8,469	—	8,469	—	—
Supranational	22	—	22	—	—
Mutual funds	1,209,190	1,161,029	12,691	—	35,470
Exchange-traded funds	454,317	447,965	6,352	—	—
Equity securities	679,904	652,949	21,464	1,249	4,242
<b>Alternative investments</b>					
Private equity (including limited partnerships)	198,132	508	1,272	51,725	144,627
Hedge funds	143,508	4,477	18,591	11,178	109,262
Real estate investments (including real estate investment trust)	51,505	315	6,917	21,043	23,230
Commodities	22,148	11,247	—	59	10,842
Other alternative investments	104,128	897	—	—	103,231
Other external investment pools	41,063	—	—	41,063	—
LAIF	311,083	—	—	—	311,083
SMIF	1	—	—	—	1
Other investments	19,268	12,071	165	747	6,285
<b>Total investments</b>	<b>\$ 4,073,528</b>	<b>2,707,666</b>	<b>472,418</b>	<b>127,064</b>	<b>766,380</b>

For additional information regarding the investments and investment policies of the individual discretely presented component units, refer to the separately issued financial statements.

Investments reported by the University of \$74,085 are invested under contractual agreements on behalf of the discretely presented component units of the University.

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(In thousands)

**(4) Accounts Receivable**

Accounts receivable of the University at June 30, 2023 consisted of the following:

	<b>Current</b>	<b>Noncurrent</b>	<b>Total</b>
State appropriations	\$ 594	55	649
State appropriations – Systemwide Public Works Board (SPWB) lease revenue bond program	—	835	835
Discretely presented component units	86,340	1,825	88,165
Student accounts	154,640	—	154,640
Government grants and contracts	35,248	—	35,248
Others	86,629	357	86,986
	363,451	3,072	366,523
Less allowance for doubtful accounts	(46,100)	—	(46,100)
Total accounts receivable, net	<u>\$ 317,351</u>	<u>3,072</u>	<u>320,423</u>

**(5) Lease Receivable**

The University leases building and ground space to its discretely presented component units or external parties. The leases expire at various dates through 2083 and provide renewal options ranging from one year to fifteen years. The University recognizes lease receivable and deferred inflows of resources based on the present value of expected receipts over the term of the respective leases. The expected receipts are discounted using implicit rate or the University's incremental borrowing rate. Variable payments are excluded from the valuations unless they are fixed in substance. The University recognized revenues related to lease agreements totaling \$20,535 for the year ended June 30, 2023, reported in other operating revenues in the Statements of Revenues, Expenses and Changes in Net Position.

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Future minimum lease payments to be received under lessor arrangements as of June 30, 2023, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending June 30:			
2024	\$ 18,628	4,913	23,541
2025	25,814	4,453	30,267
2026	16,601	3,914	20,515
2027	17,008	3,510	20,518
2028	16,241	3,099	19,340
2029 - 2033	77,969	9,912	87,881
2034 - 2038	31,869	3,567	35,436
2039 - 2043	6,707	1,659	8,366
2044 - 2048	4,726	1,239	5,965
2049 - 2053	1,137	996	2,133
Thereafter	5,983	3,117	9,100
Total	<u>\$ 222,683</u>	<u>40,379</u>	<u>263,062</u>

**(6) Notes Receivable**

The University has entered into note agreements primarily with certain discretely presented component units to finance its existing and newly constructed facilities. Notes receivable from discretely presented component units amounted to \$451,850. Interest rates range from 0.20% to 6.48%. Note payments are due twice a year, on May 1 and November 1.

Under the agreements, payments are due to the University as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending June 30:			
2024	\$ 16,038	17,042	33,080
2025	18,426	16,873	35,299
2026	19,242	16,235	35,477
2027	19,690	15,562	35,252
2028	20,218	14,844	35,062
2029 - 2033	103,672	62,615	166,287
2034 - 2038	94,975	43,524	138,499
2039 - 2043	65,245	26,977	92,222
2044 - 2048	59,885	13,021	72,906
2049 - 2053	30,675	3,217	33,892
Thereafter	6,260	57	6,317
Total	<u>\$ 454,326</u>	<u>229,967</u>	<u>684,293</u>

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(In thousands)

**(7) Capital Assets**

Capital assets activity for the University for the year ended June 30, 2023, consisted of the following:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Ending balance</u>
Nondepreciable/nonamortizable capital assets					
Land and land improvements	\$ 403,563	3,751	—	12,844	420,158
Works of art and historical treasures	58,119	1,820	(854)	—	59,085
Construction work in progress	1,955,854	732,400	(33,836)	(1,496,415)	1,158,003
Intangible assets	78,513	12,107	(6,158)	(10,623)	73,839
Total nondepreciable/nonamortizable capital assets	<u>2,496,049</u>	<u>750,078</u>	<u>(40,848)</u>	<u>(1,494,194)</u>	<u>1,711,085</u>
Depreciable/amortizable capital assets					
Buildings and building improvements	15,244,723	77,115	(5,114)	1,199,894	16,516,618
Improvements other than buildings	818,444	5,789	(2,161)	97,252	919,324
Infrastructure	1,371,766	8,107	(8,833)	159,717	1,530,757
Personal property					
Equipment	1,002,329	56,581	(48,548)	26,708	1,037,070
Library books and materials	398,901	5,856	(4,118)	—	400,639
Intangible assets	316,851	637	(46,825)	10,623	281,286
Total depreciable/amortizable capital assets	<u>19,153,014</u>	<u>154,085</u>	<u>(115,599)</u>	<u>1,494,194</u>	<u>20,685,694</u>
Total cost	<u>21,649,063</u>	<u>904,163</u>	<u>(156,447)</u>	<u>—</u>	<u>22,396,779</u>
Less accumulated depreciation/amortization					
Buildings and building improvements	(7,499,515)	(472,369)	1,932	—	(7,969,952)
Improvements other than buildings	(622,810)	(30,900)	2,161	—	(651,549)
Infrastructure	(650,531)	(41,060)	8,238	—	(683,353)
Personal property					
Equipment	(796,532)	(58,299)	47,025	—	(807,806)
Library books and materials	(366,294)	(6,356)	4,423	—	(368,227)
Intangible assets	(279,753)	(3,493)	16,594	—	(266,652)
Total accumulated depreciation/amortization	<u>(10,215,435)</u>	<u>(612,477)</u>	<u>80,373</u>	<u>—</u>	<u>(10,747,539)</u>
Total capital assets, net excluding ROU assets	<u>\$ 11,433,628</u>	<u>291,686</u>	<u>(76,074)</u>	<u>—</u>	<u>11,649,240</u>
ROU assets, net					<u>396,894</u>
Total capital assets, net					<u>\$ 12,046,134</u>

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The University's ROU lease assets and related accumulated amortization for the year ended June 30, 2023 are as follows:

	<b>Beginning balance</b>	<b>Additions</b>	<b>Remeasurements</b>	<b>Reductions</b>	<b>Ending balance</b>
<b>Amortizable lease assets</b>					
Land and land improvements	\$ 6,959	122	—	—	7,081
Buildings and building improvements	329,039	14,100	19,248	(1,894)	360,493
Improvements other than buildings	834	9	(36)	—	807
Infrastructure	217	—	—	—	217
<b>Personal property</b>					
Equipment	8,862	2,351	—	(1,139)	10,074
<b>Total amortizable right-to-use lease assets</b>	<b>345,911</b>	<b>16,582</b>	<b>19,212</b>	<b>(3,033)</b>	<b>378,672</b>
<b>Less accumulated amortization</b>					
Land and land improvements	(472)	(524)	—	—	(996)
Buildings and building improvements	(32,573)	(32,317)	392	1,894	(62,604)
Improvements other than buildings	(260)	(265)	—	—	(525)
Infrastructure	(20)	(20)	—	—	(40)
<b>Personal property</b>					
Equipment	(2,377)	(2,730)	—	609	(4,498)
<b>Total accumulated amortization</b>	<b>(35,702)</b>	<b>(35,856)</b>	<b>392</b>	<b>2,503</b>	<b>(68,663)</b>
<b>Total ROU lease assets, net</b>	<b>\$ 310,209</b>	<b>(19,274)</b>	<b>19,604</b>	<b>(530)</b>	<b>310,009</b>

The University's ROU subscription assets and related accumulated amortization for the year ended June 30, 2023 are as follows:

	<b>Beginning balance*</b>	<b>Additions</b>	<b>Remeasurements</b>	<b>Reductions</b>	<b>Ending balance</b>
Subscription assets	\$ 101,887	24,684	(24)	—	126,547
Less accumulated amortization	—	(39,662)	—	—	(39,662)
<b>Total ROU subscription assets, net</b>	<b>\$ 101,887</b>	<b>(14,978)</b>	<b>(24)</b>	<b>—</b>	<b>86,885</b>

\*Restated to reflect GASB Statement No. 96 implementation

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(In thousands)

Capital assets activity of the discretely presented component units of the University for the year ended June 30, 2023 consisted of the following:

	<b>Beginning balance</b>	<b>Additions</b>	<b>Retirements</b>	<b>Transfers</b>	<b>Ending balance</b>
Nondepreciable/nonamortizable capital assets					
Land and land improvements	\$ 147,088	1,046	(2,640)	—	145,494
Works of art and historical treasures	11,689	934	—	—	12,623
Construction work in progress	81,284	77,174	(19,737)	(22,115)	116,606
Intangible assets	5,098	8	(2,802)	—	2,304
<b>Total nondepreciable/nonamortizable capital assets</b>	<b>245,159</b>	<b>79,162</b>	<b>(25,179)</b>	<b>(22,115)</b>	<b>277,027</b>
Depreciable/amortizable capital assets					
Buildings and building improvements	741,112	42,432	(124,290)	2,648	661,902
Improvements other than buildings	196,173	2,214	(12,391)	13,984	199,980
Infrastructure	8,717	—	—	—	8,717
Personal property					
Equipment	260,304	16,649	(15,978)	5,483	266,458
Intangible assets	6,323	115	(1,101)	—	5,337
<b>Total depreciable/amortizable capital assets</b>	<b>1,212,629</b>	<b>61,410</b>	<b>(153,760)</b>	<b>22,115</b>	<b>1,142,394</b>
<b>Total cost</b>	<b>1,457,788</b>	<b>140,572</b>	<b>(178,939)</b>	<b>—</b>	<b>1,419,421</b>
Less accumulated depreciation/amortization					
Buildings and building improvements	(333,536)	(22,867)	62,512	—	(293,891)
Improvements other than buildings	(104,292)	(9,967)	6,182	—	(108,077)
Infrastructure	(3,195)	(218)	175	—	(3,238)
Personal property					
Equipment	(192,271)	(20,909)	10,216	—	(202,964)
Intangible assets	(5,735)	(205)	1,085	—	(4,855)
<b>Total accumulated depreciation/amortization</b>	<b>(639,029)</b>	<b>(54,166)</b>	<b>80,170</b>	<b>—</b>	<b>(613,025)</b>
<b>Total capital assets, net excluding ROU asset</b>	<b>\$ 818,759</b>	<b>86,406</b>	<b>(98,769)</b>	<b>—</b>	<b>806,396</b>
ROU assets, net					235,040
<b>Total capital assets, net</b>					<b>\$ 1,041,436</b>

For additional information regarding the capital assets, net of the individual discretely presented component units of the University, refer to the separately issued financial statements.



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(In thousands)

The University's discretely presented component units' ROU lease assets and related accumulated amortization for the year ended June 30, 2023 are as follows:

	<b>Beginning balance</b>	<b>Additions</b>	<b>Remeasurements</b>	<b>Reductions</b>	<b>Ending balance</b>
<b>Amortizable lease assets</b>					
Land and land improvements	\$ 29,845	2,426	—	(21,410)	10,861
Buildings and building improvements	124,101	162,180	(15,699)	(2,382)	268,200
Improvements other than buildings	38,373	—	—	—	38,373
Infrastructure	484	—	—	—	484
<b>Personal property</b>					
Equipment	558	4,358	(2)	(121)	4,793
<b>Total amortizable right-to-use lease assets</b>	<b>193,361</b>	<b>168,964</b>	<b>(15,701)</b>	<b>(23,913)</b>	<b>322,711</b>
<b>Less accumulated amortization</b>					
Land and land improvements	(1,856)	(149)	—	1,704	(301)
Buildings and building improvements	(13,862)	(76,947)	752	2,382	(87,675)
Improvements other than buildings	(2,257)	(2,257)	—	—	(4,514)
Infrastructure	(36)	(36)	—	—	(72)
<b>Personal property</b>					
Equipment	(198)	(1,648)	124	120	(1,602)
<b>Total accumulated amortization</b>	<b>(18,209)</b>	<b>(81,037)</b>	<b>876</b>	<b>4,206</b>	<b>(94,164)</b>
<b>Total ROU lease assets, net</b>	<b>\$ 175,152</b>	<b>87,927</b>	<b>(14,825)</b>	<b>(19,707)</b>	<b>228,547</b>

The University's discretely presented component units' ROU subscription assets and related accumulated amortization for the year ended June 30, 2023 are as follows:

	<b>Beginning balance*</b>	<b>Additions</b>	<b>Remeasurements</b>	<b>Reductions</b>	<b>Ending balance</b>
ROU subscription assets	\$ 7,197	1,398	—	—	8,595
Less accumulated amortization	—	(2,102)	—	—	(2,102)
<b>Total ROU subscription assets, net</b>	<b>\$ 7,197</b>	<b>(704)</b>	<b>—</b>	<b>—</b>	<b>6,493</b>

\*Restated to reflect GASB Statement No. 96 implementation

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(In thousands)

**(8) Lease Liabilities**

The University leases land, building space, and equipment for various terms under long-term, noncancellable lease agreements. The leases expire at various dates through 2098 and provide for renewal options ranging from one year to ten years. In accordance with GASB Statement No. 87, the University records ROU assets and lease liabilities based on the present value of expected payments over the lease term of the respective leases. The expected payments are discounted using the explicit rate or the University's incremental borrowing rate. Variable payments are excluded from the valuations unless they are fixed in substance. The University does not have any leases subject to a residual value guarantee.

Lease liabilities activity of the University for the year ended June 30, 2023 are as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Remeasurements</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Current portion</u>
Lease liabilities	\$ 299,889	16,309	19,333	(31,983)	303,548	31,679

Future minimum lease payments of the University under lessee arrangements as of June 30, 2023 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending June 30:			
2024	\$ 31,679	8,105	39,784
2025	30,940	7,340	38,280
2026	23,081	6,663	29,744
2027	19,330	6,154	25,484
2028	17,098	5,684	22,782
2029 - 2033	71,035	22,092	93,127
2034 - 2038	53,590	12,978	66,568
2039 - 2043	36,076	5,953	42,029
2044 - 2048	17,218	2,197	19,415
2049 - 2053	3,300	81	3,381
Thereafter	201	888	1,089
Total	\$ 303,548	78,135	381,683

The University's discretely presented component units' lease liabilities activity as of June 30, 2023 are as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Remeasurements</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Current portion</u>
Lease liabilities	\$ 240,819	53,760	38,562	(97,312)	235,829	24,658

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Future minimum lease payments of the University's discretely presented component units under lessee arrangements as of June 30, 2023 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending June 30:			
2024	\$ 24,658	5,919	30,577
2025	28,822	6,821	35,643
2026	20,703	4,835	25,538
2027	20,421	4,284	24,705
2028	17,879	3,764	21,643
2029 - 2033	75,096	11,545	86,641
2034 - 2038	31,991	4,082	36,073
2039 - 2043	3,786	1,920	5,706
2044 - 2048	2,598	1,641	4,239
2049 - 2053	2,436	1,453	3,889
Thereafter	7,439	4,112	11,551
Total	<u>\$ 235,829</u>	<u>50,376</u>	<u>286,205</u>

**(9) Subscription-Based Information Technology Arrangements (SBITA) Liabilities**

The University enters into subscription-based arrangements which expire at various dates through 2030. In accordance with GASB Statement No. 96, the University recognizes a right-to-use subscription asset and a corresponding subscription liability at the commencement of the subscription term, which is when the subscription asset is placed into service. Similar to leases, the expected future subscription payments are discounted using the explicit rate or the University's incremental borrowing rate. Variable payments are excluded from the valuations unless they are fixed in substance. SBITA liabilities activity of the University for the year ended June 30, 2023 are as follows:

	<u>Beginning balance*</u>	<u>Additions</u>	<u>Remeasurements</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Current portion</u>
SBITA liabilities	\$ 86,328	23,599	(24)	(48,444)	61,459	32,290

\*Restated to reflect GASB Statement No. 96 implementation

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(In thousands)

Future annual subscription payments of the University under subscription-based arrangements as of June 30, 2023 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending June 30			
2024	\$ 32,290	2,307	34,597
2025	16,836	1,113	17,949
2026	7,599	468	8,067
2027	1,668	188	1,856
2028	1,137	122	1,259
2029 - 2030	1,929	114	2,043
Total	<u>\$ 61,459</u>	<u>4,312</u>	<u>65,771</u>

The University's discretely presented component units' SBITA liabilities as of June 30, 2023 are as follows:

	<u>Beginning balance*</u>	<u>Additions</u>	<u>Remeasurements</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Current portion</u>
SBITA liabilities	<u>\$ 6,298</u>	<u>1,336</u>	<u>—</u>	<u>(2,430)</u>	<u>5,204</u>	<u>2,028</u>

\*Restated to reflect GASB Statement No. 96 implementation

Future annual subscription payments of the University' discretely presented component units under subscription-based arrangements as of June 30, 2023 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending June 30:			
2024	\$ 2,028	180	2,208
2025	2,193	104	2,297
2026	477	39	516
2027	244	20	264
2028	173	10	183
2029 - 2032	89	7	96
Total	<u>\$ 5,204</u>	<u>360</u>	<u>5,564</u>

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## (10) Long-Term Debt Obligations

### (a) *State's General Obligation (GO) Bond Program*

The GO Bond program of the State has provided capital outlay funds for the three segments of California Higher Education through voter-approved bonds. Each of the approved bond programs provides a pool of available funds, which is allocated on a project-by-project basis among the University, the University of California, and the community colleges. Financing provided to the University through the GO Bonds is not allocated to the University by the State. This debt remains as obligation of the State and is funded by state tax revenues. Accordingly, such debt is not reflected in the accompanying financial statements. The total GO Bonds carried by the State related to the University projects is approximately \$1,715,977 as of June 30, 2023.

### (b) *Systemwide Revenue Bond (SRB) Program*

The State University Revenue Bond Act of 1947, Sections 90010 through 90091 of the Education Code of the State of California (the Bond Act) authorizes the Trustee to issue revenue bonds to finance projects that support the University's educational mission. The University's financing program, referred to as the SRB Program, is designed to provide lower cost debt and greater flexibility to finance projects at the University than would be possible if projects were financed separately. Rather than relying on specific pledged revenues to support specific debt obligations, the SRB program pools multiple sources of revenue as the security for the debt. The University's total outstanding balance of revenue bond indebtedness under the SRB program was \$8,556,625 at June 30, 2023. Under the Bond Act authority, the University has constructed or acquired facilities located at its 23 campuses and the Office of the Chancellor.

In 2014, the State enacted legislation that granted additional capital financing authorities to the University, leading to the SRB program expanding to allow the financing of academic facilities and energy conservation projects. Allowable academic projects include constructing and equipping of new and existing academic facilities; infrastructure; deferred maintenance; and refunding of SPWB lease revenue bonds (which funded the construction of certain academic facilities of the University).

SRBs are not secured by mortgages on the facilities constructed or acquired and therefore the facilities do not act as security for the debt. Revenues pledged under the SRB program include program fees from professional and continuing education, health center facilities, housing, parking, and student union; student tuition and fees; and designated auxiliary revenues, net of maintenance and operation expenses before extraordinary items (net income available for debt service), to repay the bonds.

The SRB Indenture (the Indenture) contains provisions that define events of default related to punctuality of the payment of the outstanding principal and interest. Additionally, the Indenture describes the process for which other events of default by the Board related to covenants, agreements, or conditions of the Indenture occur for a period of 60 days after written notice by bondholders of not less than 25.00% in aggregate principal amount of the bonds outstanding requiring remediation. Further, the Indenture specifies the process which the Trustees may undertake, at the request of the majority of the bondholders, to declare the principal of all of the bonds then outstanding and the interest accrued to be immediately due and payable.

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(In thousands)

**(c) Bond Anticipation Note (BAN)**

The Trustees have authorized the issuance of BANs to provide short-term financing to the University for certain projects. The BANs are purchased by CSU Institute with proceeds from the commercial paper issued by the Institute. The BANs are generally issued for periods of up to three years in anticipation of issuing permanent revenue bonds at a future date. State law was amended in 2008 to allow BAN maturities to extend beyond three years and the maturity date for the issuance of BANs to be determined by the Trustees. BAN interest is variable and changes based upon the cost of the CSU Institute's commercial paper program. The maximum and minimum weighted average interest rates for the year ended June 30, 2023 were 5.39% and 1.40%, respectively. The University's BAN totaled \$151,711 at June 30, 2023. The authorized amounts totaled \$429,155, of which \$277,444 has not been issued.

CSU Institute, a discretely presented component unit of the University, manages the commercial paper program. The commercial paper program is bound by certain agreements, including the Trust Indenture with the Trustee/paying agent and the Reimbursement Agreement with the letter of credit banks. Under certain provision of the Trust Indenture, in the event of a default, the Trustees shall take actions set forth by the BAN Resolution to effect the sale of long-term bonds to refinance outstanding BANs. Upon the occurrence of certain events of default specified in the Reimbursement Agreement, the right of the CSU Institute and the University to issue notes may be terminated or be suspended by the banks.

**(d) State Public Works Board (SPWB) Lease Revenue Bond**

The University participates in the State's SPWB lease revenue bond program since 1986 in connection with the construction of campus facilities and related equipment. As part of the annual budget process, the State of California Department of Finance augments the University's operating budget to provide additional funds for the required debt payments. The long-term debt obligation related to SPWB as of June 30, 2023 is \$96,805.

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(In thousands)

Long-term debt obligations of the University as of June 30, 2023 consisted of the following:

Description	Interest rate (%)	Final maturity date	Original issue amount	Amount outstanding
SRB				
Series 2007-B	5.45-5.55	2037/38	\$ 13,165	7,355
Series 2007-C	5.00	2028/29	63,275	12,175
Series 2010-B	5.55-6.48	2041/42	205,145	202,920
Series 2012-B	4.17	2036/37	16,700	12,745
Series 2013-A	3.00-5.00	2023/24	222,340	31,060
Series 2014-A	3.00-5.00	2026/27	106,270	21,860
Series 2015-A	2.25-5.00	2047/48	1,032,920	828,565
Series 2015-B	3.31-4.41	2035/36	29,305	11,510
Series 2016-A	2.50-5.00	2045/46	1,133,105	1,039,810
Series 2016B-1	1.60	2047/48	50,000	50,000
Series 2016B-2	0.55	2049/50	100,000	100,000
Series 2016B-3	4.00	2051/52	100,000	100,000
Series 2017-A	3.00-5.00	2047/48	812,030	721,620
Series 2017-B	2.58-3.90	2047/48	335,155	329,620
Series 2017-C	3.25-5.00	2037/38	49,175	39,255
Series 2018-A	5.00	2050/51	492,690	465,900
Series 2018-B	3.20-4.25	2050/51	171,000	164,250
Series 2019-A	4.00-5.00	2051/52	449,430	433,250
Series 2019-B	2.08-3.59	2051/52	81,335	73,600
Series 2020-A	5.00	2031/32	65,240	39,490
Series 2020-B	1.56-3.07	2051/52	829,425	815,165
Series 2020-C	2.25 - 5.00	2051/52	314,030	314,030
Series 2020-D	0.48 - 2.82	2042/43	528,575	506,330
Series 2020-E	0.48 - 3.27	2060/61	466,010	466,010
Series 2021-A	3.00-5.00	2052/53	124,235	110,030
Series 2021-B	0.35-2.94	2052/53	1,664,085	1,660,075
			<u>\$ 9,454,640</u>	8,556,625
BAN	Various			151,711
SPWB lease revenue bond	Various			96,805
Others	Various			79,121
Total				8,884,262
Unamortized net bond premium				550,452
Total long-term debt obligations				9,434,714
Less current portion				(259,325)
Total long-term debt obligations, net of current portion				<u>\$ 9,175,389</u>

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(In thousands)

Long-term debt principal and interest are payable in the following fiscal years:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending June 30:			
2024	\$ 259,325	324,924	584,249
2025	269,209	316,223	585,432
2026	289,899	307,468	597,367
2027	295,701	299,983	595,684
2028	288,983	291,840	580,823
2029 - 2033	1,525,857	1,292,517	2,818,374
2034 - 2038	1,475,576	990,550	2,466,126
2039 - 2043	1,613,524	683,635	2,297,159
2044 - 2048	1,637,570	361,154	1,998,724
2049 - 2053	1,114,718	97,297	1,212,015
Thereafter	113,900	14,269	128,169
Total	<u>\$ 8,884,262</u>	<u>4,979,860</u>	<u>13,864,122</u>

Long-term debt obligations of the discretely presented component units have been issued to purchase or construct facilities for University-related uses. For additional information regarding long-term debt obligations of the individual discretely presented component units, refer to the separately issued financial statements.

The Board of Trustees does not have a specified debt limit or debt margin, as noted in the University's Policy for Financing Activities. However, the Board finds it appropriate to establish the lowest cost debt financing programs for the University, and to use the limited debt capacity in the most prudent manner.

As of June 30, 2023, the Board had approved SRB and BANs that were authorized but unissued in the aggregate principal amount of \$412,781 for projects including academic, infrastructure, housing, and parking facilities. As of June 30, 2023, there are approximately \$96,805 of remaining authorized and unissued debt for the purpose of refunding certain bonds of the State's State Public Works Board (SPWB) Lease Revenue Bond not previously refunded. The Board may issue all or a portion of these authorized bonds as well as other additional bonds for other new money projects or refunding purposes. The Board expects to authorize the issuance of additional Systemwide Revenue Bonds from time to time in the future. There is no limit on the amount of SRB that the Board may authorize.

The University participated in the SPWB Lease Revenue Bond program since 1986 in connection with the construction of campus facilities and related equipment. As part of the annual budget process, the State of California Department of Finance augments the University's operating budget to provide additional funds for the required debt payments. The long-term debt due to SPWB is to be repaid by fiscal year 2035.



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(In thousands)

**(11) Long-Term Liabilities Activity**

Long-term liabilities activity of the University for the year ended June 30, 2023 are as follows:

	<b>Beginning balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending balance</b>	<b>Current portion</b>
Accrued compensated absences	\$ 281,366	188,889	(169,860)	300,395	144,536
Long-term debt obligations (note 10):					
SRB	8,760,030	—	(203,405)	8,556,625	227,620
BAN	115,370	52,689	(16,348)	151,711	20,528
SPWB lease revenue bond	96,805	—	—	96,805	—
Other	96,637	788	(18,304)	79,121	11,177
	9,068,842	53,477	(238,057)	8,884,262	259,325
Unamortized net bond premium	581,410	—	(30,958)	550,452	—
Total long-term debt obligations	9,650,252	53,477	(269,015)	9,434,714	259,325
Total long-term liabilities, excluding lease and SBITA liabilities	<u>\$ 9,931,618</u>	<u>242,366</u>	<u>(438,875)</u>	9,735,109	403,861
Lease liabilities				303,548	31,679
SBITA liabilities				61,459	32,290
Total long-term liabilities				<u>\$ 10,100,116</u>	<u>467,830</u>

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(In thousands)

Long-term liabilities activity of the aggregated discretely presented component units of the University for the year ended June 30, 2023, are as follows:

	<b>Beginning balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending balance</b>	<b>Current portion</b>
Accrued compensated absences	\$ 23,286	18,979	(18,887)	23,378	17,670
Claims liability for losses and loss adjustment expenses	63,981	34,738	(31,016)	67,703	22,286
Long-term debt obligations					
Revenue bonds	16,715	—	(1,140)	15,575	1,200
Commercial paper, including principal rollovers	115,370	561,514	(487,108)	189,776	73,176
Notes payable	375,418	—	(12,703)	362,715	13,315
Other	84,197	1,742	(13,698)	72,241	5,302
	591,700	563,256	(514,649)	640,307	92,993
Unamortized net bond premium	35,271	—	(1,796)	33,475	—
Total long-term debt obligations	626,971	563,256	(516,445)	673,782	92,993
Total long-term liabilities, excluding lease and SBITA liabilities	\$ 714,238	616,973	(566,348)	764,863	132,949
Lease liabilities				235,829	24,658
SBITA liabilities				5,204	2,028
Total long-term liabilities				\$ 1,005,896	159,635

The University has entered into agreements with certain discretely presented component units to finance existing and newly constructed facilities using proceeds from issuance of SRB and BANs, of which \$362,715 is included in notes payable and \$51,070 in other long-term debt obligations as of June 30, 2023.

For additional information regarding the long-term liabilities of the individual discretely presented component units of the University, refer to the separately issued financial statements.

**(12) Pension Plan**

**(a) Pension Plan Description**

The University participates in the State's Public Employee's Retirement Fund A (PERF A). PERF A is comprised of agent multiple-employer plans, in which CalPERS acts as an investment and administrative agent for participating employers. State employees served by PERF A includes the University's Miscellaneous Tier 1 employees and Peace Officers and Firefighters.

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### **(b) Benefits Provided**

The plan also provides survivor, death, and disability benefits. Eligible employees are covered by the Public Employees' Medical and Hospital Care Act (PEMHCA) for medical benefits. The benefit provisions are established by the Public Employee's Retirement Law (PERL) and the Public Employees' Pension Reform Act of 2013 (PEPRA).

A full description of the pension plans regarding numbers of employees covered, benefit provision, assumptions, and membership information are listed in the June 30, 2021, Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the actuarial valuation report.

In general, retirement benefits are based on a formula using member's years of service credit, age at retirement, and final compensation (average salary for a defined period of employment). Retirement formulas vary based on:

- Classification (e.g., miscellaneous or peace officers and firefighters)
- Membership category (pre-PEPRA and post-PEPRA); and
- Specific provisions in employees' contracts.

CalPERS issues a publicly available Actuarial Valuation Report and Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information. Copies of the CalPERS Actuarial Valuation Report and ACFR may be obtained at [www.CalPERS.ca.gov](http://www.CalPERS.ca.gov) or from the California Public Employees' Retirement System Executive Office, 400 P Street, Sacramento, CA 95814.

### **(c) Pensionable Compensation**

For the University, the plan acts as cost sharing multiple-employer defined-benefit pension plan, which provides a defined-benefit pension and postretirement program for substantially all eligible University employees. The University's proportion of the State's net pension liability was calculated based on its proportionate share of the State's pensionable compensation. The pensionable compensation has a measurement period of July 1, 2021 through June 30, 2022.

### **(d) Contributions**

Section 20814(c) of the PERL requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

For the measurement period ended June 30, 2022, the average State's active employee contribution rates for State Miscellaneous and Peace Officer and Firefighters Plans are 7.17% and 11.69% of annual payroll, respectively. For the measurement period ended June 30, 2022, the State's contribution rates for State

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Miscellaneous and Peace Officer and Firefighters Plans are 29.20% and 32.84% of annual payroll, respectively.

State Miscellaneous Plan members of the University are required to contribute 5.00% of their annual earnings in excess of \$513 per month to CalPERS. Effective January 1, 2013, all new University employees that are considered “new members” to CalPERS are required to contribute 50.00% of the normal cost for their category (e.g., State Miscellaneous Plan members contribute 8.00% of their annual earnings per month to CalPERS). The University is required to contribute at an actuarially determined rate.

State Peace Officers and Firefighters Plan members of the University are required to contribute 8.00% of their annual earnings in excess of \$238 per month to CalPERS. Effective January 1, 2013, all new University employees that are considered “new members” to CalPERS are required to contribute 50.00% of the normal cost for their category (e.g., State Peace Officers and Firefighters Plan members contribute 13.25% of their annual earnings per month to CalPERS). The University is required to contribute at an actuarially determined rate.

The contribution requirements of the plan members are established and may be amended by CalPERS. The contractual maximum contribution required for the University is determined by the annual CalPERS compensation limit(s), which are based on provisions of Assembly Bill (AB) 340 and the IRC 401(a) 17 limits. The University's contributions to CalPERS for the most recent three fiscal years ended June 30 were equal to the required contributions and are as follows:

	<u>Contributions</u>	
Fiscal year ended June 30:		
2023	\$	1,132,533
2022		963,723
2021		950,935

In 2018, the State made a supplemental pension contribution of \$876,842 to CalPERS on behalf of the University as authorized by Government Code Section 20825. The University shall repay \$156,283 amount contributed through June 30, 2030, while the remainder was recognized as State appropriations, noncapital in 2018. As of June 30, 2023, the outstanding amount to be repaid by the University is \$34,420.

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**(e) Actuarial Methods and Assumptions**

The total pension liability was measured as of June 30, 2022 (measurement date), by rolling forward the total pension liability determined by the June 30, 2021 actuarial valuation (valuation date), based on the following actuarial methods and assumptions:

Valuation date	June 30, 2021
Actuarial cost method	Entry age normal in accordance with the requirements of GASB Statement No. 68
Actuarial assumptions	
Discount rate	6.90%
Inflation	2.30%
Salary increases	Varies by entry age and service
Investment rate of return	6.90% net of pension plan investment expenses, but without reduction for administrative expenses, includes inflation
Mortality rate of return	Derived using CalPERS' membership data for all funds
Postretirement benefit increase	The lesser of contract cost of living allowance or 2.30% until purchasing power protection allowance floor on purchasing power applies, 2.30% thereafter

The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80.00% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.

**(f) Discount Rate**

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**(g) Investment Rate of Return**

The long-term expected rate of return on pension plan investments of 6.90% was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all of the PERF's asset classes, expected compound (geometric returns) were calculated over the next 20 years using a building-block approach. The

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expected rate of return was then adjusted to account for assumed administrative expenses of 10 basis points. The expected real rates of return by asset class are as follows:

Asset class	Assumed asset allocation	Real return <sup>1,2</sup>
	%	%
Global equity - cap weighted	30.00	4.54
Global equity - non-cap weighted	12.00	3.84
Private equity	13.00	7.28
Treasury	5.00	0.27
Mortgage-backed securities	5.00	0.50
Investment grade corporates	10.00	1.56
High yield	5.00	2.27
Emerging market debt	5.00	2.48
Private debt	5.00	3.57
Real assets	15.00	3.21
Leverage	(5.00)	(0.59)
Total	100.00	

<sup>1</sup>An expected inflation of 2.30% used for this period

<sup>2</sup>Figures are based on the 2021 Asset Liability Management study

**(h) Sensitivity of the University's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following table presents the University's proportionate share of net pension liability of the State Miscellaneous and Peace Officers and Firefighters Plans (collectively the Plans) as of the measurement date, calculated using the discount rate of 6.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is one-percentage point lower (5.90%) or one-percentage point higher (7.90%) than the current rate:

Plan	Discount rate -1%	Current discount rate	Discount rate +1%
Miscellaneous Plan	\$ 11,973,332	8,321,003	5,271,860
Peace Officers and Firefighters Plan	245,727	163,852	96,950
Total net pension liability	\$ 12,219,059	8,484,855	5,368,810

**(i) Changes in Net Pension Liability**

The University reported a liability of \$8,484,855 for its proportionate share of the State's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined based on an actuarial valuation as of June 30, 2021 rolled forward to the measurement date. The University's portion of the State's net pension liability was calculated based on its proportionate share of the State's pensionable compensation. The State considered this a practical,

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systematic, and rational approach. At measurement date June 30, 2022, the University's proportionate share of the total State net pension liability for the State Miscellaneous and Peace Officers and Firefighters Plans were 22.0097% and 0.9904%, respectively.

	<b>State Miscellaneous Plan</b>	<b>State Peace Officers and Firefighters Plan</b>	<b>Total</b>
Balance at June 30, 2021 (measurement date)	\$ 5,516,849	101,833	5,618,682
Changes in proportionate share	<u>(610,998)</u>	<u>(10,465)</u>	<u>(621,463)</u>
Balance at June 30, 2021, adjusted	4,905,851	91,368	4,997,219
Changes recognized for the measurement period			
Service cost	536,672	11,567	548,239
Interest on total pension liability	1,926,489	38,269	1,964,758
Changes of assumptions	820,734	21,690	842,424
Recognized difference between expected and actual experience	(245,549)	(7,973)	(253,522)
Plan to plan resource movement	563	(11)	552
Employer contributions	(1,124,757)	(21,508)	(1,146,265)
Employee contributions	(238,104)	(4,728)	(242,832)
Projected earnings on pension plan assets	(1,574,359)	(31,483)	(1,605,842)
Investment earnings greater than projected earnings	3,299,059	66,387	3,365,446
Administrative expenses	14,303	285	14,588
Beginning of year adjustment	<u>101</u>	<u>(11)</u>	<u>90</u>
Net changes	3,415,152	72,484	3,487,636
Balance at June 30, 2022 (measurement date)	<u>\$ 8,321,003</u>	<u>163,852</u>	<u>8,484,855</u>

**(j) Pension Plan Fiduciary Net Position**

The plan fiduciary net position disclosed in the GASB Statement No. 68 accounting valuation report may differ from the plan assets reported in the funding actuarial valuation report due to several reasons. For example, for the accounting valuations, CalPERS must keep items such as deficiency reserves and fiduciary self-insurance included as assets. These amounts are excluded for rate setting purposes in the funding actuarial valuation.

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**(k) Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pension**

The University recognized pension expense of \$836,073 for State Miscellaneous Plan and State Peace Officers and Firefighters Plan, which were reported as benefits expense.

The following table presents deferred outflows and inflows of resources as of June 30, 2023 related to pension.

	Deferred outflows of resources	Deferred inflows of resources
University's retirement contributions subsequent to the measurement date	\$ 1,132,533	—
Net differences between projected and actual earnings on pension plan investments	1,105,846	—
Differences due to changes in assumptions	646,941	—
Differences due to changes in proportionate share	—	478,396
Differences between expected and actual experience	136,962	194,721
Total	<u>\$ 3,022,282</u>	<u>673,117</u>

Deferred outflows of resources recognized for the University's retirement contributions made subsequent to the measurement date of June 30, 2022, will be recognized as a reduction of the net pension liability in the next measurement date.

The deferred outflows of resources will be recognized as pension expense as follows:

Measurement period ended June 30	Initial differences*	Recognition period (year)	Increase (Decrease) in pension expense arising from the recognition of the differences between projected and actual earnings on pension plan investments (measurement dates)				Total
			2023	2024	2025	2026	
<b>Miscellaneous Plan</b>							
2019	\$ 109,489	5.0	\$ 21,898	—	—	—	21,898
2020	399,608	5.0	79,922	79,922	—	—	159,844
2021	(2,894,392)	5.0	(578,878)	(578,878)	(578,878)	—	(1,736,634)
2022	3,299,059	5.0	659,812	659,812	659,812	659,812	2,639,248
<b>Peace Officers and Firefighters Plan</b>							
2019	(1,942)	5.0	388	—	—	—	388
2020	(7,484)	5.0	1,496	1,496	—	—	2,992
2021	58,331	5.0	(11,666)	(11,666)	(11,666)	—	(34,998)
2022	(66,387)	5.0	13,277	13,277	13,277	13,277	53,108
Decrease in pension expense			<u>\$ 186,249</u>	<u>163,963</u>	<u>82,545</u>	<u>673,089</u>	<u>1,105,846</u>

\*Adjusted for any changes in University's proportionate share



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Measurement Period ended June 30	Initial differences*	Recognition period (year)	Increase in pension expense arising from the recognition of the effects of changes in assumptions (measurement dates)				
			2023	2024	2025	2026	Total
Miscellaneous Plan							
2022	\$ 820,734	4.3	\$ 190,868	190,868	190,868	57,261	629,865
Peace Officers and Firefighters Plan							
2022	21,690	4.7	4,615	4,615	4,615	3,231	17,076
Increase in pension expense			<u>\$ 195,483</u>	<u>195,483</u>	<u>195,483</u>	<u>60,492</u>	<u>646,941</u>

\* Adjusted for any changes in University's proportionate share

Measurement Period ended June 30	Initial differences*	Recognition period (year)	Increase in pension expense arising from the recognition of the effects of differences between expected and actual experience (measurement date)			
			2023	2024	2025	Total
Miscellaneous Plan						
2019	\$ 447,338	4.1	10,910	—	—	10,910
2020	163,418	4.2	38,909	7,782	—	46,691
2021	138,296	4.3	32,162	32,162	9,649	73,973
Peace Officers and Firefighters Plan						
2019	6,580	5.00	1,316	—	—	1,316
2020	1,705	4.80	355	284	—	639
2021	5,800	4.90	1,184	1,184	1,065	3,433
Increase in pension expense			<u>\$ 84,836</u>	<u>41,412</u>	<u>10,714</u>	<u>136,962</u>

\* Adjusted for any changes in University's proportionate share

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The deferred inflows of resources will be recognized as pension expense as follows:

Measurement period ended June 30	Initial differences	Recognition period (year)	Decrease (Increase) in pension expense arising from the recognition of the effects of changes in proportionate share (measurement dates)				
			2023	2024	2025	2026	Total
Miscellaneous Plan							
2021	\$ (312,344)	4.3	\$ (72,638)	(72,638)	(21,791)	—	(167,067)
2022	830,870	4.3	193,225	193,225	193,225	57,968	637,643
Peace Officers and Firefighters Plan							
2021	(5,640)	5.1	(1,151)	(1,151)	(1,036)	—	(3,338)
2022	14,172	5.1	3,015	(3,015)	3,015	8,142	11,157
Decrease in pension expense			<u>\$ 122,451</u>	<u>116,421</u>	<u>173,413</u>	<u>66,110</u>	<u>478,395</u>

Measurement period ended June 30	Initial differences*	Recognition period (year)	Decrease in pension expense arising from the recognition of the effects of differences between expected and actual experience (measurement dates)				
			2023	2024	2025	2026	Total
Miscellaneous Plan							
2022	\$ 245,549	4.3	\$ 57,104	57,104	57,104	17,131	188,443
Peace Officers and Firefighters Plan							
2022	7,973	4.7	1,696	1,696	1,696	1,190	6,278
Decrease in pension expense			<u>\$ 58,800</u>	<u>58,800</u>	<u>58,800</u>	<u>18,321</u>	<u>194,721</u>

\* Adjusted for any changes in University's proportionate share

**(13) Other Postemployment Benefits (OPEB)**

**(a) OPEB Plan Description**

The State provides retiree health and dental benefits to annuitants of retirement systems through an agent multiple-employer defined benefit plan which operates as a single-employer defined benefit plan for the University. The design of health and dental benefit plans can be amended by CalPERS Board of Administration. To be eligible, employees must retire within 120 days of separation from employment and have met the health and dental vesting period to be eligible to receive these benefits.

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**(b) Benefits Provided**

For healthcare benefits, CalPERS offers Preferred Provider Organizations (PPOs), Health Maintenance Organizations (HMOs), and Exclusive Provider Organizations (EPOs) (limited to members in certain California counties). For dental benefits, a Dental Maintenance Organization (DMO) and dental indemnity plans are offered to the University's retirees. Health plans offered, covered benefits, monthly rates, and co-payments are determined by the CalPERS Board of Administration, who reviews health plan contracts annually. At measurement date, the count of retired and active employees covered by the benefit terms were:

	<b>Headcount</b>
Retirees elected to receive healthcare benefits	33,792
Active employees	49,766
Total headcount	<u>83,558</u>

**(c) Contributions**

The contribution requirements of retirees and the State are established and may be amended by the State legislature. For healthcare benefits, the State makes a contribution toward the retiree's monthly health premiums, with the retirees covering the difference between the State's contribution and the actual healthcare premium amount. The State contribution is normally established through collective bargaining agreements. No retiree contribution is required for dental benefits.

For healthcare benefits, responsibility for funding the cost of the employer share of premiums is apportioned between the State and the University based on "billable" and "nonbillable" accounts. Billable accounts have special revenue sources such as fees, licenses, penalties, assessments, and interest, which offset the costs incurred by a State department during the year. The University reimburses the State for retiree's health benefit costs allocated to billable accounts but not for costs allocated to nonbillable accounts. The University is responsible for funding the costs of the billable accounts on a pay-as-you-go basis as part of the statewide general administrative costs charged to the University. The State is responsible for funding the cost of the employer share of healthcare premiums of retirees for all nonbillable accounts. Historically, the State has funded approximately 95% of the cost of the benefits.

The University is responsible for paying the cost of dental benefits for all University retirees using funds provided by the State through general fund appropriations. The University makes payments directly to Delta Dental for the retiree's monthly dental premiums. The University is paying these benefits on a pay-as-you-go basis. The State's contribution to the retirees' health benefits are recorded as State appropriations, noncapital.

In addition to the explicit University contribution provided to retirees, there is an "implicit rate subsidy" The gross premium for retired members not eligible for Medicare who are charged a premium based on the experience of both active and retired members will be receiving a subsidy because the average healthcare costs of retired members is generally higher than the blended average costs of a group comprised of both active and retired members. The subsidy is referred to as the implicit rate subsidy. The implicit subsidy

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associated with the retiree health costs paid during the past year is also considered to be a contribution from the University.

**(d) Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used are consistent with a long-term perspective and involve estimates of the value of reported benefits and assumptions about the probability of occurrence of events far into the future.

Significant actuarial methods and assumptions used to calculate the University's total OPEB liability were:

Valuation date	June 30, 2022
Actuarial cost method	Entry Age Normal Actuarial Cost Method and the blended discount rates in accordance with the requirements of GASB Statement Nos. 74 and 75.
<b>Actuarial assumptions</b>	
Discount rate	3.69%
Price inflation	2.30%
Wage inflation	2.80%
Healthcare-related	Assumptions were based on healthcare census information, claims experience data and actuarial valuations for the period from July 1, 2014, to June 30, 2018. The actuarial assumptions determined by this study were first used for the actuarial valuations effective as of June 30, 2019.
<b>Healthcare trend</b>	
Pre-Medicare cost trend rate	Select and ultimate trend rates were set at actual increases for 2023, 7.00% in 2024 grading down to 4.50% in 2029, 4.50% from 2030 to 2037, and 4.25% on and after 2038.
Post-Medicare cost trend rate	Select and ultimate trend rates were set at actual increases for 2023, 7.00% in 2024 grading down to 4.50% in 2029, 4.50% from 2030 to 2037, and 4.25% on and after 2038.
Participation	On average approximately 95% of all eligible retirees elect healthcare coverage.
Per capita claim costs	Costs were developed for pre-Medicare and post-Medicare coverage at each respective age and gender, using overall average costs adjusted for morbidity.
Pension-related	Assumptions were based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions and were first adopted beginning with the actuarial valuation as of June 30, 2021. Key assumptions include: salary increase rates, termination rates, disability rates, retirement rates, and mortality rates.
Mortality	Assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board in November 2021. The pre-retirement and postretirement mortality assumptions include generational mortality improvement and the rates are projected using 80% of scale MP-2020 published by the Society of Actuaries.

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**(e) Sensitivity of the University's Total OPEB Liability to Changes in the Healthcare Cost Trend Rate**

One of the key assumptions influencing costs is the assumed growth or trend in healthcare costs. The healthcare trend assumption for OPEB actuarial valuations spans over the lifetime of a covered retiree, which could extend to over 30 years. This is in contrast to the short-term healthcare inflation used to develop premiums for the next fiscal year. This long-term healthcare assumption is by far the most difficult to set.

The following table presents the University's total OPEB liability as of the measurement date, calculated using the healthcare cost trend rate (7.00% decreasing to 4.25%), as well as what the total OPEB liability would be if it were calculated using the healthcare cost trend rate that are one-percentage-point lower (6.00% decreasing to 3.25%) and one-percentage-point higher (8.00% decreasing to 5.25%) than the current healthcare cost trend rate:

	<u>Trend rate -1%</u>	<u>Current trend rate</u>	<u>Trend rate +1%</u>
OPEB liability	\$ 11,484,646	13,342,974	15,701,046

**(f) Discount Rate**

The discount rate used to estimate the total OPEB liability as of measurement dates June 30, 2022 and 2021 was 3.69% and 1.92%, respectively. The discount rates were based on Fidelity's 20-Year Municipal GO AA Index since the University has no plan assets sufficient to make benefit payments.

**(g) Sensitivity of the University's Total OPEB Liability to Changes in the Discount Rate**

The following table presents the University's total OPEB liability as of the measurement date, calculated using the discount rate of 3.69%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one-percentage point lower (2.69%) or one-percentage point higher (4.69%) than the current rate:

	<u>Discount rate -1%</u>	<u>Current discount rate</u>	<u>Discount rate +1%</u>
OPEB liability	\$ 15,434,428	13,342,974	11,640,588

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**(h) Changes in Total OPEB Liability**

The following table presents the changes in total OPEB liability of the University recognized over the measurement period:

Balance at June 30, 2021 (measurement date)	\$	15,434,384
Changes recognized for the measurement period:		
Service cost		763,258
Interest on total OPEB liability		306,867
Recognized changes of assumptions		(3,779,507)
Differences between expected and actual experience (non-investment)		1,049,961
Benefit payments		(431,989)
Net changes		(2,091,410)
Balance at June 30, 2022 (measurement date)	\$	13,342,974

**(i) OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB**

The University recognized OPEB expense of \$254,205 which was reported as benefits expense. The following table summarizes the deferred outflows and inflows of resources related to OPEB liabilities.

	Deferred outflows of resources	Deferred inflows of resources
University's contributions subsequent to the measurement date	\$ 461,842	—
Differences due to changes in assumptions	1,000,090	3,638,842
Differences between expected and actual experience (non-investment)	909,005	1,430,728
Total	\$ 2,370,937	5,069,570

The University's contributions subsequent to the measurement date includes \$426,423 contributed by the State on behalf of the University as authorized by Government Code Section 22871. The State's contributions are recognized as State appropriations, noncapital.

The deferred outflows of resources related to the University's contributions made subsequent to the measurement date of June 30, 2022 will be recognized as a reduction of total OPEB liability on the subsequent measurement date, and are not amortized to OPEB expense.

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The deferred outflows of resources to be recognized as OPEB expense are as follows:

Measurement period ended June 30	Initial difference	Recognition period (year)	Increase in OPEB expense from changes of assumptions (measurement dates)							Total
			2023	2024	2025	2026	2027	2028	2029	
2019	\$ 751,688	7.25	\$ 103,631	103,631	103,631	26,271	—	—	—	337,164
2020	585,190	7.30	80,110	80,110	80,110	80,110	24,420	—	—	344,860
2021	437,934	7.31	59,934	59,934	59,934	59,934	59,934	18,396	—	318,066
Increase in OPEB expense			<u>\$ 243,675</u>	<u>243,675</u>	<u>243,675</u>	<u>166,315</u>	<u>84,354</u>	<u>18,396</u>	<u>—</u>	<u>1,000,090</u>

Measurement period ended June 30	Initial difference	Recognition period (year)	Increase in OPEB expense arising from differences between expected and actual experience (non investment) (measurement dates)							Total
			2023	2024	2025	2026	2027	2028	2029	
2022	\$ 1,049,961	7.45	\$ 140,956	140,956	140,956	140,956	140,956	140,956	63,269	909,005
Increase in OPEB expense			<u>\$ 140,956</u>	<u>140,956</u>	<u>140,956</u>	<u>140,956</u>	<u>140,956</u>	<u>140,956</u>	<u>63,269</u>	<u>909,005</u>

The deferred inflows of resources to be recognized as OPEB expense are as follows:

Measurement period ended June 30	Initial difference	Recognition period (year)	Decrease in OPEB expense arising from changes in assumptions (measurement dates)							Total
			2023	2024	2025	2026	2027	2028	2029	
2017	\$ 1,663,194	6.86	\$ 209,400	—	—	—	—	—	—	209,400
2018	519,714	7.17	72,477	72,477	12,375	—	—	—	—	157,329
2022	3,779,507	7.45	507,394	507,394	507,394	507,394	507,394	507,394	227,749	3,272,113
Decrease in OPEB expense			<u>\$ 789,271</u>	<u>579,871</u>	<u>519,769</u>	<u>507,394</u>	<u>507,394</u>	<u>507,394</u>	<u>227,749</u>	<u>3,638,842</u>

Measurement period ended June 30	Initial difference	Recognition period (year)	Decrease in OPEB expense arising from differences between expected and actual experience (non investment) (measurement dates)							Total
			2023	2024	2025	2026	2027	2028	2029	
2018	\$ 1,111,239	7.17	\$ 154,968	154,968	26,463	—	—	—	—	336,399
2019	94,145	7.25	12,979	12,979	12,979	3,292	—	—	—	42,229
2020	471,337	7.30	64,524	64,524	64,524	64,524	19,669	—	—	277,765
2021	1,066,155	7.31	145,910	145,910	145,910	145,910	145,910	44,785	—	774,335
Decrease in OPEB expense			<u>\$ 378,381</u>	<u>378,381</u>	<u>249,876</u>	<u>213,726</u>	<u>165,579</u>	<u>44,785</u>	<u>—</u>	<u>1,430,728</u>

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**(14) Deferred Outflows and Inflows of Resources**

The composition of deferred outflows and inflows of resources at June 30, 2023 is summarized as follows:

	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Related to:		
Net pension liability (note 11)	\$ 3,022,282	673,117
Other postemployment benefits liability (note 12)	2,370,937	5,069,570
Unamortized loss on SRB debt refunding	87,506	—
Leases	—	215,738
Unamortized gain on SRB debt refunding	—	3,666
Nonexchange transactions	—	849
Others	17	—
Total	<u>\$ 5,480,742</u>	<u>5,962,940</u>

**(15) Claims Liability for Losses and Loss Adjustment Expenses**

The University and certain auxiliary organizations have established the CSURMA, a discretely presented component unit of the University, to centrally manage workers' compensation, general liability, industrial and nonindustrial disability, unemployment insurance coverage, and other risk-related programs. The claims liability included in the discretely presented component unit column reflects the estimated ultimate cost of settling claims related to events that have occurred on or before June 30, 2023. The liability includes estimated amounts that will be required for future payments of claims that have been reported and claims related to events that have occurred but have not yet been reported. The liability is also reduced by estimated amounts recoverable from the reinsurer that are related to the liabilities for unpaid claims and claim adjustment expenses. The liability is estimated through an actuarial calculation using individual case basis valuations and statistical analyses. Although considerable variability is inherent in such estimates, management believes that the liability is a reasonable estimate at June 30, 2023.

The information of the change in claims liability for losses and loss adjustment expenses may be obtained from the separate financial statements issued for CSURMA.

**(16) Commitments and Contingencies**

The University is a defendant in multiple lawsuits involving matters not covered by the CSURMA as discussed in note 15. Management of the University is of the opinion that the liabilities, if any, arising from litigation will not have a material effect on the financial position of the University.

Federal grant programs are subject to review by the grantor agencies, which could result in requests for reimbursement to grantor agencies for disallowed expenditures. Management believes that it has adhered to the terms of its grants and that any disallowed expenditures resulting from such reviews would not have a material effect on the financial position of the University.



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Authorized but unexpended costs for construction projects as of June 30, 2023 totaled \$1,170,131. These expenditures will be funded primarily by state appropriations and bond proceeds.

In order to secure access to electricity used for normal operation, the University participates in forward purchase contract of electricity operated by Shell Energy North America. The University's obligations under these special purchase arrangements require it to purchase an estimated total of \$25,067 of electricity at fixed prices through December 2024. The University estimates that the special purchase contract in place represent approximately 20.61% of its total annual electricity expenses.

**(17) Classification of Operating Expenses**

The University has elected to report operating expenses by functional classification in the Statement of Revenues, Expenses, and Changes in Net Position, and to provide the natural classification of those expenses as an additional disclosure. Operating expenses by natural classification consisted of the following for the year ended June 30, 2023:

	<b>Salaries</b>	<b>Benefits</b>	<b>Scholarships and fellowships</b>	<b>Supplies and other services</b>	<b>Depreciation and amortization</b>	<b>Total operating expenses</b>
Instruction	\$ 2,195,509	1,145,514	—	213,458	—	3,554,481
Research	44,325	14,466	—	24,598	—	83,389
Public service	25,758	5,990	—	29,040	—	60,788
Academic support	504,564	215,410	—	222,610	—	942,584
Student services	563,324	271,248	—	503,482	—	1,338,054
Institutional support	548,924	230,117	—	358,213	—	1,137,254
Operation and maintenance of plant	298,427	153,170	—	503,894	—	955,491
Student grants and scholarships	—	—	1,243,155	—	—	1,243,155
Auxiliary enterprise expenses	110,293	64,201	—	497,084	—	671,578
Depreciation and amortization	—	—	—	—	687,995	687,995
<b>Total operating expenses</b>	<b>\$ 4,291,124</b>	<b>2,100,116</b>	<b>1,243,155</b>	<b>2,352,379</b>	<b>687,995</b>	<b>10,674,769</b>

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### (18) Transactions with Related Entities

The University is an agency of the State and receives approximately 48.76% of total revenues through state appropriations. State appropriations allocated to the University aggregated \$6,223,371 for the year ended June 30, 2023. State appropriations receivable is \$1,484 at June 30, 2023.

State appropriations allocated to the University for the year ended June 30, 2023 are as follows:

State appropriations, general fund	\$	5,765,422
State's contribution on behalf of the University for OPEB		457,949
Total state appropriations	\$	<u>6,223,371</u>

### (19) Subsequent Events

The following information describes significant events that occurred subsequent to June 30, 2023, but prior to the date of the auditors' report.

- *SRB Issuance*

In August 2023, the University issued \$799,355 of SRB Series 2023A (Tax Exempt) and 2023B (Taxable). The new bonds were issued to fund various capital projects and redeem maturing BANs.

- *BAN Issuance and Redemption*

The University issued BANs for the following capital projects:

SDSU Aztec Shops, Ltd. The Essential Student Housing Property Acquisition Project	\$	40,426
Cal Poly Corporation – 4800 Morabito Place Acquisition and Renovation Project		22,896
California State University, San Marcos University Village Housing Project		20,805
Cal Poly Humboldt Student Housing Project		5,703
Total BAN issuance	\$	<u>89,830</u>

The University redeemed BANs for the following capital projects:

SDSU Aztec Shops, Ltd. Viva 5750 Apartment Acquisition	\$	38,157
San Diego State Multi-Use Stadium at Mission Valley Project		20,000
SFSU Science Replacement Building - College of Extended Learning (CEL) Addition Project		14,618
SLO Science and Agricultural Teaching and Research Complex Project		528
Total BAN redemption	\$	<u>73,303</u>

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# REQUIRED SUPPLEMENTARY INFORMATION

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## CALIFORNIA STATE UNIVERSITY

## Schedule of University's Proportionate Share of the Net Pension Liability and Related Ratios

June 30, 2023

(In thousands)

Last Ten Fiscal Years<sup>1</sup>

	2022 <sup>2</sup>	2021 <sup>2</sup>	2020 <sup>2</sup>	2019 <sup>2</sup>	2018 <sup>2</sup>	2017 <sup>2</sup>	2016 <sup>2</sup>	2015 <sup>2</sup>	2014 <sup>2</sup>
<b>State of California Miscellaneous Plan</b>									
University's proportion of the net pension liability	22.00970%	24.75083	23.79119	23.85065	24.09757	23.87558	22.87662	22.84970	22.72891
University's proportionate share of the net pension liability	\$8,321,003	5,516,848	8,270,213	8,022,235	7,570,176	8,723,068	7,575,326	6,453,200	5,411,439
University's proportionate share of covered payroll	\$3,103,947	3,441,594	3,152,983	3,002,439	2,900,140	2,780,552	2,567,251	2,407,821	2,209,786
University's proportionate share of the net pension liability as a percentage of covered payroll	268.07813%	160.29921	262.29805	267.19061	261.02795	313.71711	295.07539	268.00996	244.88521
Plan fiduciary net position as a percentage of the total pension liability	71.62525%	82.39493	71.51054	71.34328	71.82994	66.41644	66.81100	70.68274	74.17418
<b>State of California Peace Officers and Firefighters Plan</b>									
University's proportion of the net pension liability	0.99039%	1.10385	1.05879	1.14289	1.17223	1.15890	1.15882	1.07094	1.00623
University's proportionate share of the net pension liability	\$ 163,852	101,834	149,100	168,535	163,075	176,894	158,599	124,994	102,216
University's proportionate share of covered payroll	\$ 37,769	43,493	39,417	41,367	41,153	38,632	37,528	33,341	30,160
University's proportionate share of the net pension liability as a percentage of covered payroll	433.82668%	234.13883	378.26319	407.41440	396.26516	457.89066	422.61507	374.89140	338.91247
Plan fiduciary net position as a percentage of the total pension liability	71.99753%	83.34760	73.18576	70.56276	70.53476	65.89199	66.09678	69.61241	72.18915

<sup>1</sup> The University implemented GASB Statement No. 68 effective July 1, 2014, therefore, no information is available for the measurement periods prior to June 30, 2014.

<sup>2</sup> The date in the column heading represents the end of the measurement period of the net pension liability, which is one year prior to the reporting period.

See accompanying independent auditors' report.



**CALIFORNIA STATE UNIVERSITY**  
Schedule of Employer Contributions Related to Pension  
Year ended June 30, 2023

(In thousands)

Last Ten Fiscal Years<sup>1</sup>

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>State of California Miscellaneous Plan</b>									
Actuarially determined contribution	\$1,074,129	943,908	1,014,772	1,000,772	902,330	836,450	737,766	641,710	588,353
Contributions in relation to the actuarially determined contributions	(1,110,522)	(950,453)	(936,487)	(992,004)	(909,834)	(839,367)	(740,571)	(644,679)	(589,385)
Contribution deficiency (excess)	<u>\$ (36,393)</u>	<u>(6,545)</u>	<u>78,285</u>	<u>8,768</u>	<u>(7,504)</u>	<u>(2,917)</u>	<u>(2,805)</u>	<u>(2,969)</u>	<u>(1,032)</u>
University's covered payroll	\$3,497,651	3,241,442	3,195,126	3,230,694	3,079,834	2,953,043	2,768,770	2,559,878	2,431,410
Contributions as a percentage of covered payroll	31.75051 %	29.32192	29.30986	30.70560	29.54166	28.42380	26.74729	25.18397	24.24046
<b>State of California Peace Officers and Firefighters Plan</b>									
Actuarially determined contribution	\$ 20,824	12,465	19,601	19,512	18,374	17,762	15,858	14,027	11,737
Contributions in relation to the actuarially determined contributions	(22,012)	(13,270)	(14,448)	(19,514)	(19,153)	(18,442)	(16,600)	(14,647)	(13,610)
Contribution deficiency (excess)	<u>\$ (1,188)</u>	<u>(805)</u>	<u>5,153</u>	<u>(2)</u>	<u>(779)</u>	<u>(680)</u>	<u>(742)</u>	<u>(620)</u>	<u>(1,873)</u>
University's covered payroll	\$ 44,108	39,966	40,060	41,342	42,022	41,696	39,372	37,568	33,363
Contributions as a percentage of covered payroll	49.90347 %	33.20322	36.06590	47.20139	45.57851	44.22966	42.16194	38.98797	40.79369

<sup>1</sup>The University implemented GASB Statement No. 68 effective July 1, 2014, therefore, no information is available for the measurement periods prior to June 30, 2014.

See accompanying independent auditors' report.

**CALIFORNIA STATE UNIVERSITY**  
 Schedule of Employer Contributions Related to Pension  
 Year ended June 30, 2023

**Notes to required supplementary information schedule for the most recent fiscal year presented:**

Valuation date	Actuarially calculated contribution rates are calculated as of July 1, two years prior to the end of the fiscal year in which contributions are reported.
Methods and assumption used to determine contribution rates	
Actuarial cost method	Entry age normal in accordance with the requirement of GASB Statement No. 68.
Amortization method/period	For details, see June 30, 2021 Funding Valuation Report.
Asset valuation method	Actuarial Value of Assets. For details, see June 30, 2021 Funding Valuation Report.
Inflation	2.30%
Salary increases	Varies by entry age and duration of service
Payroll growth	2.80%
Investment rate of return	6.80%, net of pension plan investment and administrative expenses; includes inflation.
Retirement age	The probabilities of retirement are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019.
Mortality	The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80.00% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.
Significant factors affecting contribution rates	For details, see June 30, 2021 Funding Valuation Report.

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY

## Schedule of University's Total Other Postemployment Benefits Liability and Related Ratios

June 30, 2023

(In thousands)

Last Ten Fiscal Years<sup>1</sup>

	2022 <sup>2</sup>	2021 <sup>2</sup>	2020 <sup>2</sup>	2019 <sup>2</sup>	2018 <sup>2</sup>	2017 <sup>2</sup>
University's total other postemployment benefits liability at beginning of the year	\$ 15,434,384	15,323,276	14,498,545	13,128,996	13,918,525	14,683,420
Changes recognized for the measurement period						
Service cost	763,258	768,498	643,745	603,049	680,934	795,696
Interest on total other postemployment benefits liability	306,867	389,155	467,733	490,260	513,512	436,431
Recognized changes of assumptions	(3,779,507)	437,934	585,190	751,688	(519,714)	(1,663,194)
Recognized differences between Expected and Actual Experience (Non-Investment)	1,049,961	(1,066,155)	(471,337)	(94,145)	(1,111,239)	—
Employer contributions	(431,989)	(418,324)	(400,600)	(381,303)	(353,022)	(333,828)
Net changes	\$ (2,091,410)	111,108	824,731	1,369,549	(789,529)	(764,895)
University's total other postemployment benefits liability at end of the year	\$ 13,342,974	15,434,384	15,323,276	14,498,545	13,128,996	13,918,525
University's covered payroll	\$ 3,541,759	3,281,408	3,235,186	3,272,036	3,121,856	2,994,739
University's total other postemployment benefits liability as a percentage of covered payroll	376.73297 %	470.35858	473.64436	443.10469	420.55098	464.76588

<sup>1</sup>The University implemented GASB Statement No. 75 effective July 1, 2017, therefore, no information is available for the measurement periods prior to June 30, 2017.

<sup>2</sup>The date in the column heading represents the end of the measurement period of the total OPEB liability, which is one year prior to the reporting period.

See accompanying independent auditors' report.

**CALIFORNIA STATE UNIVERSITY**  
 Schedule of Employer Contributions Related to Other Postemployment Benefits  
 Year ended June 30, 2023

(In thousands)

Last Ten Fiscal Years<sup>1</sup>

	2023	2022	2021	2020	2019	2018
Actuarially determined contributions	\$ 858,253	744,383	771,153	786,426	743,648	754,550
Contributions in relation to the actuarially determined contributions	(461,842)	(400,463)	(390,008)	(404,389)	(362,260)	(349,487)
Contribution deficiency	<u>\$ 396,411</u>	<u>343,920</u>	<u>381,145</u>	<u>382,037</u>	<u>381,388</u>	<u>405,063</u>
University's covered payroll	\$ 3,541,759	3,281,408	3,235,186	3,272,036	3,121,856	2,994,739
Contributions as a percentage of covered payroll	13.03990 %	12.20400	12.05520	12.35894	11.60399	11.67003

<sup>1</sup>The University implemented GASB Statement No. 75 effective July 1, 2017, therefore, no information is available for the measurement periods prior to June 30, 2017.

See accompanying independent auditors' report.



## CALIFORNIA STATE UNIVERSITY

## Schedule of Employer Contributions Related to Other Postemployment Benefits

Year ended June 30, 2023

**Notes to required supplementary information schedule for the most recent fiscal year presented**

Valuation date	Actuarially calculated contribution rates are calculated as of July 1, one year prior to the end of the fiscal year in which contributions are reported.
Methods and assumption used to determine actuarially determined contributions	
Actuarial cost method	Actuarial valuation results used for accounting purposes, such as the Total OPEB Liability and Service Cost, were developed using the Entry Age Normal Actuarial Cost Method and the blended discount rates as required by GASB Statements No. 74 and 75. The Normal Cost and Actuarial Accrued Liability for the purpose of calculating the Actuarially Determined Contribution were developed using the Entry Age Normal Actuarial Cost Method and a full-funding discount rate of 6.00 percent.
Inflation	2.30%
Payroll growth	2.80%
Retirement age	The probabilities of retirement are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019.
Mortality	Assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board in November 2021. The pre-retirement and postretirement mortality assumptions include generational mortality improvement and the rates are projected using 80% of scale MP-2020 published by the Society of Actuaries.

<sup>1</sup>The University implemented GASB Statement No. 75 effective July 1, 2017, therefore, no information is available for the measurement periods prior to June 30, 2017.

See accompanying independent auditors' report.

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# SUPPLEMENTARY INFORMATION

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**CALIFORNIA STATE UNIVERSITY**  
Systemwide Revenue Bond Program's Net Income Available for Debt Service  
Year ended June 30, 2023  
(In thousands)

Gross revenues	
Tuition fees	\$ 3,319,703
Student housing	731,829
Student unions/recreation centers	293,806
Parking	121,762
Health centers	13,000
Professional and continuing education	435,485
Auxiliary organizations <sup>1</sup>	684,579
Other related entity <sup>2</sup>	6,216
Total gross revenues	5,606,380
Maintenance and operation expenses <sup>3</sup>	
Academic facilities	562,508
Student housing	520,988
Student unions/recreation centers	172,080
Parking	64,817
Health centers	4,701
Professional and continuing education	380,677
Auxiliary organizations <sup>1</sup>	571,171
Total maintenance and operation expenses	2,276,942
Net income available for debt service	\$ 3,329,438
Debt service	
Systemwide revenue bonds debt	511,896
Designated auxiliary organizations debt	2,007
Total debt service	\$ 513,903

The purpose of this schedule is to meet bond reporting covenants covering the operations of the projects showing the gross revenues and expenses for the fiscal year.

<sup>1</sup>This includes gross revenues and maintenance and operations expenses of 17 auxiliary organizations that have financed with SRB through lease or loan arrangements. This excludes research grants and contracts activity and restricted gifts. Gross revenues under the SRB Indenture are a smaller amount derived from payments under certain leases or with the Board of Trustees.

<sup>2</sup>This includes gross revenues derived from leases with California State University, Channel Islands Site Authority which are used solely to pay debt service. The maintenance and operations expense are excluded as these are not paid by the pledged gross revenues.

<sup>3</sup>Maintenance and operation expenses for the year ended June 30, 2023 include extraordinary maintenance and repair projects, which are generally paid from existing program fund balance of \$120 million, other postemployment benefits expense of \$4.5 million pursuant to GASB Statement No. 75, and pension expense of \$30.9 million pursuant to GASB Statement No. 68.

See accompanying independent auditors' report.



## CALIFORNIA STATE UNIVERSITY

Systemwide Revenue Bond Program's Residence and Dining Halls Operating Data by Campus<sup>1</sup>

Year ended June 30, 2023

	Operating and other revenues	Operating expenditures	Excess of revenues over expenditures	Design capacity	Operational capacity <sup>2</sup>	Average number of spaces occupied	% of spaces occupied <sup>3</sup>
	(In thousands)						
California State University, Bakersfield	\$ 5,222	6,620	(1,398)	500	500	366	73.20%
California State University Channel Islands	17,774	13,525	4,249	1,529	1,526	1,181	77.39%
California State University, Chico	23,201	22,160	1,041	2,239	2,276	1,845	81.06%
California State University, Dominguez Hills	8,581	3,107	5,474	1,198	1,192	848	71.14%
California State University, East Bay	15,458	15,062	396	1,296	1,482	1,014	68.42%
California State University, Fullerton	37,516	20,273	17,244	2,137	2,270	2,208	97.27%
California State Polytechnic University, Humboldt	24,223	19,511	4,712	2,074	2,170	1,932	89.03%
California State University, Long Beach	43,496	33,363	10,133	2,285	2,500	2,443	97.72%
California State University, Los Angeles	25,190	17,351	7,839	2,572	2,459	1,908	77.59%
California State University Maritime Academy	8,174	(524)	8,697	823	823	684	83.11%
California State University, Northridge	26,163	15,313	10,850	3,606	3,164	2,815	88.97%
California State Polytechnic University, Pomona	48,182	35,857	12,326	2,862	2,884	2,683	93.03%
California State University, Sacramento	28,153	23,382	4,772	2,088	2,182	2,134	97.80%
California State University, San Bernardino	11,959	6,318	5,641	1,934	1,477	1,191	80.64%
San Diego State University	134,948	104,118	30,830	6,787	8,288	7,852	94.74%
San Francisco State University <sup>5</sup>	71,226	58,755	12,471	4,679	4,627	4,034	87.18%
San José State University	63,704	32,242	31,462	3,740	4,261	4,010	94.11%
California Polytechnic State University, San Luis Obispo	94,805	43,425	51,380	7,722	8,683	8,375	96.45%
Sonoma State University <sup>6</sup>	33,140	18,243	14,897	3,244	3,304	2,130	64.47%
California State University, Stanislaus	5,925	6,016	(91)	460	472	385	81.57%
	<u>727,040</u>	<u>494,117</u>	<u>232,925</u>	<u>53,775</u>	<u>56,540</u>	<u>50,038</u>	<u>88.50%</u>
California State University, Office of the Chancellor (Systemwide Office)	—	—	—				
Interest income	4,788	—	4,788				
<b>Total</b>	<u>\$ 731,828</u>	<u>494,117</u>	<u>237,713</u>				

**CALIFORNIA STATE UNIVERSITY**

Systemwide Revenue Bond Program’s Residence and Dining Halls Operating Data by Campus<sup>1</sup>  
 Year ended June 30, 2023

**Average annual rates per academic year<sup>4</sup>**

	Residence Halls			Apartments			Suites		
	Single	Double	Triple	Single	Double	Triple	Single	Double	Triple
California State University, Bakersfield	\$ 12,600	9,000	7,500						
California State University Channel Islands	10,820	9,740		12,670			11,660	11,060	
California State University, Chico	10,428	8,609	7,262	10,428	8,609				
California State University, Dominguez Hills	10,816	9,920	9,094	12,676	9,370				
California State University, East Bay				11,904	10,337	8,105		9,937	7,779
California State University, Fullerton		13,308	11,708	14,178			14,640		
California State Polytechnic University, Humboldt	8,216	5,252	4,938	8,216	6,638	4,938			
California State University, Long Beach	9,850	8,850	7,850	13,900			10,850		
California State University, Los Angeles	13,203	10,198	8,209	14,353	11,086	8,926	12,503		
California State University Maritime Academy		6,342							
California State University, Northridge				12,818	7,534				
California State Polytechnic University, Pomona	11,988	10,461	9,552	13,824	11,406				
California State University, Sacramento	8,352	7,744	5,250	9,840	8,610		9,219	8,306	
California State University, San Bernardino	8,608	6,796		10,352	10,020	8,580			
San Diego State University	15,560	13,528	11,744	12,688	10,576	9,200	12,272	10,232	8,896
San Francisco State University <sup>5</sup>		10,440		11,205	10,017	10,980			
San José State University	10,800	9,476	7,948	15,127	12,025	10,941	17,982	11,990	10,480
California Polytechnic State University, San Luis Obispo		10,356	9,654	13,395	11,946				
Sonoma State University <sup>6</sup>	10,976	8,048	5,872	13,140	9,914	6,730			
California State University, Stanislaus	7,895	6,970	5,500	8,409	6,970				
<b>Average annual rates</b>	<b>\$ 10,722</b>	<b>9,169</b>	<b>8,006</b>	<b>12,174</b>	<b>9,671</b>	<b>8,550</b>	<b>12,732</b>	<b>10,305</b>	<b>9,052</b>

<sup>1</sup>Does not include housing facilities at the Fresno, Monterey Bay and San Marcos campuses that are operated by Auxiliary Organizations.

<sup>2</sup>This column reflects capacity adjusted for increase or decrease in permanent conversions and temporary adjustments.

<sup>3</sup>Percent (%) of spaces occupied is based on Operational Capacity. The percentages represent the average academic year occupancy.

<sup>4</sup>This section primarily reflects an average of the more traditional rates to students. Each campus has different rates depending on accommodations, such as super doubles, cluster occupancy, etc.

<sup>5</sup>The operational capacity does not include 1,862 apartment units, of which 1,794 units were occupied by students, faculty and staff. The monthly rates for the one-bedroom, two-bedroom or three-bedroom units (not bed-spaces) vary between \$2,485 and \$4,325.

<sup>6</sup>The operational capacity does not include 17 faculty and staff apartment units, of which 11 units were occupied.

See accompanying independent auditors’ report.

**CALIFORNIA STATE UNIVERSITY**  
Systemwide Revenue Bond Program's Statement of Insurance Coverage  
Year ended June 30, 2023

(In thousands)

Expiration date <sup>1</sup>	Insurance Coverage	Coverage Limit	Insurance Company	Policy number
<b>Property Insurance</b>				
July 1, 2023	CSU Master Property Policy, "All Risk" Building, Equipment, Rental Income (excluding earthquake)	\$1,000,000 per occurrence	Alliant Property Insurance Program	Multiple
July 1, 2023	CSU Master Property Policy, Boiler & Machinery	100,000	Alliant Property Insurance Program	Multiple
<b>General Liability Insurance</b>				
July 1, 2023	Bodily Injury & Property Damage Liability (Primary)	10,000	CSU Risk Management Authority (self-insured portion)	CSURMA-LIAB-2223
July 1, 2023	Bodily Injury & Property Damage Liability (Reinsurance)	2,000 xs 8,000	SiriusPoint Bermuda Insurance Co. Ltd (Arcadian)	ARGL010162022
July 1, 2023	Bodily Injury & Property Damage Liability (Reinsurance)	3,000 xs 5,000	Continental Indemnity (Applied)/Upland	CI21NPX-01046-02 USXPE0146322
July 1, 2023	Bodily Injury & Property Damage Liability (Reinsurance)	4,500 xs 500	Great American Insurance Company	1827309
July 1, 2023	Bodily Injury & Property Damage Liability (Reinsurance)	5,000 xs 10,000	Everest Reinsurance Company	FC10044208-2022
July 1, 2023	Bodily Injury & Property Damage Liability (Excess)	10,000 xs 15,000	Allied World National Assurance Company	0312-4050
July 1, 2023	Bodily Injury & Property Damage Liability (Excess)	5,000 xs 25,000	Liberty Surplus Insurance Corporation	1000479134-02
July 1, 2023	Bodily Injury & Property Damage Liability (Excess)	5,000 xs 30,000	Hallmark Specialty Insurance Company	77PEF220182
July 1, 2023	Bodily Injury & Property Damage Liability (Excess)	10,000 xs 35,000	Gemini Insurance Company	CEX09600368-09
July 1, 2023	Bodily Injury & Property Damage Liability (Excess)	5,000 xs 45,000	Hamilton Re	CX21-6549
July 1, 2023	Bodily Injury & Property Damage Liability (Excess)	5,000 xs 50,000	Group Ark Insurance Limited	YLZ22-00302
July 1, 2023	Bodily Injury & Property Damage Liability (Excess)	5,000 xs 55,000	Howden Insurance Brokers Limited/Arcadian	B0180PN2205698
July 1, 2023	Bodily Injury & Property Damage Liability (Excess)	5,000 xs 60,000	Liberty Surplus Insurance Corporation	1000550140 01
July 1, 2023	Bodily Injury & Property Damage Liability (Excess)	35,000 xs 65,000	Multiple	Multiple
July 1, 2023	Bodily Injury & Property Damage Liability (Excess)	15,000 xs 100,000	Hiscox/Canopus Managing Agents Limited	B0180PN2206854
July 1, 2023	Bodily Injury & Property Damage Liability (Excess)	30,000 xs 115,000	Multiple	Multiple
July 1, 2023	Bodily Injury & Property Damage Liability (Excess)	30,000 xs 145,000	Multiple	Multiple
July 1, 2023	Bodily Injury & Property Damage Liability (Excess)	65,000 xs 175,000	Multiple	Multiple
July 1, 2023	Bodily Injury & Property Damage Liability (Excess)	10,000 xs 240,000	Inigo	B0180PN2206856
July 1, 2023	Bodily Injury & Property Damage Liability (Excess)	50,000 xs 250,000	Multiple	Multiple
<b>Workers' Compensation and Employer's Liability Insurance</b>				
July 1, 2023	Workers' Compensation and Employer's Liability	2,500	PRISM	PRISM-PE 22 EWC-143
July 1, 2023	Workers' Compensation and Employer's Liability	in excess of 2,500 up to California Workers' Compensation Statutes	Safety National Casualty Corporation	SP 4067010

<sup>1</sup>Additional insurance policies are maintained for the period from July 1, 2023 through July 1, 2024. These policies provide the same coverage indicated above.

See accompanying independent auditors' report.



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# CAMPUSES' SUPPLEMENTAL INFORMATION

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## CALIFORNIA STATE UNIVERSITY, BAKERSFIELD

## Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 263	22,787	23,050
Short-term investments	108,943	—	108,943
Accounts receivable, net	6,613	3,304	9,917
Lease receivable, current portion	—	—	—
P3 receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledge receivable, net	—	2,795	2,795
Prepaid expenses and other current assets	218	73	291
Total current assets	116,037	28,959	144,996
<b>Noncurrent assets</b>			
Restricted cash and cash equivalents	—	—	—
Accounts receivable, net	130	—	130
Lease receivable, net of current portion	—	—	—
P3 receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	989	—	989
Pledge receivable, net	—	2,774	2,774
Endowment investments	—	34,418	34,418
Other long-term investments	107,086	1,542	108,628
Capital assets, net	148,251	1,151	149,402
Other assets	10	1	11
Total noncurrent assets	256,466	39,886	296,352
Total assets	372,503	68,845	441,348
<b>Deferred Outflows of Resources</b>			
Deferred outflows of resources	121,790	—	121,790
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable	2,844	1,962	4,806
Accrued salaries and benefits	10,449	222	10,671
Accrued compensated absences, current portion	3,106	48	3,154
Unearned revenues	6,461	829	7,290
Lease liabilities, current portion	94	10	104
SBITA liabilities, current portion	524	—	524
Long-term debt obligations, current portion	1,282	—	1,282
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	26	—	26
Other liabilities	1,707	1,064	2,771
Total current liabilities	26,493	4,135	30,628



## CALIFORNIA STATE UNIVERSITY, BAKERSFIELD

## Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
<b>Noncurrent liabilities</b>			
Accrued compensated absences, net of current portion	\$ 4,197	—	4,197
Unearned revenues	—	—	—
Grants refundable	1,236	—	1,236
Lease liabilities, net of current portion	82	11	93
SBITA liabilities, net of current portion	383	—	383
Long-term debt obligations, net of current portion	45,153	—	45,153
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Other postemployment benefits liability	278,810	803	279,613
Net pension liability	197,165	—	197,165
Other liabilities	—	—	—
Total noncurrent liabilities	527,026	814	527,840
Total liabilities	553,519	4,949	558,468
<b>Deferred Inflows of Resources</b>			
Deferred inflows of resources	116,236	—	116,236
<b>Net Position</b>			
<b>Net position</b>			
Net investment in capital assets	102,272	1,130	103,402
Restricted for			
Nonexpendable – endowments	—	27,937	27,937
Expendable			
Scholarships and fellowships	288	5,745	6,033
Research	—	—	—
Loans	243	—	243
Capital projects	5,075	—	5,075
Debt service	2	—	2
Others	2,659	19,303	21,962
Unrestricted	(286,001)	9,781	(276,220)
Total net position	\$ (175,462)	63,896	(111,566)

See accompanying independent auditors' report.

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD**  
Statement of Revenues , Expenses, and Changes in Net Position  
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>	<u>Discretely presented component units</u>	<u>Eliminations</u>	<u>Total</u>
<b>Revenues</b>				
Operating revenues				
Student tuition and fees (net of scholarship allowances of \$48,510)	\$ 36,555	—	—	36,555
Grants and contracts, noncapital				
Federal	—	9,312	—	9,312
State	9	951	—	960
Local	—	219	—	219
Nongovernmental	454	587	—	1,041
Sales and services of educational activities	1,653	—	(61)	1,592
Sales and services of auxiliary enterprises (net of University scholarship allowances of \$1,028)	5,754	—	—	5,754
Other operating revenues	1,519	16,971	(90)	18,400
<b>Total operating revenues</b>	<b>45,944</b>	<b>28,040</b>	<b>(151)</b>	<b>73,833</b>
<b>Expenses</b>				
Operating expenses				
Instruction	76,683	1,858	(206)	78,335
Research	346	3,181	(135)	3,392
Public service	558	1,333	(59)	1,832
Academic support	22,459	1,973	(179)	24,253
Student services	33,693	12,192	(1,830)	44,055
Institutional support	27,505	7,658	(556)	34,607
Operation and maintenance of plant	20,143	—	—	20,143
Student grants and scholarships	39,055	4,341	—	43,396
Auxiliary enterprise expenses	8,600	963	—	9,563
Depreciation and amortization	11,157	216	—	11,373
<b>Total operating expenses</b>	<b>240,199</b>	<b>33,715</b>	<b>(2,965)</b>	<b>270,949</b>
<b>Operating loss</b>	<b>(194,255)</b>	<b>(5,675)</b>	<b>2,814</b>	<b>(197,116)</b>
<b>Nonoperating revenues (expenses)</b>				
State appropriations, noncapital	203,515	—	—	203,515
Federal financial aid grants, noncapital	29,740	—	—	29,740
State financial aid grants, noncapital	31,359	—	—	31,359
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	10,201	—	—	10,201

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD**  
Statement of Revenues , Expenses, and Changes in Net Position  
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>	<u>Discretely presented component units</u>	<u>Eliminations</u>	<u>Total</u>
<b>Nonoperating revenues (expenses), <i>continued</i></b>				
Gifts, noncapital	\$ 1,751	3,522	(146)	5,127
Investment income, net	2,519	(1)	—	2,518
Endowment income, net	—	2,526	—	2,526
Interest expense	(1,297)	—	—	(1,297)
Other nonoperating revenues	3,904	1,282	(1,551)	3,635
Net nonoperating income	281,692	7,329	(1,697)	287,324
Income before other revenues	87,437	1,654	1,117	90,208
State appropriations, capital	—	—	—	—
Grants and gifts, capital	1,201	—	(1,117)	84
Additions to permanent endowments	—	962	—	962
Increase in net position	88,638	2,616	—	91,254
<b>Net position</b>				
Net position at beginning of year	(264,100)	61,280	—	(202,820)
Net position at end of year	\$ (175,462)	63,896	—	(111,566)

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, BAKERSFIELD

Statement of Cash Flows  
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
<b>Cash flows from operating activities</b>	
Student tuition and fees	\$ 38,475
Federal grants and contracts	4,961
State grants and contracts	11
Local grants and contracts	—
Nongovernmental grants and contracts	430
Payments to suppliers	(38,334)
Payments to employees	(97,752)
Payments for benefits	(50,325)
Payments to students	(39,052)
Collections of student loans	19
Sales and services of educational activities	1,653
Sales and services of auxiliary enterprises	5,569
Other receipts	1,348
Net cash used in operating activities	<u>(172,997)</u>
<b>Cash flows from noncapital financing activities</b>	
State appropriations	193,386
Federal financial aid grants	29,184
State financial aid grants	31,275
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	8,877
Gifts and grants received for other than capital purposes	1,751
Federal loan program receipts	23,956
Federal loan program disbursements	(23,895)
Monies received on behalf of others	781
Monies disbursed on behalf of others	(878)
Principal paid on long-term debt	—
Interest paid on long-term debt	—
Issuance of notes receivable	—
Principal collections on leases receivable	—
Interest collections on leases receivable	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	4,670
Net cash provided by noncapital financing activities	<u>269,107</u>

## CALIFORNIA STATE UNIVERSITY, BAKERSFIELD

Statement of Cash Flows  
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
<b>Cash flows from capital and related financing activities</b>	
Proceeds from capital debt	\$ —
State appropriations	—
Capital grants and gifts	22
Proceeds from sale of capital assets	16
Acquisition of capital assets	(12,367)
Principal paid on capital debt and leases	(2,610)
Interest paid on capital debt and leases	(1,443)
Principal collection on leases receivable	—
Interest collection on leases receivable	—
Net cash used in capital and related financing activities	<u>(16,382)</u>
<b>Cash flows from investing activities</b>	
Proceeds from sales of investments	318,142
Purchases of investments	(399,440)
Investment income proceeds	1,726
Net cash used in investing activities	<u>(79,572)</u>
Net increase in cash and cash equivalents	156
Cash and cash equivalents at beginning of year, as restated	107
Cash and cash equivalents at end of year	<u>\$ 263</u>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>	
Operating loss	\$ (194,255)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	11,157
Change in assets and liabilities	
Accounts receivable, net	3,303
Student loans receivable, net	(7)
Prepaid expenses and other current assets	2
Other assets	—
Deferred outflows of resources	(34,998)
Accounts payable	(619)
Accrued salaries and benefits	(75)
Accrued compensated absences	452
Unearned revenues	4,984
Other postemployment benefits liability	(40,960)
Net pension liability	68,545
Other liabilities	(408)
Deferred inflows of resources	9,882
Net cash used in operating activities:	<u>\$ (172,997)</u>

## CALIFORNIA STATE UNIVERSITY, BAKERSFIELD

Statement of Cash Flows  
 Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
<b>Supplemental schedule of noncash transactions</b>	
State's contribution for OPEB	\$ 10,129
Change in unrealized gain on investments	792
Gifts in kind - noncapital	1,751
BAN proceeds paid directly to escrow agent by bank	—
Change in capital assets due to leases	33
Amortization of net bond premium	243
Change in capital assets due to implementation of GASB Statement No. 96	645

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, BAKERSFIELD

## Transactions with Related Entities

Year ended June 30, 2023

(In thousands)

	<b>Campus</b>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 3,265
Payments from discretely presented component units for other than salaries	9,893
Payments to discretely presented component units for services, space, and programs	5,950
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	—
Accounts receivable from discretely presented component units	1,328
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(338)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	101
Payments to the Office of the Chancellor for state pro rata charges	44
Accounts receivable from the Office of the Chancellor	50
Accounts receivable from campuses other than the Office of the Chancellor	17
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery allocation received	1,171
Other interagency payments (receipts) for services, space, and programs	114

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS

## Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 3	8,230	8,233
Short-term investments	145,829	559	146,388
Accounts receivable, net	30,980	5,652	36,632
Lease receivable, current portion	2,192	22	2,214
P3 receivable, current portion	—	—	—
Notes receivable, current portion	2,400	—	2,400
Pledge receivable, net	—	3,764	3,764
Prepaid expenses and other current assets	1,599	106	1,705
Total current assets	183,003	18,333	201,336
<b>Noncurrent assets</b>			
Restricted cash and cash equivalents	—	20,379	20,379
Accounts receivable, net	—	—	—
Lease receivable, net of current portion	33,629	—	33,629
P3 receivable, net of current portion	—	—	—
Notes receivable, net of current portion	48,670	147	48,817
Student loans receivable, net	14	—	14
Pledge receivable, net	—	2,472	2,472
Endowment investments	—	25,904	25,904
Other long-term investments	30,850	53,930	84,780
Capital assets, net	358,191	35,614	393,805
Other assets	9,805	—	9,805
Total noncurrent assets	481,159	138,446	619,605
Total assets	664,162	156,779	820,941
<b>Deferred Outflows of Resources</b>			
Deferred outflows of resources	96,107	5,106	101,213
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable	10,630	3,412	14,042
Accrued salaries and benefits	2,742	108	2,850
Accrued compensated absences, current portion	2,421	50	2,471
Unearned revenues	29,480	189	29,669
Lease liabilities, current portion	34	2,273	2,307
SBITA liabilities, current portion	282	—	282
Long-term debt obligations, current portion	7,675	2,414	10,089
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	—	220	220
Other liabilities	3,318	1,621	4,939
Total current liabilities	56,582	10,287	66,869



## CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS

## Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
<b>Noncurrent liabilities</b>			
Accrued compensated absences, net of current portion	\$ 3,631	112	3,743
Unearned revenues	—	1,096	1,096
Grants refundable	—	—	—
Lease liabilities, net of current portion	306	33,869	34,175
SBITA liabilities, net of current portion	220	—	220
Long-term debt obligations, net of current portion	191,264	48,803	240,067
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Other postemployment benefits liability	193,538	—	193,538
Net pension liability	159,098	—	159,098
Other liabilities	144	—	144
Total noncurrent liabilities	548,201	83,880	632,081
Total liabilities	604,783	94,167	698,950
<b>Deferred Inflows of Resources</b>			
Deferred inflows of resources	123,702	—	123,702
<b>Net Position</b>			
<b>Net position</b>			
Net investment in capital assets	210,926	(528)	210,398
Restricted for			
Nonexpendable – endowments	—	17,630	17,630
Expendable			
Scholarships and fellowships	10	8,304	8,314
Research	—	529	529
Loans	44	3,552	3,596
Capital projects	—	17,884	17,884
Debt service	130	3,330	3,460
Others	2,072	53,455	55,527
Unrestricted	(181,398)	(36,438)	(217,836)
Total net position	\$ 31,784	67,718	99,502

See accompanying independent auditors' report.

**CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS**  
Statement of Revenues, Expenses, and Changes in Net Position  
Year ended June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
<b>Revenues</b>				
Operating revenues				
Student tuition and fees (net of scholarship allowances of \$26,119)	\$ 21,834	—	—	21,834
Grants and contracts, noncapital				
Federal	4,896	—	—	4,896
State	1,757	—	—	1,757
Local	72	—	—	72
Nongovernmental	494	—	(63)	431
Sales and services of educational activities	214	—	—	214
Sales and services of auxiliary enterprises (net of University scholarship allowances of \$1,720)	17,824	7,339	—	25,163
Other operating revenues	8,219	11,254	—	19,473
Total operating revenues	55,310	18,593	(63)	73,840
<b>Expenses</b>				
Operating expenses				
Instruction	62,495	1,409	(6)	63,898
Research	3,650	120	(4)	3,766
Public service	395	2,848	—	3,243
Academic support	22,956	415	(48)	23,323
Student services	20,055	1,995	(30)	22,020
Institutional support	22,725	2,198	(72)	24,851
Operation and maintenance of plant	25,351	3,759	—	29,110
Student grants and scholarships	17,325	1,361	—	18,686
Auxiliary enterprise expenses	15,418	6,105	—	21,523
Depreciation and amortization	16,477	2,736	—	19,213
Total operating expenses	206,847	22,946	(160)	229,633
Operating loss	(151,537)	(4,353)	97	(155,793)
<b>Nonoperating revenues (expenses)</b>				
State appropriations, noncapital	110,914	—	—	110,914
Federal financial aid grants, noncapital	14,423	—	—	14,423
State financial aid grants, noncapital	16,865	—	—	16,865
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	9,055	—	—	9,055

**CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS**  
Statement of Revenues, Expenses, and Changes in Net Position  
Year ended June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
<b>Nonoperating revenues (expenses), <i>continued</i></b>				
Gifts, noncapital	\$ 64	11,627	—	11,691
Investment income, net	5,323	797	—	6,120
Endowment income, net	—	3,084	—	3,084
Interest expense	(6,477)	(2,102)	—	(8,579)
Other nonoperating revenues	8,779	5,582	—	14,361
Net nonoperating income	158,946	18,988	—	177,934
Income before other revenues	7,409	14,635	97	22,141
State appropriations, capital	—	—	—	—
Grants and gifts, capital	97	—	(97)	—
Additions to permanent endowments	—	266	—	266
Increase in net position	7,506	14,901	—	22,407
<b>Net position</b>				
Net position at beginning of year	24,278	52,817	—	77,095
Net position at end of year	\$ 31,784	67,718	—	99,502

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS

Statement of Cash Flows  
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
<b>Cash flows from operating activities</b>	
Student tuition and fees	\$ 20,969
Federal grants and contracts	4,319
State grants and contracts	5,713
Local grants and contracts	12
Nongovernmental grants and contracts	17
Payments to suppliers	(40,479)
Payments to employees	(87,389)
Payments for benefits	(39,397)
Payments to students	(17,668)
Collections of student loans	2
Sales and services of educational activities	214
Sales and services of auxiliary enterprises	15,904
Other receipts	9,192
Net cash used in operating activities	<u>(128,591)</u>
<b>Cash flows from noncapital financing activities</b>	
State appropriations	104,382
Federal financial aid grants	14,393
State financial aid grants	16,399
Nongovernmental and other financial aid grants	43
Other federal nonoperating grants	9,624
Gifts and grants received for other than capital purposes	63
Federal loan program receipts	16,527
Federal loan program disbursements	(15,680)
Monies received on behalf of others	—
Monies disbursed on behalf of others	—
Principal paid on long-term debt	(3,690)
Interest paid on long-term debt	(211)
Issuance of notes receivable	—
Principal collections on leases receivable	—
Interest collections on leases receivable	—
Principal collections on notes receivable	2,290
Interest collections on notes receivable	1,036
Other noncapital financing activities	8,540
Net cash provided by noncapital financing activities	<u>153,716</u>

## CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS

Statement of Cash Flows  
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
<b>Cash flows from capital and related financing activities</b>	
Proceeds from capital debt	\$ —
State appropriations	—
Capital grants and gifts	—
Proceeds from sale of capital assets	1,051
Acquisition of capital assets	(12,514)
Principal paid on capital debt and leases	(3,632)
Interest paid on capital debt and leases	(6,922)
Principal collection on leases receivable	2,140
Interest collection on leases receivable	35
Net cash used in capital and related financing activities	<u>(19,842)</u>
<b>Cash flows from investing activities</b>	
Proceeds from sales of investments	263,352
Purchases of investments	(270,146)
Investment income proceeds	1,511
Net cash used in investing activities	<u>(5,283)</u>
Net increase (decrease) in cash and cash equivalents	—
Cash and cash equivalents at beginning of year, as restated	3
Cash and cash equivalents at end of year	<u>\$ 3</u>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>	
Operating loss	\$ (151,537)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	16,477
Change in assets and liabilities	
Accounts receivable, net	(23,540)
Student loans receivable, net	2
Prepaid expenses and other current assets	(144)
Other assets	(1,017)
Deferred outflows of resources	(34,663)
Accounts payable	3,207
Accrued salaries and benefits	1,483
Accrued compensated absences	729
Unearned revenues	25,821
Other postemployment benefits liability	(25,089)
Net pension liability	53,728
Other liabilities	(348)
Deferred inflows of resources	6,300
Net cash used in operating activities	<u>\$ (128,591)</u>

## CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS

Statement of Cash Flows  
 Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
<b>Supplemental schedule of noncash transactions</b>	
State's contribution for OPEB	\$ 6,532
Change in unrealized gain on investments	2,736
Gifts in kind - noncapital	63
BAN proceeds paid directly to escrow agent by bank	—
Change in capital assets due to leases	—
Amortization of net bond premium	797
Change in capital assets due to implementation of GASB Statement No. 96	208

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS

## Transactions with Related Entities

Year ended June 30, 2023

(In thousands)

	<b>Campus</b>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 1,582
Payments from discretely presented component units for other than salaries	7,127
Payments to discretely presented component units for services, space, and programs	8,014
Gifts in kind from discretely presented component units	63
Gifts (cash or assets) from discretely presented component units	803
Accounts receivable from discretely presented component units	2,365
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(3,797)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	241
Payments to the Office of the Chancellor for state pro rata charges	36
Accounts receivable from the Office of the Chancellor	1,564
Accounts receivable from campuses other than the Office of the Chancellor	15
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery allocation received	975
Other interagency payments (receipts) for services, space, and programs	(60)

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, CHICO

## Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 8	6,835	6,843
Short-term investments	142,069	52,089	194,158
Accounts receivable, net	9,455	20,808	30,263
Lease receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
P3 receivable, current portion	—	—	—
Pledge receivable, net	—	2,494	2,494
Prepaid expenses and other current assets	1,868	800	2,668
Total current assets	153,400	83,026	236,426
<b>Noncurrent assets</b>			
Restricted cash and cash equivalents	—	677	677
Accounts receivable, net	—	—	—
Lease receivable, net of current portion	—	—	—
P3 receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	678	—	678
Pledge receivable, net	—	2,771	2,771
Endowment investments	—	85,560	85,560
Other long-term investments	75,214	16,278	91,492
Capital assets, net	361,529	14,579	376,108
Other assets	39	948	987
Total noncurrent assets	437,460	120,813	558,273
Total assets	590,860	203,839	794,699
<b>Deferred Outflows of Resources</b>			
Deferred outflows of resources	215,685	601	216,286
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable	9,819	6,422	16,241
Accrued salaries and benefits	15,673	3,012	18,685
Accrued compensated absences, current portion	5,039	1,094	6,133
Unearned revenues	5,798	4,884	10,682
Lease liabilities, current portion	222	15	237
SBITA liabilities, current portion	1,118	—	1,118
Long-term debt obligations, current portion	5,730	165	5,895
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	—	—	—
Other liabilities	1,041	577	1,618
Total current liabilities	44,440	16,169	60,609



## CALIFORNIA STATE UNIVERSITY, CHICO

## Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
<b>Noncurrent liabilities</b>			
Accrued compensated absences, net of current portion	\$ 3,787	386	4,173
Unearned revenues	4,968	136	5,104
Grants refundable	2,194	—	2,194
Lease liabilities, net of current portion	29	17	46
SBITA liabilities, net of current portion	1,316	—	1,316
Long-term debt obligations, net of current portion	111,721	1,665	113,386
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Other postemployment benefits liability	593,230	984	594,214
Net pension liability	296,722	1,002	297,724
Other liabilities	—	3,904	3,904
Total noncurrent liabilities	1,013,967	8,094	1,022,061
Total liabilities	1,058,407	24,263	1,082,670
<b>Deferred Inflows of Resources</b>			
Deferred inflows of resources	251,346	966	252,312
<b>Net Position</b>			
<b>Net position</b>			
Net investment in capital assets	249,599	9,517	259,116
Restricted for			
Nonexpendable – endowments	—	79,812	79,812
Expendable			
Scholarships and fellowships	144	2,417	2,561
Research	—	4,474	4,474
Loans	644	—	644
Capital projects	247	5,369	5,616
Debt service	5	—	5
Others	247	31,225	31,472
Unrestricted	(754,094)	46,397	(707,697)
Total net position	\$ (503,208)	179,211	(323,997)

See accompanying independent auditors' report.

**CALIFORNIA STATE UNIVERSITY, CHICO**  
Statement of Revenues, Expenses, and Changes in Net Position  
Year ended June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
<b>Revenues</b>				
Operating revenues				
Student tuition and fees (net of scholarship allowances of \$53,138)	\$ 70,263	—	—	70,263
Grants and contracts, noncapital				
Federal	316	36,312	—	36,628
State	467	10,480	(95)	10,852
Local	—	1,762	—	1,762
Nongovernmental	—	2,873	—	2,873
Sales and services of educational activities	158	3,502	—	3,660
Sales and services of auxiliary enterprises (net of University scholarship allowances of \$4,080)	20,537	12,815	—	33,352
Other operating revenues	8,003	11,561	—	19,564
<b>Total operating revenues</b>	<b>99,744</b>	<b>79,305</b>	<b>(95)</b>	<b>178,954</b>
<b>Expenses</b>				
Operating expenses				
Instruction	115,424	3,519	(16)	118,927
Research	966	4,251	(123)	5,094
Public service	1,129	30,244	(30)	31,343
Academic support	38,985	4,908	(807)	43,086
Student services	44,338	9,370	(433)	53,275
Institutional support	39,369	12,023	(1,031)	50,361
Operation and maintenance of plant	37,016	5,679	(113)	42,582
Student grants and scholarships	38,439	6,707	(3,284)	41,862
Auxiliary enterprise expenses	23,706	11,549	—	35,255
Depreciation and amortization	20,767	1,889	—	22,656
<b>Total operating expenses</b>	<b>360,139</b>	<b>90,139</b>	<b>(5,837)</b>	<b>444,441</b>
<b>Operating loss</b>	<b>(260,395)</b>	<b>(10,834)</b>	<b>5,742</b>	<b>(265,487)</b>
<b>Nonoperating revenues (expenses)</b>				
State appropriations, noncapital	201,991	—	—	201,991
Federal financial aid grants, noncapital	30,470	—	—	30,470
State financial aid grants, noncapital	31,767	—	—	31,767
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	5,517	—	(3,422)	2,095
Other federal nonoperating grants, noncapital	8,811	—	—	8,811

**CALIFORNIA STATE UNIVERSITY, CHICO**  
Statement of Revenues, Expenses, and Changes in Net Position  
Year ended June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
<b>Nonoperating revenues (expenses), continued</b>				
Gifts, noncapital	\$ 1,697	4,734	(1,697)	4,734
Investment income, net	5,805	3,957	—	9,762
Endowment income, net	—	7,101	—	7,101
Interest expense	(4,449)	(38)	—	(4,487)
Other nonoperating revenues	24,712	461	—	25,173
Net nonoperating income	306,321	16,215	(5,119)	317,417
Income before other revenues	45,926	5,381	623	51,930
State appropriations, capital	—	—	—	—
Grants and gifts, capital	649	844	(623)	870
Additions to permanent endowments	—	2,328	—	2,328
Increase in net position	46,575	8,553	—	55,128
<b>Net position</b>				
Net position at beginning of year	(549,783)	170,658	—	(379,125)
Net position at end of year	\$ (503,208)	179,211	—	(323,997)

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, CHICO

Statement of Cash Flows  
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
<b>Cash flows from operating activities</b>	
Student tuition and fees	\$ 70,323
Federal grants and contracts	316
State grants and contracts	313
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(83,699)
Payments to employees	(141,498)
Payments for benefits	(76,648)
Payments to students	(38,615)
Collections of student loans	206
Sales and services of educational activities	158
Sales and services of auxiliary enterprises	19,771
Other receipts	8,807
Net cash used in operating activities	<u>(240,566)</u>
<b>Cash flows from noncapital financing activities</b>	
State appropriations	181,644
Federal financial aid grants	30,470
State financial aid grants	37,074
Nongovernmental and other financial aid grants	5,517
Other federal nonoperating grants	9,878
Gifts and grants received for other than capital purposes	1,697
Federal loan program receipts	35,095
Federal loan program disbursements	(35,085)
Monies received on behalf of others	3,325
Monies disbursed on behalf of others	(3,325)
Principal paid on long-term debt	—
Interest paid on long-term debt	—
Issuance of notes receivable	—
Principal collections on leases receivable	—
Interest collections on leases receivable	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	22,365
Net cash provided by noncapital financing activities	<u>288,655</u>

## CALIFORNIA STATE UNIVERSITY, CHICO

Statement of Cash Flows  
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
<b>Cash flows from capital and related financing activities</b>	
Proceeds from capital debt	\$ —
State appropriations	—
Capital grants and gifts	822
Proceeds from sale of capital assets	9
Acquisition of capital assets	(25,200)
Principal paid on capital debt and leases	(7,832)
Interest paid on capital debt and leases	(4,738)
Principal collection on leases receivable	—
Interest collection on leases receivable	—
Net cash used in capital and related financing activities	<u>(36,939)</u>
<b>Cash flows from investing activities</b>	
Proceeds from sales of investments	486,763
Purchases of investments	(500,486)
Investment income proceeds	2,573
Net cash used in investing activities	<u>(11,150)</u>
Net increase (decrease) in cash and cash equivalents	—
Cash and cash equivalents at beginning of year, as restated	8
Cash and cash equivalents at end of year	<u>\$ 8</u>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>	
Operating loss	\$ (260,395)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	20,767
Change in assets and liabilities	
Accounts receivable, net	49
Student loans receivable, net	(48)
Prepaid expenses and other current assets	1,218
Other assets	222
Deferred outflows of resources	(71,214)
Accounts payable	(4,881)
Accrued salaries and benefits	585
Accrued compensated absences	576
Unearned revenues	874
Other postemployment benefits liability	(85,953)
Net pension liability	100,745
Other liabilities	(712)
Deferred inflows of resources	57,601
Net cash used in operating activities	<u>\$ (240,566)</u>

## CALIFORNIA STATE UNIVERSITY, CHICO

Statement of Cash Flows  
 Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
<b>Supplemental schedule of noncash transactions</b>	
State's contribution for OPEB	\$ 20,347
Change in unrealized gain on investments	3,228
Gifts in kind - noncapital	212
BAN proceeds paid directly to escrow agent by bank	—
Change in capital assets due to leases	—
Amortization of net bond premium	808
Change in capital assets due to implementation of GASB Statement No. 96	945

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, CHICO

## Transactions with Related Entities

Year ended June 30, 2023

(In thousands)

	<b>Campus</b>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 3,402
Payments from discretely presented component units for other than salaries	7,239
Payments to discretely presented component units for services, space, and programs	18,240
Gifts in kind from discretely presented component units	344
Gifts (cash or assets) from discretely presented component units	1,977
Accounts receivable from discretely presented component units	1,255
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(1,235)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	1,277
Payments to the Office of the Chancellor for state pro rata charges	35
Accounts receivable from the Office of the Chancellor	3,754
Accounts receivable from campuses other than the Office of the Chancellor	19
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery allocation received	1,987
Other interagency payments (receipts) for services, space, and programs	513

See accompanying independent auditors' report.





**NATION'S  
LARGEST**  
four-year public  
university system





## CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS

## Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 4	18,840	18,844
Short-term investments	127,279	6,027	133,306
Accounts receivable, net	11,099	10,829	21,928
Lease receivable, current portion	—	—	—
P3 receivable, current portion	—	—	—
Notes receivable, current portion	—	261	261
Pledge receivable, net	—	2,192	2,192
Prepaid expenses and other current assets	607	166	773
Total current assets	138,989	38,315	177,304
<b>Noncurrent assets</b>			
Restricted cash and cash equivalents	—	—	—
Accounts receivable, net	—	283	283
Lease receivable, net of current portion	—	—	—
P3 receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	1,061	1,061
Student loans receivable, net	509	—	509
Pledge receivable, net	—	277	277
Endowment investments	—	22,314	22,314
Other long-term investments	58,697	5,747	64,444
Capital assets, net	354,136	1,420	355,556
Other assets	26	27	53
Total noncurrent assets	413,368	31,129	444,497
Total assets	552,357	69,444	621,801
<b>Deferred Outflows of Resources</b>			
Deferred outflows of resources	161,689	1,524	163,213
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable	12,562	3,528	16,090
Accrued salaries and benefits	13,240	555	13,795
Accrued compensated absences, current portion	4,094	520	4,614
Unearned revenues	13,313	6,010	19,323
Lease liabilities, current portion	210	—	210
SBITA liabilities, current portion	959	—	959
Long-term debt obligations, current portion	2,082	158	2,240
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	755	—	755
Other liabilities	4,296	493	4,789
Total current liabilities	51,511	11,264	62,775

## CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS

## Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
<b>Noncurrent liabilities</b>			
Accrued compensated absences, net of current portion	\$ 6,851	25	6,876
Unearned revenues	—	—	—
Grants refundable	240	—	240
Lease liabilities, net of current portion	89	—	89
SBITA liabilities, net of current portion	702	—	702
Long-term debt obligations, net of current portion	67,136	1,165	68,301
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Other postemployment benefits liability	369,352	1,588	370,940
Net pension liability	262,817	757	263,574
Other liabilities	18,580	—	18,580
Total noncurrent liabilities	725,767	3,535	729,302
Total liabilities	777,278	14,799	792,077
<b>Deferred Inflows of Resources</b>			
Deferred inflows of resources	154,852	1,379	156,231
<b>Net Position</b>			
<b>Net position</b>			
Net investment in capital assets	283,729	1,420	285,149
Restricted for			
Nonexpendable – endowments	—	24,210	24,210
Expendable			
Scholarships and fellowships	468	2,338	2,806
Research	—	—	—
Loans	493	—	493
Capital projects	1,065	—	1,065
Debt service	3	—	3
Others	161	8,629	8,790
Unrestricted	(504,003)	18,193	(485,810)
Total net position	\$ (218,084)	54,790	(163,294)

See accompanying independent auditors' report.

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS**  
Statement of Revenues , Expenses, and Changes in Net Position  
Year ended June 30, 2023  
(In thousands)

	<u>Campus</u>	<u>Discretely presented component units</u>	<u>Eliminations</u>	<u>Total</u>
<b>Revenues</b>				
Operating revenues				
Student tuition and fees (net of scholarship allowances of \$70,606)	\$ 52,369	—	—	52,369
Grants and contracts, noncapital				
Federal	239	17,136	—	17,375
State	—	1,829	—	1,829
Local	—	—	—	—
Nongovernmental	—	2,277	—	2,277
Sales and services of educational activities	322	—	—	322
Sales and services of auxiliary enterprises (net of University scholarship allowances of \$3,017)	9,230	2,270	—	11,500
Other operating revenues	9,805	12,068	—	21,873
Total operating revenues	<u>71,965</u>	<u>35,580</u>	<u>—</u>	<u>107,545</u>
<b>Expenses</b>				
Operating expenses				
Instruction	108,972	4,355	—	113,327
Research	103	5,434	—	5,537
Public service	3,194	—	—	3,194
Academic support	29,410	8,916	—	38,326
Student services	41,105	5,953	(464)	46,594
Institutional support	39,810	908	—	40,718
Operation and maintenance of plant	29,947	—	—	29,947
Student grants and scholarships	53,995	1,128	(935)	54,188
Auxiliary enterprise expenses	4,530	9,807	(5)	14,332
Depreciation and amortization	19,495	348	—	19,843
Total operating expenses	<u>330,561</u>	<u>36,849</u>	<u>(1,404)</u>	<u>366,006</u>
Operating loss	<u>(258,596)</u>	<u>(1,269)</u>	<u>1,404</u>	<u>(258,461)</u>
<b>Nonoperating revenues (expenses)</b>				
State appropriations, noncapital	158,247	—	—	158,247
Federal financial aid grants, noncapital	47,154	—	—	47,154
State financial aid grants, noncapital	46,261	—	—	46,261
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	10,418	—	—	10,418

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS**  
Statement of Revenues , Expenses, and Changes in Net Position  
Year ended June 30, 2023  
(In thousands)

	<u>Campus</u>	<u>Discretely presented component units</u>	<u>Eliminations</u>	<u>Total</u>
<b>Nonoperating revenues (expenses), <i>continued</i></b>				
Gifts, noncapital	\$ 1,398	5,885	(1,398)	5,885
Investment income, net	4,490	1,116	—	5,606
Endowment income, net	—	1,442	—	1,442
Interest expense	(2,382)	(4)	—	(2,386)
Other nonoperating revenues (expenses)	(13,873)	1,110	—	(12,763)
Net nonoperating income	251,713	9,549	(1,398)	259,864
Income (loss) before other revenues	(6,883)	8,280	6	1,403
State appropriations, capital	—	—	—	—
Grants and gifts, capital	5	—	(6)	(1)
Additions to permanent endowments	—	1,136	—	1,136
Increase (decrease) in net position	(6,878)	9,416	—	2,538
<b>Net position</b>				
Net position at beginning of year	(211,206)	45,374	—	(165,832)
Net position at end of year	\$ (218,084)	54,790	—	(163,294)

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS

Statement of Cash Flows  
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
<b>Cash flows from operating activities</b>	
Student tuition and fees	\$ 56,688
Federal grants and contracts	239
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(51,794)
Payments to employees	(136,724)
Payments for benefits	(66,895)
Payments to students	(54,051)
Collections of student loans	15
Sales and services of educational activities	322
Sales and services of auxiliary enterprises	8,829
Other receipts	11,419
Net cash used in operating activities	<u>(231,952)</u>
<b>Cash flows from noncapital financing activities</b>	
State appropriations	145,168
Federal financial aid grants	62,980
State financial aid grants	45,775
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	10,061
Gifts and grants received for other than capital purposes	1,398
Federal loan program receipts	34,638
Federal loan program disbursements	(34,743)
Monies received on behalf of others	2,531
Monies disbursed on behalf of others	(2,725)
Principal paid on long-term debt	—
Interest paid on long-term debt	—
Issuance of notes receivable	—
Principal collections on leases receivable	—
Interest collections on leases receivable	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	4,125
Net cash provided by noncapital financing activities	<u>269,208</u>

## CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS

Statement of Cash Flows  
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
<b>Cash flows from capital and related financing activities</b>	
Proceeds from capital debt	\$ —
State appropriations	—
Capital grants and gifts	—
Proceeds from sale of capital assets	269
Acquisition of capital assets	(10,479)
Principal paid on capital debt and leases	(3,686)
Interest paid on capital debt and leases	(2,672)
Principal collection on leases receivable	—
Interest collection on leases receivable	—
Net cash used in capital and related financing activities	<u>(16,568)</u>
<b>Cash flows from investing activities</b>	
Proceeds from sales of investments	436,345
Purchases of investments	(459,142)
Investment income proceeds	2,109
Net cash used in investing activities	<u>(20,688)</u>
Net increase (decrease) in cash and cash equivalents	—
Cash and cash equivalents at beginning of year, as restated	4
Cash and cash equivalents at end of year	<u>\$ 4</u>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>	
Operating loss	\$ (258,596)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	19,495
Change in assets and liabilities	
Accounts receivable, net	2,259
Student loans receivable, net	(46)
Prepaid expenses and other current assets	(19)
Other assets	—
Deferred outflows of resources	(44,376)
Accounts payable	1,701
Accrued salaries and benefits	(95)
Accrued compensated absences	1,232
Unearned revenues	3,971
Other postemployment benefits liability	(58,423)
Net pension liability	89,414
Other liabilities	(583)
Deferred inflows of resources	12,114
Net cash used in operating activities	<u>\$ (231,952)</u>

## CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS

Statement of Cash Flows  
 Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
<b>Supplemental schedule of noncash transactions</b>	
State's contribution for OPEB	\$ 13,079
Change in unrealized gain on investments	2,378
Gifts in kind - noncapital	1,398
BAN proceeds paid directly to escrow agent by bank	—
Change in capital assets due to leases	—
Amortization of net bond premium	369
Change in capital assets due to implementation of GASB Statement No. 96	1,170

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS

Transactions with Related Entities

Year ended June 30, 2023

(In thousands)

	<b>Campus</b>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 2,530
Payments from discretely presented component units for other than salaries	6,512
Payments to discretely presented component units for services, space, and programs	9,640
Gifts in kind from discretely presented component units	4
Gifts (cash or assets) from discretely presented component units	7
Accounts receivable from discretely presented component units	1,528
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(449)
Other amounts payable to discretely presented component units	(3,060)
Payments to the Office of the Chancellor for administrative activities	147
Payments to the Office of the Chancellor for state pro rata charges	80
Accounts receivable from the Office of the Chancellor	939
Accounts receivable from campuses other than the Office of the Chancellor	—
Accounts payable to campuses other than the Office of the Chancellor	(1)
State lottery allocation received	1,580
Other interagency payments (receipts) for services, space, and programs	746

See accompanying independent auditors' report.



## CALIFORNIA STATE UNIVERSITY, EAST BAY

## Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 14	9,688	9,702
Short-term investments	134,963	27,594	162,557
Accounts receivable, net	6,335	5,599	11,934
Lease receivable, current portion	363	119	482
P3 receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledge receivable, net	—	6,510	6,510
Prepaid expenses and other current assets	2,210	—	2,210
Total current assets	143,885	49,510	193,395
<b>Noncurrent assets</b>			
Restricted cash and cash equivalents	—	—	—
Accounts receivable, net	—	—	—
Lease receivable, net of current portion	1,016	342	1,358
P3 receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	190	—	190
Pledge receivable, net	—	7,139	7,139
Endowment investments	—	16,137	16,137
Other long-term investments	20,385	—	20,385
Capital assets, net	285,078	3,577	288,655
Other assets	9	—	9
Total noncurrent assets	306,678	27,195	333,873
Total assets	450,563	76,705	527,268
<b>Deferred Outflows of Resources</b>			
Deferred outflows of resources	178,977	3,602	182,579
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable	8,060	2,745	10,805
Accrued salaries and benefits	14,900	18	14,918
Accrued compensated absences, current portion	5,094	55	5,149
Unearned revenues	9,351	4,882	14,233
Lease liabilities, current portion	1,030	—	1,030
SBITA liabilities, current portion	523	—	523
Long-term debt obligations, current portion	3,700	310	4,010
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	45	—	45
Other liabilities	1,787	4	1,791
Total current liabilities	44,490	8,014	52,504

## CALIFORNIA STATE UNIVERSITY, EAST BAY

## Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
<b>Noncurrent liabilities</b>			
Accrued compensated absences, net of current portion	\$ 4,243	—	4,243
Unearned revenues	—	—	—
Grants refundable	36	—	36
Lease liabilities, net of current portion	1,657	—	1,657
SBITA liabilities, net of current portion	336	—	336
Long-term debt obligations, net of current portion	79,314	348	79,662
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Other postemployment benefits liability	470,273	3,154	473,427
Net pension liability	265,036	7,628	272,664
Other liabilities	4,538	—	4,538
Total noncurrent liabilities	825,433	11,130	836,563
Total liabilities	869,923	19,144	889,067
<b>Deferred Inflows of Resources</b>			
Deferred inflows of resources	207,118	2,217	209,335
<b>Net Position</b>			
<b>Net position</b>			
Net investment in capital assets	201,682	2,921	204,603
Restricted for			
Nonexpendable – endowments	—	16,137	16,137
Expendable			
Scholarships and fellowships	1,372	1,600	2,972
Research	—	—	—
Loans	642	—	642
Capital projects	391	22,912	23,303
Debt service	4	—	4
Others	2,460	3,402	5,862
Unrestricted	(654,052)	11,974	(642,078)
Total net position	\$ (447,501)	58,946	(388,555)

See accompanying independent auditors' report.

**CALIFORNIA STATE UNIVERSITY, EAST BAY**  
Statement of Revenues, Expenses, and Changes in Net Position  
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>	<u>Discretely presented component units</u>	<u>Eliminations</u>	<u>Total</u>
<b>Revenues</b>				
Operating revenues				
Student tuition and fees (net of scholarship allowances of \$49,427)	\$ 70,689	—	—	70,689
Grants and contracts, noncapital				
Federal	—	13,436	—	13,436
State	—	1,490	—	1,490
Local	34	—	—	34
Nongovernmental	—	2,825	—	2,825
Sales and services of educational activities	51	—	—	51
Sales and services of auxiliary enterprises (net of University scholarship allowances of \$4,190)	13,216	—	—	13,216
Other operating revenues	12,919	1,908	—	14,827
<b>Total operating revenues</b>	<b>96,909</b>	<b>19,659</b>	<b>—</b>	<b>116,568</b>
<b>Expenses</b>				
Operating expenses				
Instruction	96,002	52	—	96,054
Research	2,277	4,727	—	7,004
Public service	2,512	6,838	—	9,350
Academic support	45,113	4,247	—	49,360
Student services	35,157	1,886	—	37,043
Institutional support	27,902	—	—	27,902
Operation and maintenance of plant	28,869	—	—	28,869
Student grants and scholarships	30,706	191	—	30,897
Auxiliary enterprise expenses	17,073	3,273	(2,712)	17,634
Depreciation and amortization	16,351	192	—	16,543
<b>Total operating expenses</b>	<b>301,962</b>	<b>21,406</b>	<b>(2,712)</b>	<b>320,656</b>
<b>Operating loss</b>	<b>(205,053)</b>	<b>(1,747)</b>	<b>2,712</b>	<b>(204,088)</b>
<b>Nonoperating revenues (expenses)</b>				
State appropriations, noncapital	149,208	—	—	149,208
Federal financial aid grants, noncapital	26,109	—	—	26,109
State financial aid grants, noncapital	29,540	—	—	29,540
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	398	—	—	398

**CALIFORNIA STATE UNIVERSITY, EAST BAY**  
Statement of Revenues, Expenses, and Changes in Net Position  
Year ended June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
<b>Nonoperating revenues (expenses), <i>continued</i></b>				
Gifts, noncapital	\$ 2,031	146	(2,613)	(436)
Investment income, net	5,396	2,528	—	7,924
Endowment income, net	—	144	—	144
Interest expense	(3,114)	2	—	(3,112)
Other nonoperating revenues	5,764	263	—	6,027
Net nonoperating revenues	215,332	3,083	(2,613)	215,802
Income before other revenues	10,279	1,336	99	11,714
State appropriations, capital	—	—	—	—
Grants and gifts, capital	99	18,634	(99)	18,634
Additions to permanent endowments	—	571	—	571
Increase in net position	10,378	20,541	—	30,919
<b>Net position</b>				
Net position at beginning of year	(457,879)	38,405	—	(419,474)
Net position at end of year	\$ (447,501)	58,946	—	(388,555)

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, EAST BAY

Statement of Cash Flows  
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
<b>Cash flows from operating activities</b>	
Student tuition and fees	\$ 79,946
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	34
Nongovernmental grants and contracts	—
Payments to suppliers	(70,326)
Payments to employees	(127,602)
Payments for benefits	(65,714)
Payments to students	(30,670)
Collections of student loans	7
Sales and services of educational activities	51
Sales and services of auxiliary enterprises	12,447
Other receipts	12,907
Net cash used in operating activities	<u>(188,920)</u>
<b>Cash flows from noncapital financing activities</b>	
State appropriations	133,349
Federal financial aid grants	26,084
State financial aid grants	34,184
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	398
Gifts and grants received for other than capital purposes	2,031
Federal loan program receipts	38,524
Federal loan program disbursements	(38,636)
Monies received on behalf of others	204
Monies disbursed on behalf of others	(189)
Principal paid on long-term debt	—
Interest paid on long-term debt	—
Issuance of notes receivable	—
Principal collections on leases receivable	—
Interest collections on leases receivable	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	8,728
Net cash provided by noncapital financing activities	<u>204,677</u>

## CALIFORNIA STATE UNIVERSITY, EAST BAY

Statement of Cash Flows  
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
<b>Cash flows from capital and related financing activities</b>	
Proceeds from capital debt	—
State appropriations	—
Capital grants and gifts	99
Proceeds from sale of capital assets	—
Acquisition of capital assets	(20,284)
Principal paid on capital debt and leases	(5,383)
Interest paid on capital debt and leases	(3,253)
Principal collection on leases receivable	397
Interest collection on leases receivable	14
Net cash used in capital and related financing activities	<u>(28,410)</u>
<b>Cash flows from investing activities</b>	
Proceeds from sales of investments	458,504
Purchases of investments	(448,550)
Investment income proceeds	2,697
Net cash provided by investing activities	<u>12,651</u>
Net decrease in cash and cash equivalents	(4)
Cash and cash equivalents at beginning of year, as restated	18
Cash and cash equivalents at end of year	<u>\$ 14</u>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>	
Operating loss	\$ (205,053)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	16,351
Change in assets and liabilities	
Accounts receivable, net	10,905
Student loans receivable, net	(38)
Prepaid expenses and other current assets	465
Other assets	—
Deferred outflows of resources	(56,241)
Accounts payable	(677)
Accrued salaries and benefits	(3)
Accrued compensated absences	496
Unearned revenues	(1,359)
Other postemployment benefits liability	(78,569)
Net pension liability	84,635
Other liabilities	340
Deferred inflows of resources	39,828
Net cash used in operating activities	<u>\$ (188,920)</u>

## CALIFORNIA STATE UNIVERSITY, EAST BAY

Statement of Cash Flows  
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
<b>Supplemental schedule of noncash transactions</b>	
State's contribution for OPEB	\$ 15,859
Change in unrealized gain on investments	2,680
Gifts in kind - noncapital	2,031
BAN proceeds paid directly to escrow agent by bank	—
Change in capital assets due to leases	210
Amortization of net bond premium	451
Change in capital assets due to implementation of GASB Statement No. 96	405

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, EAST BAY

Transactions with Related Entities

Year ended June 30, 2023

(In thousands)

	<b>Campus</b>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 6,864
Payments from discretely presented component units for other than salaries	2,596
Payments to discretely presented component units for services, space, and programs	1,676
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	2,712
Accounts receivable from discretely presented component units	2,683
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(2)
Other amounts payable to discretely presented component units	(454)
Payments to the Office of the Chancellor for administrative activities	306
Payments to the Office of the Chancellor for state pro rata charges	77
Accounts receivable from the Office of the Chancellor	1,326
Accounts receivable from campuses other than the Office of the Chancellor	41
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery allocation received	1,630
Other interagency payments (receipts) for services, space, and programs	8

See accompanying independent auditors' report.



## CALIFORNIA STATE UNIVERSITY, FRESNO

## Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 9	21,689	21,698
Short-term investments	176,327	114,952	291,279
Accounts receivable, net	6,550	27,515	34,065
Lease receivable, current portion	5,241	—	5,241
P3 receivable, current portion	—	—	—
Notes receivable, current portion	292	5	297
Pledge receivable, net	—	5,765	5,765
Prepaid expenses and other current assets	759	2,552	3,311
Total current assets	189,178	172,478	361,656
<b>Noncurrent assets</b>			
Restricted cash and cash equivalents	—	428	428
Accounts receivable, net	—	325	325
Lease receivable, net of current portion	33,087	—	33,087
P3 receivable, net of current portion	—	—	—
Notes receivable, net of current portion	2,121	—	2,121
Student loans receivable, net	1,217	391	1,608
Pledge receivable, net	—	7,377	7,377
Endowment investments	606	213,607	214,213
Other long-term investments	79,778	16,612	96,390
Capital assets, net	367,639	67,609	435,248
Other assets	11	536	547
Total noncurrent assets	484,459	306,885	791,344
Total assets	673,637	479,363	1,153,000
<b>Deferred Outflows of Resources</b>			
Deferred outflows of resources	250,434	2,300	252,734
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable	10,833	9,048	19,881
Accrued salaries and benefits	24,878	2,620	27,498
Accrued compensated absences, current portion	5,691	208	5,899
Unearned revenues	13,063	21,116	34,179
Lease liabilities, current portion	446	5,141	5,587
SBITA liabilities, current portion	454	237	691
Long-term debt obligations, current portion	8,965	847	9,812
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	302	183	485
Other liabilities	14,089	1,708	15,797
Total current liabilities	78,721	41,108	119,829

## CALIFORNIA STATE UNIVERSITY, FRESNO

## Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
<b>Noncurrent liabilities</b>			
Accrued compensated absences, net of current portion	\$ 5,863	600	6,463
Unearned revenues	—	225	225
Grants refundable	823	—	823
Lease liabilities, net of current portion	260	30,316	30,576
SBITA liabilities, net of current portion	67	609	676
Long-term debt obligations, net of current portion	114,718	4,674	119,392
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	4,017	4,017
Other postemployment benefits liability	647,523	9,522	657,045
Net pension liability	382,524	3,857	386,381
Other liabilities	65,588	5,169	70,757
Total noncurrent liabilities	1,217,366	58,989	1,276,355
Total liabilities	1,296,087	100,097	1,396,184
<b>Deferred Inflows of Resources</b>			
Deferred inflows of resources	318,241	5,500	323,741
<b>Net Position</b>			
<b>Net position</b>			
Net investment in capital assets	180,106	30,177	210,283
Restricted for			
Nonexpendable – endowments	606	212,755	213,361
Expendable			
Scholarships and fellowships	2,011	7,966	9,977
Research	—	—	—
Loans	970	2,380	3,350
Capital projects	632	161	793
Debt service	12	—	12
Others	666	75,632	76,298
Unrestricted	(875,260)	46,995	(828,265)
Total net position	\$ (690,257)	376,066	(314,191)

See accompanying independent auditors' report.

**CALIFORNIA STATE UNIVERSITY, FRESNO**  
Statement of Revenues, Expenses, and Changes in Net Position  
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>	<u>Discretely presented component units</u>	<u>Eliminations</u>	<u>Total</u>
<b>Revenues</b>				
Operating revenues				
Student tuition and fees (net of scholarship allowances of \$110,872)	\$ 81,939	—	—	81,939
Operating expenses				
Federal	8	27,544	—	27,552
State	350	13,927	—	14,277
Local	—	—	—	—
Nongovernmental	—	4,515	—	4,515
Sales and services of educational activities	329	—	—	329
Sales and services of auxiliary enterprises (net of University scholarship allowances of \$7,352)	8,703	53,635	—	62,338
Other operating revenues	16,736	18,272	—	35,008
<b>Total operating revenues</b>	<b>108,065</b>	<b>117,893</b>	<b>—</b>	<b>225,958</b>
<b>Expenses</b>				
Operating expenses				
Instruction	173,393	12,956	—	186,349
Research	4,000	8,861	—	12,861
Public service	1,551	22,446	—	23,997
Academic support	39,931	—	—	39,931
Student services	60,295	711	(249)	60,757
Institutional support	52,594	102	—	52,696
Operation and maintenance of plant	52,254	1,755	—	54,009
Student grants and scholarships	67,399	13,671	(6,274)	74,796
Auxiliary enterprise expenses	19,758	74,447	(49)	94,156
Depreciation and amortization	17,202	5,255	—	22,457
<b>Total operating expenses</b>	<b>488,377</b>	<b>140,204</b>	<b>(6,572)</b>	<b>622,009</b>
<b>Operating loss</b>	<b>(380,312)</b>	<b>(22,311)</b>	<b>6,572</b>	<b>(396,051)</b>
<b>Nonoperating revenues (expenses)</b>				
State appropriations, noncapital	306,302	—	—	306,302
Federal financial aid grants, noncapital	68,175	—	—	68,175
State financial aid grants, noncapital	61,010	—	—	61,010
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	33,350	—	—	33,350

**CALIFORNIA STATE UNIVERSITY, FRESNO**  
Statement of Revenues, Expenses, and Changes in Net Position  
Year ended June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
<b>Nonoperating revenues (expenses), continued</b>				
Gifts, noncapital	\$ 6,690	15,645	(6,739)	15,596
Investment income, net	6,018	3,981	—	9,999
Endowment income, net	4	21,339	—	21,343
Interest expense	(4,182)	(103)	—	(4,285)
Other nonoperating revenues (expenses)	3,458	(970)	1,419	3,907
Net nonoperating revenues	480,825	39,892	(5,320)	515,397
Income before other revenues	100,513	17,581	1,252	119,346
State appropriations, capital	—	—	—	—
Grants and gifts, capital	1,589	—	(1,252)	337
Additions to permanent endowments	—	6,296	—	6,296
Increase in net position	102,102	23,877	—	125,979
<b>Net position</b>				
Net position at beginning of year	(792,359)	352,189	—	(440,170)
Net position at end of year	\$ (690,257)	376,066	—	(314,191)

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, FRESNO

Statement of Cash Flows  
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
<b>Cash flows from operating activities</b>	
Student tuition and fees	\$ 89,359
Federal grants and contracts	8
State grants and contracts	249
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(105,254)
Payments to employees	(194,657)
Payments for benefits	(99,834)
Payments to students	(67,209)
Collections of student loans	85
Sales and services of educational activities	329
Sales and services of auxiliary enterprises	8,077
Other receipts	13,380
Net cash used in operating activities	<u>(355,467)</u>
<b>Cash flows from noncapital financing activities</b>	
State appropriations	283,427
Federal financial aid grants	67,802
State financial aid grants	60,810
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	35,988
Gifts and grants received for other than capital purposes	6,690
Federal loan program receipts	43,202
Federal loan program disbursements	(43,275)
Monies received on behalf of others	3,876
Monies disbursed on behalf of others	(3,812)
Principal paid on long-term debt	(4,640)
Interest paid on long-term debt	—
Issuance of notes receivable	—
Principal collections on leases receivable	—
Interest collections on leases receivable	—
Principal collections on notes receivable	289
Interest collections on notes receivable	—
Other noncapital financing activities	49,565
Net cash provided by noncapital financing activities	<u>499,922</u>

## CALIFORNIA STATE UNIVERSITY, FRESNO

Statement of Cash Flows  
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
<b>Cash flows from capital and related financing activities</b>	
Proceeds from capital debt	\$ 676
State appropriations	—
Capital grants and gifts	1,252
Proceeds from sale of capital assets	61
Acquisition of capital assets	(75,818)
Principal paid on capital debt and leases	(5,233)
Interest paid on capital debt and leases	(4,488)
Principal collection on leases receivable	4,085
Interest collection on leases receivable	1,164
Net cash used in capital and related financing activities	<u>(78,301)</u>
<b>Cash flows from investing activities</b>	
Proceeds from sales of investments	663,317
Purchases of investments	(732,635)
Investment income proceeds	3,163
Net cash used in investing activities	<u>(66,155)</u>
Net decrease in cash and cash equivalents	(1)
Cash and cash equivalents at beginning of year, as restated	10
Cash and cash equivalents at end of year	<u>\$ 9</u>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>	
Operating loss	\$ (380,312)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	17,202
Change in assets and liabilities	
Accounts receivable, net	798
Student loans receivable, net	(33)
Prepaid expenses and other current assets	(45)
Other assets	(11)
Deferred outflows of resources	(83,986)
Accounts payable	2,455
Accrued salaries and benefits	909
Accrued compensated absences	70
Unearned revenues	7,698
Other postemployment benefits liability	(96,758)
Net pension liability	126,949
Other liabilities	1,207
Deferred inflows of resources	48,390
Net cash used in operating activities	<u>\$ (355,467)</u>

## CALIFORNIA STATE UNIVERSITY, FRESNO

Statement of Cash Flows  
 Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
<b>Supplemental schedule of noncash transactions</b>	
State's contribution for OPEB	\$ 22,521
Change in unrealized gain on investments	1,705
Gifts in kind - noncapital	6,690
BAN proceeds paid directly to escrow agent by bank	—
Change in capital assets due to leases	274
Amortization of net bond premium	302
Change in capital assets due to implementation of GASB Statement No. 96	170

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, FRESNO

Transactions with Related Entities

Year ended June 30, 2023

(In thousands)

	<b>Campus</b>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 2,934
Payments from discretely presented component units for other than salaries	1,727
Payments to discretely presented component units for services, space, and programs	14,417
Gifts in kind from discretely presented component units	327
Gifts (cash or assets) from discretely presented component units	—
Accounts receivable from discretely presented component units	1,499
Other amounts receivable from discretely presented component units	2,413
Accounts payable to discretely presented component units	(1,461)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	115
Payments to the Office of the Chancellor for state pro rata charges	36
Accounts payable to the Office of the Chancellor	—
Accounts receivable from campuses other than the Office of the Chancellor	—
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery allocation received	2,972
Other interagency payments (receipts) for services, space, and programs	600

See accompanying independent auditors' report.





23

**UNIVERSITIES**

and eight  
off-campus centers



## CALIFORNIA STATE UNIVERSITY, FULLERTON

## Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 7	56,333	56,340
Short-term investments	373,298	35,096	408,394
Accounts receivable, net	18,435	9,620	28,055
Lease receivable, current portion	103	3,170	3,273
P3 receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledge receivable, net	—	9,857	9,857
Prepaid expenses and other current assets	12,771	2,645	15,416
Total current assets	404,614	116,721	521,335
<b>Noncurrent assets</b>			
Restricted cash and cash equivalents	—	4,255	4,255
Accounts receivable, net	24	—	24
Lease receivable, net of current portion	578	30,978	31,556
P3 receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	1,044	—	1,044
Pledge receivable, net	—	10,285	10,285
Endowment investments	—	134,934	134,934
Other long-term investments	140,802	12,799	153,601
Capital assets, net	622,407	32,769	655,176
Other assets	4,060	1,631	5,691
Total noncurrent assets	768,915	227,651	996,566
Total assets	1,173,529	344,372	1,517,901
<b>Deferred Outflows of Resources</b>			
Deferred outflows of resources	361,274	—	361,274
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable	24,012	7,252	31,264
Accrued salaries and benefits	38,152	413	38,565
Accrued compensated absences, current portion	7,827	793	8,620
Unearned revenues	23,993	2,696	26,689
Lease liabilities, current portion	1,821	222	2,043
SBITA liabilities, current portion	397	—	397
Long-term debt obligations, current portion	11,755	1,315	13,070
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	—	3,846	3,846
Other liabilities	10,882	3,238	14,120
Total current liabilities	118,839	19,775	138,614

## CALIFORNIA STATE UNIVERSITY, FULLERTON

## Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
<b>Noncurrent liabilities</b>			
Accrued compensated absences, net of current portion	\$ 9,567	391	9,958
Unearned revenues	—	—	—
Grants refundable	2,101	—	2,101
Lease liabilities, net of current portion	21,233	4,326	25,559
SBITA liabilities, net of current portion	914	—	914
Long-term debt obligations, net of current portion	328,637	21,662	350,299
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	872	872
Other postemployment benefits liability	850,643	2,869	853,512
Net pension liability	563,738	9,971	573,709
Other liabilities	67	748	815
Total noncurrent liabilities	1,776,900	40,839	1,817,739
Total liabilities	1,895,739	60,614	1,956,353
<b>Deferred Inflows of Resources</b>			
Deferred inflows of resources	371,369	—	371,369
<b>Net Position</b>			
<b>Net position</b>			
Net investment in capital assets	264,502	9,792	274,294
Restricted for			
Nonexpendable – endowments	—	76,522	76,522
Expendable			
Scholarships and fellowships	—	8,182	8,182
Research	—	—	—
Loans	907	—	907
Capital projects	3,216	—	3,216
Debt service	25	—	25
Others	449	89,608	90,057
Unrestricted	(1,001,404)	99,654	(901,750)
Total net position	\$ (732,305)	283,758	(448,547)

See accompanying independent auditors' report.

**CALIFORNIA STATE UNIVERSITY, FULLERTON**  
Statement of Revenues, Expenses, and Changes in Net Position  
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>	<u>Discretely presented component units</u>	<u>Eliminations</u>	<u>Total</u>
<b>Revenues</b>				
Operating revenues				
Student tuition and fees (net of scholarship allowances of \$138,042)	\$ 180,744	—	—	180,744
Grants and contracts, noncapital				
Federal	422	21,664	—	22,086
State	—	7,629	—	7,629
Local	—	3,691	—	3,691
Nongovernmental	—	1,648	—	1,648
Sales and services of educational activities	2,177	—	—	2,177
Sales and services of auxiliary enterprises (net of University scholarship allowances of \$6,638)	49,368	28,886	—	78,254
Other operating revenues	7,075	50,606	—	57,681
<b>Total operating revenues</b>	<b>239,786</b>	<b>114,124</b>	<b>—</b>	<b>353,910</b>
<b>Expenses</b>				
Operating expenses				
Instruction	258,624	9,994	—	268,618
Research	913	6,622	—	7,535
Public service	4,355	10,927	—	15,282
Academic support	36,307	1,076	—	37,383
Student services	73,501	33,227	—	106,728
Institutional support	82,251	4,389	—	86,640
Operation and maintenance of plant	51,315	7,618	—	58,933
Student grants and scholarships	111,648	11,183	—	122,831
Auxiliary enterprise expenses	44,804	30,218	(1,577)	73,445
Depreciation and amortization	37,384	1,866	—	39,250
<b>Total operating expenses</b>	<b>701,102</b>	<b>117,120</b>	<b>(1,577)</b>	<b>816,645</b>
<b>Operating loss</b>	<b>(461,316)</b>	<b>(2,996)</b>	<b>1,577</b>	<b>(462,735)</b>
<b>Nonoperating revenues (expenses)</b>				
State appropriations, noncapital	392,476	—	—	392,476
Federal financial aid grants, noncapital	91,934	—	—	91,934
State financial aid grants, noncapital	95,105	—	—	95,105
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	1,529	—	—	1,529



**CALIFORNIA STATE UNIVERSITY, FULLERTON**  
Statement of Revenues, Expenses, and Changes in Net Position  
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>	<u>Discretely presented component units</u>	<u>Eliminations</u>	<u>Total</u>
<b>Nonoperating revenues (expenses), <i>continued</i></b>				
Gifts, noncapital	\$ 609	19,253	(610)	19,252
Investment income, net	9,978	11,277	—	21,255
Endowment income, net	—	1,306	—	1,306
Interest expense	(13,010)	(1,093)	—	(14,103)
Other nonoperating revenues (expenses)	29,268	(3,654)	(967)	24,647
Net nonoperating income	607,889	27,089	(1,577)	633,401
Income before other revenues	146,573	24,093	—	170,666
State appropriations, capital	—	—	—	—
Grants and gifts, capital	5,046	—	—	5,046
Additions to permanent endowments	—	524	—	524
Increase in net position	151,619	24,617	—	176,236
<b>Net position</b>				
Net position at beginning of year	(883,924)	259,141	—	(624,783)
Net position at end of year	\$ (732,305)	283,758	—	(448,547)

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, FULLERTON

Statement of Cash Flows  
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
<b>Cash flows from operating activities</b>	
Student tuition and fees	\$ 178,486
Federal grants and contracts	421
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(137,893)
Payments to employees	(277,120)
Payments for benefits	(142,672)
Payments to students	(111,544)
Collections of student loans	—
Sales and services of educational activities	2,177
Sales and services of auxiliary enterprises	49,869
Other receipts	18,760
Net cash used in operating activities	<u>(419,516)</u>
<b>Cash flows from noncapital financing activities</b>	
State appropriations	362,860
Federal financial aid grants	91,976
State financial aid grants	92,344
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	13,746
Gifts and grants received for other than capital purposes	609
Federal loan program receipts	81,124
Federal loan program disbursements	(81,154)
Monies received on behalf of others	6,549
Monies disbursed on behalf of others	(6,680)
Principal paid on long-term debt	(165)
Interest paid on long-term debt	(40)
Issuance of notes receivable	—
Principal collections on leases receivable	—
Interest collections on leases receivable	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	21,864
Net cash provided by noncapital financing activities	<u>583,033</u>

## CALIFORNIA STATE UNIVERSITY, FULLERTON

Statement of Cash Flows  
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
<b>Cash flows from capital and related financing activities</b>	
Proceeds from capital debt	\$ —
State appropriations	—
Capital grants and gifts	—
Proceeds from sale of capital assets	—
Acquisition of capital assets	(30,471)
Principal paid on capital debt and leases	(12,851)
Interest paid on capital debt and leases	(14,474)
Principal collection on leases receivable	95
Interest collection on leases receivable	—
Net cash used in capital and related financing activities	<u>(57,701)</u>
<b>Cash flows from investing activities</b>	
Proceeds from sales of investments	1,011,175
Purchases of investments	(1,122,335)
Investment income proceeds	5,343
Net cash used in investing activities	<u>(105,817)</u>
Net decrease in cash and cash equivalents	(1)
Cash and cash equivalents at beginning of year, as restated	8
Cash and cash equivalents at end of year	<u>\$ 7</u>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>	
Operating loss	\$ (461,316)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	37,384
Change in assets and liabilities	
Accounts receivable, net	(226)
Student loans receivable, net	(469)
Prepaid expenses and other current assets	(815)
Other assets	250
Deferred outflows of resources	(111,103)
Accounts payable	3,908
Accrued salaries and benefits	1,899
Accrued compensated absences	818
Unearned revenues	12,432
Other postemployment benefits liability	(140,698)
Net pension liability	187,993
Other liabilities	326
Deferred inflows of resources	50,101
Net cash used in operating activities	<u>\$ (419,516)</u>

## CALIFORNIA STATE UNIVERSITY, FULLERTON

Statement of Cash Flows  
 Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
<b>Supplemental schedule of noncash transactions</b>	
State's contribution for OPEB	\$ 29,616
Change in unrealized gain on investments	4,664
Gifts in kind - noncapital	609
BAN proceeds paid directly to escrow agent by bank	—
Change in capital assets due to leases	112
Amortization of net bond premium	1,821
Change in capital assets due to implementation of GASB Statement No. 96	622

See accompanying independent auditors' report.



## CALIFORNIA STATE UNIVERSITY, FULLERTON

## Transactions with Related Entities

Year ended June 30, 2023

(In thousands)

	<b>Campus</b>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 3,422
Payments from discretely presented component units for other than salaries	11,279
Payments to discretely presented component units for services, space, and programs	38,375
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	1,289
Accounts receivable from discretely presented component units	4,020
Other amounts receivable from discretely presented component units	1,576
Accounts payable to discretely presented component units	(933)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	1,163
Payments to the Office of the Chancellor for state pro rata charges	124
Accounts receivable from the Office of the Chancellor	7,629
Accounts receivable from campuses other than the Office of the Chancellor	—
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery allocation received	3,330
Other interagency payments (receipts) for services, space, and programs	(1,840)

See accompanying independent auditors' report.

## CALIFORNIA STATE POLYTECHNIC UNIVERSITY, HUMBOLDT

## Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 17	8,479	8,496
Short-term investments	279,307	9,592	288,899
Accounts receivable, net	4,182	16,011	20,193
Lease receivable, current portion	9	578	587
P3 receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledge receivable, net	2,000	1,389	3,389
Prepaid expenses and other current assets	1,982	260	2,242
Total current assets	287,497	36,309	323,806
<b>Noncurrent assets</b>			
Restricted cash and cash equivalents	—	—	—
Accounts receivable, net	88	397	485
Lease receivable, net of current portion	706	4,572	5,278
P3 receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	1,085	—	1,085
Pledge receivable, net	—	2,040	2,040
Endowment investments	975	31,388	32,363
Other long-term investments	322	7,312	7,634
Capital assets, net	248,784	12,111	260,895
Other assets	25	1,248	1,273
Total noncurrent assets	251,985	59,068	311,053
Total assets	539,482	95,377	634,859
<b>Deferred Outflows of Resources</b>			
Deferred outflows of resources	132,180	4,222	136,402
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable	10,155	4,659	14,814
Accrued salaries and benefits	9,499	855	10,354
Accrued compensated absences, current portion	4,347	299	4,646
Unearned revenues	4,606	5,975	10,581
Lease liabilities, current portion	793	110	903
SBITA liabilities, current portion	—	—	—
Long-term debt obligations, current portion	1,650	—	1,650
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	408	—	408
Other liabilities	720	333	1,053
Total current liabilities	32,178	12,231	44,409

## CALIFORNIA STATE POLYTECHNIC UNIVERSITY, HUMBOLDT

## Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
<b>Noncurrent liabilities</b>			
Accrued compensated absences, net of current portion	\$ 2,261	110	2,371
Unearned revenues	—	5,188	5,188
Grants refundable	1,135	—	1,135
Lease liabilities, net of current portion	3,690	142	3,832
SBITA liabilities, net of current portion	—	—	—
Long-term debt obligations, net of current portion	41,784	—	41,784
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Other postemployment benefits liability	383,724	—	383,724
Net pension liability	175,707	3,337	179,044
Other liabilities	397	285	682
Total noncurrent liabilities	608,698	9,062	617,760
Total liabilities	640,876	21,293	662,169
<b>Deferred Inflows of Resources</b>			
Deferred inflows of resources	164,501	6,918	171,419
<b>Net Position</b>			
<b>Net position</b>			
Net investment in capital assets	205,030	11,868	216,898
Restricted for			
Nonexpendable – endowments	975	27,663	28,638
Expendable			
Scholarships and fellowships	2,408	—	2,408
Research	—	—	—
Loans	1,227	—	1,227
Capital projects	1,133	—	1,133
Debt service	2	—	2
Others	384	12,904	13,288
Unrestricted	(344,874)	18,953	(325,921)
Total net position	\$ (133,715)	71,388	(62,327)

See accompanying independent auditors' report.

## CALIFORNIA STATE POLYTECHNIC UNIVERSITY, HUMBOLDT

## Statement of Revenues , Expenses, and Changes in Net Position

Year ended June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
<b>Revenues</b>				
Operating revenues				
Student tuition and fees (net of scholarship allowances of \$22,078)	\$ 31,064	—	—	31,064
Grants and contracts, noncapital				
Federal	472	12,748	—	13,220
State	509	16,712	—	17,221
Local	—	2,158	—	2,158
Nongovernmental	—	6,371	—	6,371
Sales and services of educational activities	325	20	—	345
Sales and services of auxiliary enterprises (net of University scholarship allowances of \$8,916)	15,529	27	—	15,556
Other operating revenues	27,410	7,206	—	34,616
Total operating revenues	75,309	45,242	—	120,551
<b>Expenses</b>				
Operating expenses				
Instruction	65,257	337	—	65,594
Research	413	19,425	—	19,838
Public service	258	20,991	—	21,249
Academic support	23,652	1,412	—	25,064
Student services	38,129	1,088	—	39,217
Institutional support	22,394	279	—	22,673
Operation and maintenance of plant	32,801	8	—	32,809
Student grants and scholarships	13,760	622	(622)	13,760
Auxiliary enterprise expenses	23,541	4,899	—	28,440
Depreciation and amortization	10,268	384	—	10,652
Total operating expenses	230,473	49,445	(622)	279,296
Operating loss	(155,164)	(4,203)	622	(158,745)
<b>Nonoperating revenues (expenses)</b>				
State appropriations, noncapital	284,475	—	—	284,475
Federal financial aid grants, noncapital	15,017	—	—	15,017
State financial aid grants, noncapital	12,229	—	—	12,229
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	14	—	—	14
Other federal nonoperating grants, noncapital	11,059	—	—	11,059

## CALIFORNIA STATE POLYTECHNIC UNIVERSITY, HUMBOLDT

## Statement of Revenues , Expenses, and Changes in Net Position

Year ended June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
<b>Nonoperating revenues (expenses), <i>continued</i></b>				
Gifts, noncapital	\$ 2,102	3,452	710	6,264
Investment income, net	1,967	605	—	2,572
Endowment income (loss), net	(19)	2,312	—	2,293
Interest expense	(1,757)	(6)	—	(1,763)
Other nonoperating revenues (expenses)	3,611	(2,345)	(345)	921
Net nonoperating income	328,698	4,018	365	333,081
Income (loss) before other revenues	173,534	(185)	987	174,336
State appropriations, capital	—	—	—	—
Grants and gifts, capital	497	—	(987)	(490)
Additions to permanent endowments	—	460	—	460
Increase in net position	174,031	275	—	174,306
<b>Net position</b>				
Net position at beginning of year	(307,746)	71,113	—	(236,633)
Net position at end of year	\$ (133,715)	71,388	—	(62,327)

See accompanying independent auditors' report.

## CALIFORNIA STATE POLYTECHNIC UNIVERSITY, HUMBOLDT

Statement of Cash Flows  
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
<b>Cash flows from operating activities</b>	
Student tuition and fees	\$ 28,965
Federal grants and contracts	413
State grants and contracts	3,085
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(62,534)
Payments to employees	(93,758)
Payments for benefits	(47,506)
Payments to students	(13,796)
Collections of student loans	14
Sales and services of educational activities	325
Sales and services of auxiliary enterprises	15,287
Other receipts	26,398
Net cash used in operating activities	<u>(143,107)</u>
<b>Cash flows from noncapital financing activities</b>	
State appropriations	271,727
Federal financial aid grants	15,017
State financial aid grants	12,229
Nongovernmental and other financial aid grants	15
Other federal nonoperating grants	11,058
Gifts and grants received for other than capital purposes	2,102
Federal loan program receipts	20,192
Federal loan program disbursements	(20,109)
Monies received on behalf of others	5,902
Monies disbursed on behalf of others	(5,846)
Principal paid on long-term debt	—
Interest paid on long-term debt	—
Issuance of notes receivable	—
Principal collections on leases receivable	—
Interest collections on leases receivable	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	2,842
Net cash provided by noncapital financing activities	<u>315,129</u>

## CALIFORNIA STATE POLYTECHNIC UNIVERSITY, HUMBOLDT

Statement of Cash Flows  
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
<b>Cash flows from capital and related financing activities</b>	
Proceeds from capital debt	\$ —
State appropriations	—
Capital grants and gifts	—
Proceeds from sale of capital assets	9,826
Acquisition of capital assets	(58,764)
Principal paid on capital debt and leases	(3,603)
Interest paid on capital debt and leases	(1,788)
Principal collection on leases receivable	184
Interest collection on leases receivable	716
Net cash used in capital and related financing activities	<u>(53,429)</u>
<b>Cash flows from investing activities</b>	
Proceeds from sales of investments	318,658
Purchases of investments	(437,922)
Investment income proceeds	675
Net cash used in investing activities	<u>(118,589)</u>
Net increase in cash and cash equivalents	4
Cash and cash equivalents at beginning of year, as restated	13
Cash and cash equivalents at end of year	<u>\$ 17</u>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>	
Operating loss	\$ (155,164)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	10,268
Change in assets and liabilities	
Accounts receivable, net	(1,105)
Student loans receivable, net	(127)
Prepaid expenses and other current assets	(185)
Other assets	(1)
Deferred outflows of resources	(47,549)
Accounts payable	(1,397)
Accrued salaries and benefits	124
Accrued compensated absences	578
Unearned revenues	1,937
Other postemployment benefits liability	(52,391)
Net pension liability	59,134
Other liabilities	127
Deferred inflows of resources	42,644
Net cash used in operating activities	<u>\$ (143,107)</u>

## CALIFORNIA STATE POLYTECHNIC UNIVERSITY, HUMBOLDT

Statement of Cash Flows  
 Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
<b>Supplemental schedule of noncash transactions</b>	
State's contribution for OPEB	\$ 12,748
Change in unrealized gain on investments	558
Gifts in kind - noncapital	2,102
BAN proceeds paid directly to escrow agent by bank	—
Change in capital assets due to leases	1,335
Amortization of net bond premium	269
Change in capital assets due to implementation of GASB Statement No. 96	—

See accompanying independent auditors' report.



## CALIFORNIA STATE POLYTECHNIC UNIVERSITY, HUMBOLDT

Transactions with Related Entities

Year ended June 30, 2023

(In thousands)

	<b>Campus</b>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 2,465
Payments from discretely presented component units for other than salaries	7,056
Payments to discretely presented component units for services, space, and programs	1,435
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	954
Accounts receivable from discretely presented component units	908
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	—
Other amounts payable to discretely presented component units	(397)
Payments to the Office of the Chancellor for administrative activities	1,801
Payments to the Office of the Chancellor for state pro rata charges	32
Accounts receivable from the Office of the Chancellor	1,130
Accounts receivable from campuses other than the Office of the Chancellor	29
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery allocation received	1,177
Other interagency payments (receipts) for services, space, and programs	40

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, LONG BEACH

## Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 12	11,562	11,574
Short-term investments	257,749	102,317	360,066
Accounts receivable, net	14,644	13,394	28,038
Lease receivable, current portion	48	1,125	1,173
P3 receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledge receivable, net	—	2,978	2,978
Prepaid expenses and other current assets	3,412	1,646	5,058
Total current assets	275,865	133,022	408,887
<b>Noncurrent assets</b>			
Restricted cash and cash equivalents	—	—	—
Accounts receivable, net	1,516	16,327	17,843
Lease receivable, net of current portion	632	74,315	74,947
P3 receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	2,672	—	2,672
Pledge receivable, net	—	3,310	3,310
Endowment investments	—	115,394	115,394
Other long-term investments	113,264	5,928	119,192
Capital assets, net	602,062	46,967	649,029
Other assets	243	1,470	1,713
Total noncurrent assets	720,389	263,711	984,100
Total assets	996,254	396,733	1,392,987
<b>Deferred Outflows of Resources</b>			
Deferred outflows of resources	396,035	1,923	397,958
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable	22,127	2,464	24,591
Accrued salaries and benefits	41,459	4,577	46,036
Accrued compensated absences, current portion	10,708	2,092	12,800
Unearned revenues	32,611	7,528	40,139
Lease liabilities, current portion	1,402	62	1,464
SBITA liabilities, current portion	450	—	450
Long-term debt obligations, current portion	7,055	1,425	8,480
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	196	1,583	1,779
Other liabilities	3,322	6,581	9,903
Total current liabilities	119,330	26,312	145,642

## CALIFORNIA STATE UNIVERSITY, LONG BEACH

## Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
<b>Noncurrent liabilities</b>			
Accrued compensated absences, net of current portion	\$ 9,538	—	9,538
Unearned revenues	—	—	—
Grants refundable	2,411	—	2,411
Lease liabilities, net of current portion	14,350	82	14,432
SBITA liabilities, net of current portion	327	—	327
Long-term debt obligations, net of current portion	233,236	23,292	256,528
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Other postemployment benefits liability	936,873	6,529	943,402
Net pension liability	621,088	12,514	633,602
Other liabilities	—	5,883	5,883
Total noncurrent liabilities	1,817,823	48,300	1,866,123
Total liabilities	1,937,153	74,612	2,011,765
<b>Deferred Inflows of Resources</b>			
Deferred inflows of resources	397,183	86,630	483,813
<b>Net Position</b>			
<b>Net position</b>			
Net investment in capital assets	353,170	22,105	375,275
Restricted for			
Nonexpendable – endowments	—	104,604	104,604
Expendable			
Scholarships and fellowships	154	9,249	9,403
Research	—	6,153	6,153
Loans	813	—	813
Capital projects	4,122	—	4,122
Debt service	35	—	35
Others	110	39,146	39,256
Unrestricted	(1,300,451)	56,157	(1,244,294)
Total net position	\$ (942,047)	237,414	(704,633)

See accompanying independent auditors' report.

**CALIFORNIA STATE UNIVERSITY, LONG BEACH**  
Statement of Revenues , Expenses, and Changes in Net Position  
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>	<u>Discretely presented component units</u>	<u>Eliminations</u>	<u>Total</u>
<b>Revenues</b>				
Operating revenues				
Student tuition and fees (net of scholarship allowances of \$154,605)	\$ 161,125	—	—	161,125
Grants and contracts, noncapital				
Federal	274	26,578	—	26,852
State	—	10,777	—	10,777
Local	—	431	—	431
Nongovernmental	—	2,918	—	2,918
Sales and services of educational activities	3,975	208	—	4,183
Sales and services of auxiliary enterprises (net of University scholarship allowances of \$7,558)	51,590	37,355	—	88,945
Other operating revenues	17,852	24,999	(300)	42,551
Total operating revenues	234,816	103,266	(300)	337,782
<b>Expenses</b>				
Operating expenses				
Instruction	288,616	8,720	—	297,336
Research	4,512	13,631	—	18,143
Public service	3,547	6,437	—	9,984
Academic support	64,975	7,996	—	72,971
Student services	87,343	27,719	(687)	114,375
Institutional support	62,705	12,134	(4,646)	70,193
Operation and maintenance of plant	80,470	—	(398)	80,072
Student grants and scholarships	105,297	7,172	(8,482)	103,987
Auxiliary enterprise expenses	40,592	34,934	(75)	75,451
Depreciation and amortization	41,789	2,533	—	44,322
Total operating expenses	779,846	121,276	(14,288)	886,834
Operating loss	(545,030)	(18,010)	13,988	(549,052)
<b>Nonoperating revenues (expenses)</b>				
State appropriations, noncapital	387,351	—	—	387,351
Federal financial aid grants, noncapital	91,600	—	—	91,600
State financial aid grants, noncapital	95,889	—	—	95,889
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	8,204	—	(8,204)	—
Other federal nonoperating grants, noncapital	1,055	—	—	1,055

**CALIFORNIA STATE UNIVERSITY, LONG BEACH**  
Statement of Revenues , Expenses, and Changes in Net Position  
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>	<u>Discretely presented component units</u>	<u>Eliminations</u>	<u>Total</u>
<b>Nonoperating revenues (expenses), <i>continued</i></b>				
Gifts, noncapital	\$ 799	14,288	(741)	14,346
Investment income, net	9,377	6,029	—	15,406
Endowment income, net	—	8,494	—	8,494
Interest expense	(8,151)	(867)	—	(9,018)
Other nonoperating revenues (expenses)	6,456	(2)	—	6,454
Net nonoperating income	592,580	27,942	(8,945)	611,577
Income before other revenues	47,550	9,932	5,043	62,525
State appropriations, capital	—	—	—	—
Grants and gifts, capital	5,125	—	(5,043)	82
Additions to permanent endowments	—	4,174	—	4,174
Increase in net position	52,675	14,106	—	66,781
<b>Net position</b>				
Net position at beginning of year	(994,722)	223,308	—	(771,414)
Net position at end of year	\$ (942,047)	237,414	—	(704,633)

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, LONG BEACH

Statement of Cash Flows  
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
<b>Cash flows from operating activities</b>	
Student tuition and fees	\$ 169,675
Federal grants and contracts	274
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(153,043)
Payments to employees	(315,991)
Payments for benefits	(155,636)
Payments to students	(105,440)
Collections of student loans	20
Sales and services of educational activities	3,975
Sales and services of auxiliary enterprises	47,302
Other receipts	16,285
Net cash used in operating activities	<u>(492,579)</u>
<b>Cash flows from noncapital financing activities</b>	
State appropriations	354,840
Federal financial aid grants	91,574
State financial aid grants	95,889
Nongovernmental and other financial aid grants	8,204
Other federal nonoperating grants	19,003
Gifts and grants received for other than capital purposes	1,052
Federal loan program receipts	87,480
Federal loan program disbursements	(87,584)
Monies received on behalf of others	12,984
Monies disbursed on behalf of others	(12,860)
Principal paid on long-term debt	—
Interest paid on long-term debt	—
Issuance of notes receivable	—
Principal collections on leases receivable	—
Interest collections on leases receivable	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	3,529
Net cash provided by noncapital financing activities	<u>574,111</u>

## CALIFORNIA STATE UNIVERSITY, LONG BEACH

Statement of Cash Flows  
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
<b>Cash flows from capital and related financing activities</b>	
Proceeds from capital debt	\$ —
State appropriations	—
Capital grants and gifts	4,511
Proceeds from sale of capital assets	720
Acquisition of capital assets	(23,186)
Principal paid on capital debt and leases	(7,288)
Interest paid on capital debt and leases	(9,061)
Principal collection on leases receivable	120
Interest collection on leases receivable	(1)
Net cash used in capital and related financing activities	<u>(34,185)</u>
<b>Cash flows from investing activities</b>	
Proceeds from sales of investments	1,666,953
Purchases of investments	(1,719,528)
Investment income proceeds	5,221
Net cash used in investing activities	<u>(47,354)</u>
Net decrease in cash and cash equivalents	(7)
Cash and cash equivalents at beginning of year, as restated	19
Cash and cash equivalents at end of year	<u>\$ 12</u>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>	
Operating loss	\$ (545,030)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	41,789
Change in assets and liabilities	
Accounts receivable, net	(4,364)
Student loans receivable, net	(228)
Prepaid expenses and other current assets	(161)
Other assets	130
Deferred outflows of resources	(119,384)
Accounts payable	6,338
Accrued salaries and benefits	2,464
Accrued compensated absences	929
Unearned revenues	10,373
Other postemployment benefits liability	(147,821)
Net pension liability	214,349
Other liabilities	(433)
Deferred inflows of resources	48,470
Net cash used in operating activities	<u>\$ (492,579)</u>

## CALIFORNIA STATE UNIVERSITY, LONG BEACH

Statement of Cash Flows  
 Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
<b>Supplemental schedule of noncash transactions</b>	
State's contribution for OPEB	\$ 32,856
Change in unrealized gain on investments	4,156
Gifts in kind - noncapital	799
BAN proceeds paid directly to escrow agent by bank	—
Change in capital assets due to leases	—
Amortization of net bond premium	1,507
Change in capital assets due to implementation of GASB Statement No. 96	1,060

See accompanying independent auditors' report.



## CALIFORNIA STATE UNIVERSITY, LONG BEACH

## Transactions with Related Entities

Year ended June 30, 2023

(In thousands)

	<b>Campus</b>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 6,320
Payments from discretely presented component units for other than salaries	21,875
Payments to discretely presented component units for services, space, and programs	25,260
Gifts in kind from discretely presented component units	689
Gifts (cash or assets) from discretely presented component units	13,598
Accounts receivable from discretely presented component units	8,434
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(1,316)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	315
Payments to the Office of the Chancellor for state pro rata charges	113
Accounts receivable from the Office of the Chancellor	1,358
Accounts receivable from campuses other than the Office of the Chancellor	—
Accounts payable to campuses other than the Office of the Chancellor	(20)
State lottery allocation received	3,329
Other interagency payments (receipts) for services, space, and programs	949

See accompanying independent auditors' report.



**MORE THAN**  
**450,000**  
students



## CALIFORNIA STATE UNIVERSITY, LOS ANGELES

## Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 7	7,055	7,062
Short-term investments	140,404	30,222	170,626
Accounts receivable, net	12,771	6,964	19,735
Lease receivable, current portion	1,848	357	2,205
P3 receivable, current portion	—	—	—
Notes receivable, current portion	—	21	21
Pledge receivable, net	—	814	814
Prepaid expenses and other current assets	4,338	284	4,622
Total current assets	159,368	45,717	205,085
<b>Noncurrent assets</b>			
Restricted cash and cash equivalents	—	849	849
Accounts receivable, net	139	—	139
Lease receivable, net of current portion	21,955	3,803	25,758
P3 receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	1,443	—	1,443
Pledge receivable, net	—	3,844	3,844
Endowment investments	—	64,382	64,382
Other long-term investments	152,230	—	152,230
Capital assets, net	632,311	34,741	667,052
Other assets	263	838	1,101
Total noncurrent assets	808,341	108,457	916,798
Total assets	967,709	154,174	1,121,883
<b>Deferred Outflows of Resources</b>			
Deferred outflows of resources	245,150	1,764	246,914
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable	15,217	2,053	17,270
Accrued salaries and benefits	25,107	1,362	26,469
Accrued compensated absences, current portion	7,959	575	8,534
Unearned revenues	31,911	11,473	43,384
Lease liabilities, current portion	1,170	1,270	2,440
SBITA liabilities, current portion	46	—	46
Long-term debt obligations, current portion	8,440	226	8,666
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	—	—	—
Other liabilities	4,479	40	4,519
Total current liabilities	94,329	16,999	111,328

## CALIFORNIA STATE UNIVERSITY, LOS ANGELES

## Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
<b>Noncurrent liabilities</b>			
Accrued compensated absences, net of current portion	\$ 4,966	43	5,009
Unearned revenues	—	—	—
Grants refundable	227	—	227
Lease liabilities, net of current portion	6,705	13,305	20,010
SBITA liabilities, net of current portion	48	—	48
Long-term debt obligations, net of current portion	303,932	5,061	308,993
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	6	—	6
Other postemployment benefits liability	589,079	1,034	590,113
Net pension liability	389,566	—	389,566
Other liabilities	—	—	—
Total noncurrent liabilities	1,294,529	19,443	1,313,972
Total liabilities	1,388,858	36,442	1,425,300
<b>Deferred Inflows of Resources</b>			
Deferred inflows of resources	283,431	5,773	289,204
<b>Net Position</b>			
<b>Net position</b>			
Net investment in capital assets	318,654	10,874	329,528
Restricted for			
Nonexpendable – endowments	—	45,440	45,440
Expendable			
Scholarships and fellowships	2,111	24,761	26,872
Research	—	—	—
Loans	1,217	—	1,217
Capital projects	50	—	50
Debt service	14	—	14
Others	2,442	—	2,442
Unrestricted	(783,918)	32,648	(751,270)
Total net position	\$ (459,430)	113,723	(345,707)

See accompanying independent auditors' report.



**CALIFORNIA STATE UNIVERSITY, LOS ANGELES**  
Statement of Revenues , Expenses, and Changes in Net Position  
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>	<u>Discretely presented component units</u>	<u>Eliminations</u>	<u>Total</u>
<b>Revenues</b>				
Operating revenues				
Student tuition and fees (net of scholarship allowances of \$119,904)	\$ 75,915	—	—	75,915
Grants and contracts, noncapital				
Federal	—	16,178	—	16,178
State	—	1,691	—	1,691
Local	—	1,624	—	1,624
Nongovernmental	—	3,722	—	3,722
Sales and services of educational activities	76	2,748	—	2,824
Sales and services of auxiliary enterprises (net of University scholarship allowances of \$6,078)	26,088	5,221	—	31,309
Other operating revenues	9,101	10,932	—	20,033
<b>Total operating revenues</b>	<b>111,180</b>	<b>42,116</b>	<b>—</b>	<b>153,296</b>
<b>Expenses</b>				
Operating expenses				
Instruction	164,896	11,029	—	175,925
Research	2,361	—	—	2,361
Public service	2,708	1,511	—	4,219
Academic support	46,665	2,706	—	49,371
Student services	44,534	8,747	—	53,281
Institutional support	59,345	1,874	—	61,219
Operation and maintenance of plant	38,319	1,930	—	40,249
Student grants and scholarships	104,724	6,754	—	111,478
Auxiliary enterprise expenses	23,107	5,351	—	28,458
Depreciation and amortization	34,967	2,515	—	37,482
<b>Total operating expenses</b>	<b>521,626</b>	<b>42,417</b>	<b>—</b>	<b>564,043</b>
<b>Operating loss</b>	<b>(410,446)</b>	<b>(301)</b>	<b>—</b>	<b>(410,747)</b>
<b>Nonoperating revenues (expenses)</b>				
State appropriations, noncapital	241,504	—	—	241,504
Federal financial aid grants, noncapital	84,667	—	—	84,667
State financial aid grants, noncapital	92,801	—	—	92,801
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	33	—	—	33
Other federal nonoperating grants, noncapital	29,624	—	—	29,624

**CALIFORNIA STATE UNIVERSITY, LOS ANGELES**  
Statement of Revenues , Expenses, and Changes in Net Position  
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>	<u>Discretely presented component units</u>	<u>Eliminations</u>	<u>Total</u>
<b>Nonoperating revenues (expenses), <i>continued</i></b>				
Gifts, noncapital	\$ 35	1,915	—	1,950
Investment income, net	9,214	619	—	9,833
Endowment income, net	—	4,642	—	4,642
Interest expense	(11,785)	(658)	—	(12,443)
Other nonoperating revenues (expenses)	8,058	(648)	—	7,410
Net nonoperating income	454,151	5,870	—	460,021
Income before other revenues	43,705	5,569	—	49,274
State appropriations, capital	(39)	—	—	(39)
Grants and gifts, capital	47	—	—	47
Additions (reductions) to permanent endowments	—	—	—	—
Increase in net position	43,713	5,569	—	49,282
<b>Net position</b>				
Net position at beginning of year	(503,143)	108,154	—	(394,989)
Net position at end of year	<u>\$ (459,430)</u>	<u>113,723</u>	<u>—</u>	<u>(345,707)</u>

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, LOS ANGELES

Statement of Cash Flows  
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
<b>Cash flows from operating activities</b>	
Student tuition and fees	\$ 81,054
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(97,667)
Payments to employees	(196,083)
Payments for benefits	(96,681)
Payments to students	(106,120)
Collections of student loans	58
Sales and services of educational activities	76
Sales and services of auxiliary enterprises	25,093
Other receipts	4,069
Net cash used in operating activities	<u>(386,201)</u>
<b>Cash flows from noncapital financing activities</b>	
State appropriations	220,841
Federal financial aid grants	85,749
State financial aid grants	93,049
Nongovernmental and other financial aid grants	33
Other federal nonoperating grants	29,624
Gifts and grants received for other than capital purposes	35
Federal loan program receipts	61,267
Federal loan program disbursements	(58,280)
Monies received on behalf of others	20
Monies disbursed on behalf of others	(80)
Principal paid on long-term debt	(1,070)
Interest paid on long-term debt	(134)
Issuance of notes receivable	—
Principal collections on leases receivable	—
Interest collections on leases receivable	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	11,573
Net cash provided by noncapital financing activities	<u>442,627</u>

## CALIFORNIA STATE UNIVERSITY, LOS ANGELES

Statement of Cash Flows  
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
<b>Cash flows from capital and related financing activities</b>	
Proceeds from capital debt	\$ —
State appropriations	139
Capital grants and gifts	94
Proceeds from sale of capital assets	3,493
Acquisition of capital assets	(45,819)
Principal paid on capital debt and leases	(8,714)
Interest paid on capital debt and leases	(12,646)
Principal collection on leases receivable	1,872
Interest collection on leases receivable	480
Net cash used in capital and related financing activities	<u>(61,101)</u>
<b>Cash flows from investing activities</b>	
Proceeds from sales of investments	722,848
Purchases of investments	(722,222)
Investment income proceeds	4,049
Net cash provided by investing activities	<u>4,675</u>
Net increase (decrease) in cash and cash equivalents	—
Cash and cash equivalents at beginning of year, as restated	<u>7</u>
Cash and cash equivalents at end of year	<u>\$ 7</u>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>	
Operating loss	\$ (410,446)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	34,967
Change in assets and liabilities	
Accounts receivable, net	(3,840)
Student loans receivable, net	(320)
Prepaid expenses and other current assets	2,770
Other assets	—
Deferred outflows of resources	(75,663)
Accounts payable	(3,832)
Accrued salaries and benefits	1,230
Accrued compensated absences	634
Unearned revenues	9,945
Other postemployment benefits liability	(99,584)
Net pension liability	126,471
Other liabilities	(3,284)
Deferred inflows of resources	34,751
Net cash used in operating activities	<u>\$ (386,201)</u>



## CALIFORNIA STATE UNIVERSITY, LOS ANGELES

Statement of Cash Flows  
 Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
<b>Supplemental schedule of noncash transactions</b>	
State's contribution for OPEB	\$ 20,662
Change in unrealized gain on investments	4,652
Gifts in kind - noncapital	35
BAN proceeds paid directly to escrow agent by bank	—
Change in capital assets due to leases	—
Amortization of net bond premium	968
Change in capital assets due to implementation of GASB Statement No. 96	—

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, LOS ANGELES

## Transactions with Related Entities

Year ended June 30, 2023

(In thousands)

	<b>Campus</b>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 2,994
Payments from discretely presented component units for other than salaries	5,128
Payments to discretely presented component units for services, space, and programs	11,155
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	—
Accounts receivable from discretely presented component units	449
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(1,212)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	233
Payments to the Office of the Chancellor for state pro rata charges	62
Accounts receivable from the Office of the Chancellor	351
Accounts receivable from campuses other than the Office of the Chancellor	—
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery allocation received	2,441
Other interagency payments (receipts) for services, space, and programs	239

See accompanying independent auditors' report.

## CALIFORNIA MARITIME ACADEMY

## Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 516	1,319	1,835
Short-term investments	18,803	6,138	24,941
Accounts receivable, net	2,343	24	2,367
Lease receivable, current portion	—	2,027	2,027
P3 receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledge receivable, net	—	55	55
Prepaid expenses and other current assets	730	—	730
Total current assets	22,392	9,563	31,955
<b>Noncurrent assets</b>			
Restricted cash and cash equivalents	—	2,915	2,915
Accounts receivable, net	—	—	—
Lease receivable, net of current portion	—	646	646
P3 receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	106	—	106
Pledge receivable, net	—	107	107
Endowment investments	—	11,115	11,115
Other long-term investments	878	—	878
Capital assets, net	134,160	11,678	145,838
Other assets	8	—	8
Total noncurrent assets	135,152	26,461	161,613
Total assets	157,544	36,024	193,568
<b>Deferred Outflows of Resources</b>			
Deferred outflows of resources	37,475	—	37,475
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable	1,994	121	2,115
Accrued salaries and benefits	1,939	—	1,939
Accrued compensated absences, current portion	803	—	803
Unearned revenues	310	—	310
Lease liabilities, current portion	24	—	24
SBITA liabilities, current portion	113	—	113
Long-term debt obligations, current portion	1,136	—	1,136
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	20	—	20
Other liabilities	1,459	2,430	3,889
Total current liabilities	7,798	2,551	10,349

## CALIFORNIA MARITIME ACADEMY

## Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
<b>Noncurrent liabilities</b>			
Accrued compensated absences, net of current portion	\$ 1,468	—	1,468
Unearned revenues	—	—	—
Grants refundable	244	—	244
Lease liabilities, net of current portion	12	—	12
SBITA liabilities, net of current portion	95	—	95
Long-term debt obligations, net of current portion	31,215	—	31,215
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Other postemployment benefits liability	84,154	—	84,154
Net pension liability	60,513	—	60,513
Other liabilities	—	—	—
Total noncurrent liabilities	177,701	—	177,701
Total liabilities	185,499	2,551	188,050
<b>Deferred Inflows of Resources</b>			
Deferred inflows of resources	38,775	2,656	41,431
<b>Net Position</b>			
<b>Net position</b>			
Net investment in capital assets	102,619	11,678	114,297
Restricted for			
Nonexpendable – endowments	—	11,116	11,116
Expendable			
Scholarships and fellowships	65	—	65
Research	—	—	—
Loans	33	—	33
Capital projects	1	—	1
Debt service	1	—	1
Others	3,892	6,504	10,396
Unrestricted	(135,866)	1,519	(134,347)
Total net position	\$ (29,255)	30,817	1,562

See accompanying independent auditors' report.

## CALIFORNIA MARITIME ACADEMY

## Statement of Revenues , Expenses, and Changes in Net Position

Year ended June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
<b>Revenues</b>				
Operating revenues				
Student tuition and fees (net of scholarship allowances of \$3,625)	\$ 8,091	—	—	8,091
Grants and contracts, noncapital				
Federal	2,320	—	—	2,320
State	445	—	—	445
Local	—	—	—	—
Nongovernmental	219	—	—	219
Sales and services of educational activities	30	—	—	30
Sales and services of auxiliary enterprises (net of University scholarship allowances of \$1,081)	8,169	—	—	8,169
Other operating revenues	1,374	8,816	—	10,190
<b>Total operating revenues</b>	<b>20,648</b>	<b>8,816</b>	<b>—</b>	<b>29,464</b>
<b>Expenses</b>				
Operating expenses				
Instruction	24,128	—	—	24,128
Research	1,385	—	—	1,385
Public service	24	—	—	24
Academic support	2,963	—	—	2,963
Student services	12,027	145	—	12,172
Institutional support	12,597	—	—	12,597
Operation and maintenance of plant	11,321	41	—	11,362
Student grants and scholarships	843	505	—	1,348
Auxiliary enterprise expenses	479	13,664	—	14,143
Depreciation and amortization	5,990	3,585	—	9,575
<b>Total operating expenses</b>	<b>71,757</b>	<b>17,940</b>	<b>—</b>	<b>89,697</b>
<b>Operating loss</b>	<b>(51,109)</b>	<b>(9,124)</b>	<b>—</b>	<b>(60,233)</b>
<b>Nonoperating revenues (expenses)</b>				
State appropriations, noncapital	45,347	—	—	45,347
Federal financial aid grants, noncapital	1,408	—	—	1,408
State financial aid grants, noncapital	1,033	—	—	1,033
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	517	—	—	517
Other federal nonoperating grants, noncapital	—	—	—	—

## CALIFORNIA MARITIME ACADEMY

## Statement of Revenues , Expenses, and Changes in Net Position

Year ended June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
<b>Nonoperating revenues (expenses), <i>continued</i></b>				
Gifts, noncapital	\$ —	1,408	—	1,408
Investment income, net	391	243	—	634
Endowment income, net	—	811	—	811
Interest expense	(990)	—	—	(990)
Other nonoperating revenues	17,859	378	—	18,237
Net nonoperating income	65,565	2,840	—	68,405
Income (loss) before other revenues	14,456	(6,284)	—	8,172
State appropriations, capital	—	—	—	—
Grants and gifts, capital	2,908	1,154	—	4,062
Additions (reductions) to permanent endowments	—	—	—	—
Increase (decrease) in net position	17,364	(5,130)	—	12,234
<b>Net position</b>				
Net position at beginning of year	(46,619)	35,947	—	(10,672)
Net position at end of year	\$ (29,255)	30,817	—	1,562

See accompanying independent auditors' report.

## CALIFORNIA MARITIME ACADEMY

Statement of Cash Flows  
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
<b>Cash flows from operating activities</b>	
Student tuition and fees	\$ 8,371
Federal grants and contracts	2,314
State grants and contracts	208
Local grants and contracts	—
Nongovernmental grants and contracts	206
Payments to suppliers	(25,134)
Payments to employees	(28,256)
Payments for benefits	(14,260)
Payments to students	(776)
Collections of student loans	—
Sales and services of educational activities	30
Sales and services of auxiliary enterprises	7,983
Other receipts	1,220
Net cash used in operating activities	<u>(48,094)</u>
<b>Cash flows from noncapital financing activities</b>	
State appropriations	42,703
Federal financial aid grants	1,408
State financial aid grants	1,033
Nongovernmental and other financial aid grants	517
Other federal nonoperating grants	—
Gifts and grants received for other than capital purposes	—
Federal loan program receipts	33
Federal loan program disbursements	(101)
Monies received on behalf of others	—
Monies disbursed on behalf of others	(29)
Principal paid on long-term debt	—
Interest paid on long-term debt	—
Issuance of notes receivable	—
Principal collections on leases receivable	—
Interest collections on leases receivable	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	17,685
Net cash provided by noncapital financing activities	<u>63,249</u>

## CALIFORNIA MARITIME ACADEMY

Statement of Cash Flows  
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
<b>Cash flows from capital and related financing activities</b>	
Proceeds from capital debt	\$ —
State appropriations	—
Capital grants and gifts	2,908
Proceeds from sale of capital assets	—
Acquisition of capital assets	(18,305)
Principal paid on capital debt and leases	(823)
Interest paid on capital debt and leases	(1,177)
Principal collection on leases receivable	—
Interest collection on leases receivable	—
Net cash used in capital and related financing activities	<u>(17,397)</u>
<b>Cash flows from investing activities</b>	
Proceeds from sales of investments	100,476
Purchases of investments	(98,587)
Investment loss payments	(19)
Net cash provided by investing activities	<u>1,870</u>
Net decrease in cash and cash equivalents	(372)
Cash and cash equivalents at beginning of year, as restated	888
Cash and cash equivalents at end of year	<u>\$ 516</u>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>	
Operating loss	\$ (51,109)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	5,990
Change in assets and liabilities	
Accounts receivable, net	(315)
Student loans receivable, net	—
Prepaid expenses and other current assets	(276)
Other assets	—
Deferred outflows of resources	(13,506)
Accounts payable	632
Accrued salaries and benefits	(154)
Accrued compensated absences	(27)
Unearned revenues	(216)
Other postemployment benefits liability	(15,464)
Net pension liability	20,359
Other liabilities	442
Deferred inflows of resources	5,550
Net cash used in operating activities	<u>\$ (48,094)</u>



## CALIFORNIA MARITIME ACADEMY

Statement of Cash Flows  
 Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
<b>Supplemental schedule of noncash transactions</b>	
State's contribution for OPEB	\$ 2,643
Change in unrealized gain on investments	408
Gifts in kind - noncapital	—
BAN proceeds paid directly to escrow agent by bank	—
Change in capital assets due to leases	—
Amortization of net bond premium	146
Change in capital assets due to implementation of GASB Statement No. 96	244

See accompanying independent auditors' report.

## CALIFORNIA MARITIME ACADEMY

Transactions with Related Entities

Year ended June 30, 2023

(In thousands)

	<b>Campus</b>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 25
Payments from discretely presented component units for other than salaries	124
Payments to discretely presented component units for services, space, and programs	—
Gifts in kind from discretely presented component units	8
Gifts (cash or assets) from discretely presented component units	4,543
Accounts receivable from discretely presented component units	—
Other amounts receivable from discretely presented component units	112
Accounts payable to discretely presented component units	(14)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	37
Payments to the Office of the Chancellor for state pro rata charges	10
Accounts receivable from the Office of the Chancellor	857
Accounts receivable from campuses other than the Office of the Chancellor	3
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery allocation received	338
Other interagency payments (receipts) for services, space, and programs	187

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, MONTEREY BAY

## Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 5	13,729	13,734
Short-term investments	71,112	373	71,485
Accounts receivable, net	13,681	13,962	27,643
Lease receivable, current portion	3,440	440	3,880
P3 receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledge receivable, net	—	296	296
Prepaid expenses and other current assets	1,292	3,967	5,259
Total current assets	89,530	32,767	122,297
<b>Noncurrent assets</b>			
Restricted cash and cash equivalents	—	450	450
Accounts receivable, net	—	—	—
Lease receivable, net of current portion	41,604	1,246	42,850
P3 receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	69	—	69
Pledge receivable, net	—	196	196
Endowment investments	—	35,043	35,043
Other long-term investments	6,368	48,744	55,112
Capital assets, net	342,218	145,369	487,587
Other assets	10	40	50
Total noncurrent assets	390,269	231,088	621,357
Total assets	479,799	263,855	743,654
<b>Deferred Outflows of Resources</b>			
Deferred outflows of resources	104,419	—	104,419
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable	5,394	16,601	21,995
Accrued salaries and benefits	8,075	1,032	9,107
Accrued compensated absences, current portion	2,654	678	3,332
Unearned revenues	6,261	6,899	13,160
Lease liabilities, current portion	8	4,387	4,395
SBITA liabilities, current portion	99	40	139
Long-term debt obligations, current portion	4,390	1,205	5,595
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	—	—	—
Other liabilities	2,078	130	2,208
Total current liabilities	28,959	30,972	59,931

## CALIFORNIA STATE UNIVERSITY, MONTEREY BAY

## Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
<b>Noncurrent liabilities</b>			
Accrued compensated absences, net of current portion	\$ 4,264	—	4,264
Unearned revenues	—	—	—
Grants refundable	—	—	—
Lease liabilities, net of current portion	—	43,698	43,698
SBITA liabilities, net of current portion	101	79	180
Long-term debt obligations, net of current portion	84,099	77,262	161,361
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	388	388
Other postemployment benefits liability	230,905	—	230,905
Net pension liability	173,880	—	173,880
Other liabilities	—	—	—
Total noncurrent liabilities	493,249	121,427	614,676
Total liabilities	522,208	152,399	674,607
<b>Deferred Inflows of Resources</b>			
Deferred inflows of resources	139,602	1,654	141,256
<b>Net Position</b>			
<b>Net position</b>			
Net investment in capital assets	254,679	26,530	281,209
Restricted for			
Nonexpendable – endowments	—	17,737	17,737
Expendable			
Scholarships and fellowships	785	11,751	12,536
Research	—	30	30
Loans	105	—	105
Capital projects	527	—	527
Debt service	3	—	3
Others	156	14,462	14,618
Unrestricted	(333,847)	39,292	(294,555)
Total net position	\$ (77,592)	109,802	32,210

See accompanying independent auditors' report.

**CALIFORNIA STATE UNIVERSITY, MONTEREY BAY**  
Statement of Revenues , Expenses, and Changes in Net Position  
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>	<u>Discretely presented component units</u>	<u>Eliminations</u>	<u>Total</u>
<b>Revenues</b>				
Operating revenues				
Student tuition and fees (net of scholarship allowances of \$24,327)	\$ 39,324	—	—	39,324
Grants and contracts, noncapital				
Federal	—	17,365	—	17,365
State	—	3,628	—	3,628
Local	—	114	—	114
Nongovernmental	—	2,899	—	2,899
Sales and services of educational activities	—	—	—	—
Sales and services of auxiliary enterprises (net of University scholarship allowances of \$—)	33,776	1,357	—	35,133
Other operating revenues	12,405	54,544	—	66,949
<b>Total operating revenues</b>	<b>85,505</b>	<b>79,907</b>	<b>—</b>	<b>165,412</b>
<b>Expenses</b>				
Operating expenses				
Instruction	68,149	158	—	68,307
Research	1,596	7,358	—	8,954
Public service	913	9,788	—	10,701
Academic support	21,748	4,356	—	26,104
Student services	29,829	2,277	—	32,106
Institutional support	25,171	6,163	—	31,334
Operation and maintenance of plant	30,799	528	(598)	30,729
Student grants and scholarships	21,770	4,655	—	26,425
Auxiliary enterprise expenses	32,908	36,318	—	69,226
Depreciation and amortization	20,876	11,409	—	32,285
<b>Total operating expenses</b>	<b>253,759</b>	<b>83,010</b>	<b>(598)</b>	<b>336,171</b>
<b>Operating loss</b>	<b>(168,254)</b>	<b>(3,103)</b>	<b>598</b>	<b>(170,759)</b>
<b>Nonoperating revenues (expenses)</b>				
State appropriations, noncapital	111,667	—	—	111,667
Federal financial aid grants, noncapital	15,128	—	—	15,128
State financial aid grants, noncapital	17,111	—	—	17,111
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	1	—	—	1

**CALIFORNIA STATE UNIVERSITY, MONTEREY BAY**  
Statement of Revenues , Expenses, and Changes in Net Position  
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>	<u>Discretely presented component units</u>	<u>Eliminations</u>	<u>Total</u>
<b>Nonoperating revenues (expenses), <i>continued</i></b>				
Gifts, noncapital	\$ 1,275	4,560	—	5,835
Investment income, net	10,836	3,997	—	14,833
Endowment income, net	—	3,303	—	3,303
Interest expense	(2,654)	(3,820)	—	(6,474)
Other nonoperating revenues (expenses)	(5,967)	909	—	(5,058)
Net nonoperating income	147,397	8,949	—	156,346
Income (loss) before other revenues	(20,857)	5,846	598	(14,413)
State appropriations, capital	—	—	—	—
Grants and gifts, capital	598	—	(598)	—
Additions to permanent endowments	—	935	—	935
Increase (Decrease) in net position	(20,259)	6,781	—	(13,478)
<b>Net position</b>				
Net position at beginning of year	(57,333)	103,021	—	45,688
Net position at end of year	\$ (77,592)	109,802	—	32,210

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, MONTEREY BAY

Statement of Cash Flows  
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
<b>Cash flows from operating activities</b>	
Student tuition and fees	\$ 39,178
Federal grants and contracts	40
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(75,700)
Payments to employees	(85,115)
Payments for benefits	(43,277)
Payments to students	(21,775)
Collections of student loans	—
Sales and services of educational activities	—
Sales and services of auxiliary enterprises	33,776
Other receipts	12,343
Net cash used in operating activities	<u>(140,530)</u>
<b>Cash flows from noncapital financing activities</b>	
State appropriations	103,891
Federal financial aid grants	15,128
State financial aid grants	17,112
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	1
Gifts and grants received for other than capital purposes	1,275
Federal loan program receipts	—
Federal loan program disbursements	(240)
Monies received on behalf of others	—
Monies disbursed on behalf of others	—
Principal paid on long-term debt	(2,925)
Interest paid on long-term debt	(172)
Issuance of notes receivable	—
Principal collections on leases receivable	—
Interest collections on leases receivable	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	(7,658)
Net cash provided by noncapital financing activities	<u>126,412</u>

## CALIFORNIA STATE UNIVERSITY, MONTEREY BAY

Statement of Cash Flows  
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
<b>Cash flows from capital and related financing activities</b>	
Proceeds from capital debt	\$ —
State appropriations	—
Capital grants and gifts	165
Proceeds from sale of capital assets	2,687
Acquisition of capital assets	(6,635)
Principal paid on capital debt and leases	(1,008)
Interest paid on capital debt and leases	(2,901)
Principal collection on leases receivable	87
Interest collection on leases receivable	863
Net cash used in capital and related financing activities	<u>(6,742)</u>
<b>Cash flows from investing activities</b>	
Proceeds from sales of investments	307,547
Purchases of investments	(294,942)
Investment income proceeds	8,255
Net cash provided by investing activities	<u>20,860</u>
Net increase (decrease) in cash and cash equivalents	—
Cash and cash equivalents at beginning of year, as restated	5
Cash and cash equivalents at end of year	<u>\$ 5</u>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>	
Operating loss	\$ (168,254)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	20,876
Change in assets and liabilities	
Accounts receivable, net	1,180
Student loans receivable, net	(4)
Prepaid expenses and other current assets	217
Other assets	—
Deferred outflows of resources	(36,508)
Accounts payable	(1,057)
Accrued salaries and benefits	413
Accrued compensated absences	877
Unearned revenues	2,651
Other postemployment benefits liability	(29,554)
Net pension liability	62,191
Other liabilities	158
Deferred inflows of resources	6,284
Net cash used in operating activities	<u>\$ (140,530)</u>



## CALIFORNIA STATE UNIVERSITY, MONTEREY BAY

Statement of Cash Flows  
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
<b>Supplemental schedule of noncash transactions</b>	
State's contribution for OPEB	\$ 7,776
Change in unrealized gain on investments	1,715
Gifts in kind - noncapital	1,275
BAN proceeds paid directly to escrow agent by bank	—
Change in capital assets due to leases	—
Amortization of net bond premium	408
Change in capital assets due to implementation of GASB Statement No. 96	110

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, MONTEREY BAY

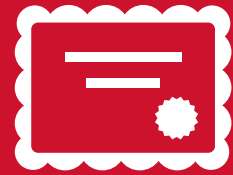
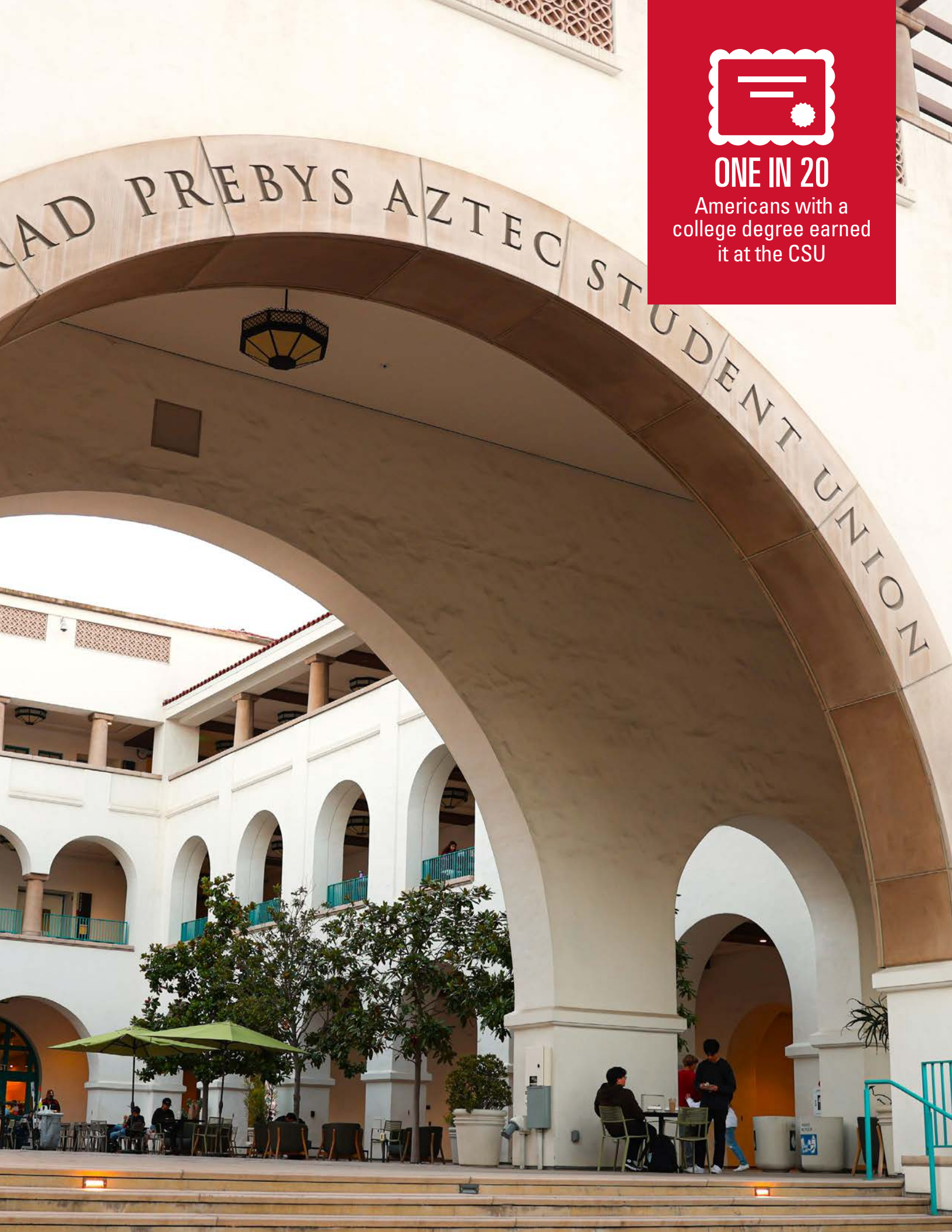
## Transactions with Related Entities

Year ended June 30, 2023

(In thousands)

	<b>Campus</b>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 2,039
Payments from discretely presented component units for other than salaries	4,610
Payments to discretely presented component units for services, space, and programs	—
Gifts in kind from discretely presented component units	835
Gifts (cash or assets) from discretely presented component units	7,100
Accounts receivable from discretely presented component units	11,080
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(873)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	95
Payments to the Office of the Chancellor for state pro rata charges	50
Accounts receivable from the Office of the Chancellor	34
Accounts receivable from campuses other than the Office of the Chancellor	34
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery allocation received	920
Other interagency payments (receipts) for services, space, and programs	(161)

See accompanying independent auditors' report.



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Americans with a college degree earned it at the CSU

## CALIFORNIA STATE UNIVERSITY, NORTHRIDGE

## Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 14	41,594	41,608
Short-term investments	413,854	106,096	519,950
Accounts receivable, net	15,872	12,287	28,159
Lease receivable, current portion	626	—	626
P3 receivable, current portion	—	—	—
Notes receivable, current portion	—	5	5
Pledge receivable, net	—	25,984	25,984
Prepaid expenses and other current assets	4,122	867	4,989
Total current assets	434,488	186,833	621,321
<b>Noncurrent assets</b>			
Restricted cash and cash equivalents	—	8,860	8,860
Accounts receivable, net	—	1,118	1,118
Lease receivable, net of current portion	3,500	416	3,916
P3 receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	23	23
Student loans receivable, net	711	—	711
Pledge receivable, net	—	—	—
Endowment investments	—	194,983	194,983
Other long-term investments	108,879	22,373	131,252
Capital assets, net	506,364	31,128	537,492
Other assets	33	24	57
Total noncurrent assets	619,487	258,925	878,412
Total assets	1,053,975	445,758	1,499,733
<b>Deferred Outflows of Resources</b>			
Deferred outflows of resources	361,172	—	361,172
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable	20,118	3,860	23,978
Accrued salaries and benefits	32,136	1,913	34,049
Accrued compensated absences, current portion	10,373	1,143	11,516
Unearned revenues	40,132	4,608	44,740
Lease liabilities, current portion	328	600	928
SBITA liabilities, current portion	1,006	—	1,006
Long-term debt obligations, current portion	5,910	265	6,175
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	122	5,385	5,507
Other liabilities	4,018	—	4,018
Total current liabilities	114,143	17,774	131,917

## CALIFORNIA STATE UNIVERSITY, NORTHRIDGE

## Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
<b>Noncurrent liabilities</b>			
Accrued compensated absences, net of current portion	\$ 10,244	255	10,499
Unearned revenues	—	—	—
Grants refundable	824	—	824
Lease liabilities, net of current portion	2,537	4,117	6,654
SBITA liabilities, net of current portion	781	—	781
Long-term debt obligations, net of current portion	126,959	3,376	130,335
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Other postemployment benefits liability	882,101	4,379	886,480
Net pension liability	566,442	—	566,442
Other liabilities	602	—	602
Total noncurrent liabilities	1,590,490	12,127	1,602,617
Total liabilities	1,704,633	29,901	1,734,534
<b>Deferred Inflows of Resources</b>			
Deferred inflows of resources	389,097	—	389,097
<b>Net Position</b>			
<b>Net position</b>			
Net investment in capital assets	370,973	17,775	388,748
Restricted for			
Nonexpendable – endowments	—	120,289	120,289
Expendable			
Scholarships and fellowships	1,955	30,773	32,728
Research	—	—	—
Loans	1,165	—	1,165
Capital projects	—	9,781	9,781
Debt service	7	—	7
Others	135	90,008	90,143
Unrestricted	(1,052,818)	147,231	(905,587)
Total net position	\$ (678,583)	415,857	(262,726)

See accompanying independent auditors' report.

**CALIFORNIA STATE UNIVERSITY, NORTHRIDGE**  
Statement of Revenues , Expenses, and Changes in Net Position  
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>	<u>Discretely presented component units</u>	<u>Eliminations</u>	<u>Total</u>
<b>Revenues</b>				
Operating revenues				
Student tuition and fees (net of scholarship allowances of \$163,630)	\$ 136,036	—	—	136,036
Grants and contracts, noncapital				
Federal	1,371	26,570	—	27,941
State	—	6,717	—	6,717
Local	—	918	—	918
Nongovernmental	—	3,744	—	3,744
Sales and services of educational activities	1,232	—	—	1,232
Sales and services of auxiliary enterprises (net of University scholarship allowances of \$9,037)	27,529	10,885	—	38,414
Other operating revenues	21,297	29,712	—	51,009
<b>Total operating revenues</b>	<b>187,465</b>	<b>78,546</b>	<b>—</b>	<b>266,011</b>
<b>Expenses</b>				
Operating expenses				
Instruction	239,944	—	—	239,944
Research	3,210	31,713	—	34,923
Public service	1,572	2,232	—	3,804
Academic support	65,092	7,817	—	72,909
Student services	104,543	24,167	—	128,710
Institutional support	59,629	8,822	(3,430)	65,021
Operation and maintenance of plant	58,394	1,870	—	60,264
Student grants and scholarships	124,361	2,780	—	127,141
Auxiliary enterprise expenses	19,373	13,897	—	33,270
Depreciation and amortization	31,629	2,315	—	33,944
<b>Total operating expenses</b>	<b>707,747</b>	<b>95,613</b>	<b>(3,430)</b>	<b>799,930</b>
<b>Operating loss</b>	<b>(520,282)</b>	<b>(17,067)</b>	<b>3,430</b>	<b>(533,919)</b>
<b>Nonoperating revenues (expenses)</b>				
State appropriations, noncapital	366,132	—	—	366,132
Federal financial aid grants, noncapital	102,616	—	—	102,616
State financial aid grants, noncapital	104,813	—	—	104,813
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	3,929	—	—	3,929
Other federal nonoperating grants, noncapital	20,501	—	—	20,501



## CALIFORNIA STATE UNIVERSITY, NORTHRIDGE

## Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
<b>Nonoperating revenues (expenses), continued</b>				
Gifts, noncapital	\$ 2,474	17,077	(2,447)	17,104
Investment income, net	14,301	16,897	—	31,198
Endowment income, net	—	12,649	—	12,649
Interest expense	(4,918)	—	—	(4,918)
Other nonoperating revenues	32,816	1,495	—	34,311
Net nonoperating income	642,664	48,118	(2,447)	688,335
Income before other revenues	122,382	31,051	983	154,416
State appropriations, capital	—	—	—	—
Grants and gifts, capital	983	—	(983)	—
Additions to permanent endowments	—	1,354	—	1,354
Increase in net position	123,365	32,405	—	155,770
<b>Net position</b>				
Net position at beginning of year	(801,948)	383,452	—	(418,496)
Net position at end of year	\$ (678,583)	415,857	—	(262,726)

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, NORTHRIDGE

Statement of Cash Flows  
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
<b>Cash flows from operating activities</b>	
Student tuition and fees	\$ 124,956
Federal grants and contracts	1,371
State grants and contracts	15,064
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(121,084)
Payments to employees	(298,519)
Payments for benefits	(142,069)
Payments to students	(124,395)
Collections of student loans	—
Sales and services of educational activities	1,232
Sales and services of auxiliary enterprises	27,801
Other receipts	20,265
Net cash used in operating activities	<u>(495,378)</u>
<b>Cash flows from noncapital financing activities</b>	
State appropriations	336,538
Federal financial aid grants	102,616
State financial aid grants	104,813
Nongovernmental and other financial aid grants	3,930
Other federal nonoperating grants	20,501
Gifts and grants received for other than capital purposes	2,474
Federal loan program receipts	89,237
Federal loan program disbursements	(89,279)
Monies received on behalf of others	—
Monies disbursed on behalf of others	(116)
Principal paid on long-term debt	(535)
Interest paid on long-term debt	(103)
Issuance of notes receivable	—
Principal collections on leases receivable	—
Interest collections on leases receivable	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	31,432
Net cash provided by noncapital financing activities	<u>601,508</u>



## CALIFORNIA STATE UNIVERSITY, NORTHRIDGE

Statement of Cash Flows  
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
<b>Cash flows from capital and related financing activities</b>	
Proceeds from capital debt	\$ —
State appropriations	—
Capital grants and gifts	—
Proceeds from sale of capital assets	—
Acquisition of capital assets	(50,085)
Principal paid on capital debt and leases	(7,386)
Interest paid on capital debt and leases	(5,443)
Principal collection on leases receivable	565
Interest collection on leases receivable	18
Net cash used in capital and related financing activities	<u>(62,331)</u>
<b>Cash flows from investing activities</b>	
Proceeds from sales of investments	1,018,532
Purchases of investments	(1,069,235)
Investment income proceeds	6,904
Net cash used in investing activities	<u>(43,799)</u>
Net increase (decrease) in cash and cash equivalents	—
Cash and cash equivalents at beginning of year, as restated	14
Cash and cash equivalents at end of year	<u>\$ 14</u>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>	
Operating loss	\$ (520,282)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	31,629
Change in assets and liabilities	
Accounts receivable, net	(8,981)
Student loans receivable, net	45
Prepaid expenses and other current assets	561
Other assets	—
Deferred outflows of resources	(123,393)
Accounts payable	(972)
Accrued salaries and benefits	1,379
Accrued compensated absences	858
Unearned revenues	12,349
Other postemployment benefits liability	(140,757)
Net pension liability	192,327
Other liabilities	(383)
Deferred inflows of resources	60,242
Net cash used in operating activities	<u>\$ (495,378)</u>

## CALIFORNIA STATE UNIVERSITY, NORTHRIDGE

Statement of Cash Flows  
 Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
<b>Supplemental schedule of noncash transactions</b>	
State's contribution for OPEB	\$ 29,594
Change in unrealized gain on investments	7,393
Gifts in kind - noncapital	2,474
BAN proceeds paid directly to escrow agent by bank	—
Change in capital assets due to leases	—
Amortization of net bond premium	771
Change in capital assets due to implementation of GASB Statement No. 96	655

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, NORTHRIDGE

## Transactions with Related Entities

Year ended June 30, 2023

(In thousands)

	<b>Campus</b>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 7,549
Payments from discretely presented component units for other than salaries	8,699
Payments to discretely presented component units for services, space, and programs	19,937
Gifts in kind from discretely presented component units	447
Gifts (cash or assets) from discretely presented component units	2,983
Accounts receivable from discretely presented component units	173
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(1,288)
Other amounts payable to discretely presented component units	(1,475)
Payments to the Office of the Chancellor for administrative activities	342
Payments to the Office of the Chancellor for state pro rata charges	135
Accounts receivable from the Office of the Chancellor	7,940
Accounts receivable from campuses other than the Office of the Chancellor	—
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery allocation received	3,118
Other interagency payments (receipts) for services, space, and programs	66

See accompanying independent auditors' report.

## CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

## Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 1,274	17,790	19,064
Short-term investments	362,958	126,394	489,352
Accounts receivable, net	8,149	15,040	23,189
Lease receivable, current portion	1,312	880	2,192
P3 receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledge receivable, net	—	1,504	1,504
Prepaid expenses and other current assets	3,795	2,446	6,241
Total current assets	377,488	164,054	541,542
<b>Noncurrent assets</b>			
Restricted cash and cash equivalents	—	1,798	1,798
Accounts receivable, net	—	2,709	2,709
Lease receivable, net of current portion	17,691	93,066	110,757
P3 receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	2,086	—	2,086
Pledge receivable, net	—	2,278	2,278
Endowment investments	—	163,701	163,701
Other long-term investments	81,015	1,433	82,448
Capital assets, net	674,868	50,543	725,411
Other assets	10	—	10
Total noncurrent assets	775,670	315,528	1,091,198
Total assets	1,153,158	479,582	1,632,740
<b>Deferred Outflows of Resources</b>			
Deferred outflows of resources	272,167	9,792	281,959
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable	15,714	5,989	21,703
Accrued salaries and benefits	29,087	1,191	30,278
Accrued compensated absences, current portion	6,920	1,071	7,991
Unearned revenues	20,861	1,970	22,831
Lease liabilities, current portion	39	1,345	1,384
SBITA liabilities, current portion	570	—	570
Long-term debt obligations, current portion	12,965	—	12,965
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	—	178	178
Other liabilities	8,672	3,468	12,140
Total current liabilities	94,828	15,212	110,040

## CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

## Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
<b>Noncurrent liabilities</b>			
Accrued compensated absences, net of current portion	\$ 5,553	103	5,656
Unearned revenues	—	—	—
Grants refundable	1,879	—	1,879
Lease liabilities, net of current portion	44	17,655	17,699
SBITA liabilities, net of current portion	295	—	295
Long-term debt obligations, net of current portion	333,334	—	333,334
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Other postemployment benefits liability	652,953	8,254	661,207
Net pension liability	414,686	16,752	431,438
Other liabilities	—	959	959
Total noncurrent liabilities	1,408,744	43,723	1,452,467
Total liabilities	1,503,572	58,935	1,562,507
<b>Deferred Inflows of Resources</b>			
Deferred inflows of resources	299,370	96,500	395,870
<b>Net Position</b>			
<b>Net position</b>			
Net investment in capital assets	335,113	32,523	367,636
Restricted for			
Nonexpendable – endowments	—	108,243	108,243
Expendable			
Scholarships and fellowships	124	7,306	7,430
Research	—	—	—
Loans	1,306	222	1,528
Capital projects	—	—	—
Debt service	25	—	25
Others	137	61,672	61,809
Unrestricted	(714,322)	123,973	(590,349)
Total net position	\$ (377,617)	333,939	(43,678)

See accompanying independent auditors' report.

## CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

## Statement of Revenues , Expenses, and Changes in Net Position

Year ended June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
<b>Revenues</b>				
Operating revenues				
Student tuition and fees (net of scholarship allowances of \$108,207)	\$ 117,173	—	—	117,173
Grants and contracts, noncapital				
Federal	—	15,224	—	15,224
State	295	2,689	—	2,984
Local	—	—	—	—
Nongovernmental	—	1,180	—	1,180
Sales and services of educational activities	—	19,232	—	19,232
Sales and services of auxiliary enterprises (net of University scholarship allowances of \$6,881)	46,965	50,670	—	97,635
Other operating revenues	11,148	30,984	—	42,132
<b>Total operating revenues</b>	<b>175,581</b>	<b>119,979</b>	<b>—</b>	<b>295,560</b>
<b>Expenses</b>				
Operating expenses				
Instruction	185,451	11,947	—	197,398
Research	1,484	8,120	—	9,604
Public service	79	137	—	216
Academic support	40,245	8,080	—	48,325
Student services	68,420	19,682	—	88,102
Institutional support	46,231	2,626	—	48,857
Operation and maintenance of plant	45,442	36	—	45,478
Student grants and scholarships	72,043	2,682	(3,492)	71,233
Auxiliary enterprise expenses	38,111	55,487	—	93,598
Depreciation and amortization	35,854	4,099	—	39,953
<b>Total operating expenses</b>	<b>533,360</b>	<b>112,896</b>	<b>(3,492)</b>	<b>642,764</b>
<b>Operating income (loss)</b>	<b>(357,779)</b>	<b>7,083</b>	<b>3,492</b>	<b>(347,204)</b>
<b>Nonoperating revenues (expenses)</b>				
State appropriations, noncapital	259,547	—	—	259,547
Federal financial aid grants, noncapital	64,737	—	—	64,737
State financial aid grants, noncapital	71,354	—	—	71,354
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	1,994	—	—	1,994
Other federal nonoperating grants, noncapital	47,683	—	—	47,683

## CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

## Statement of Revenues , Expenses, and Changes in Net Position

Year ended June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
<b>Nonoperating revenues (expenses), <i>continued</i></b>				
Gifts, noncapital	\$ 5,501	14,852	(3,639)	16,714
Investment income, net	9,495	7,327	—	16,822
Endowment income, net	—	14,180	—	14,180
Interest expense	(11,399)	(1,294)	—	(12,693)
Other nonoperating revenues (expenses)	13,831	(1,043)	6,414	19,202
Net nonoperating income	462,743	34,022	2,775	499,540
Income before other revenues	104,964	41,105	6,267	152,336
State appropriations, capital	—	—	—	—
Grants and gifts, capital	7,141	—	(6,267)	874
Additions (reductions) to permanent endowments	—	—	—	—
Increase in net position	112,105	41,105	—	153,210
<b>Net position</b>				
Net position at beginning of year	(489,722)	292,834	—	(196,888)
Net position at end of year	\$ (377,617)	333,939	—	(43,678)

See accompanying independent auditors' report.

## CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

Statement of Cash Flows  
Year ended June 30, 2023  
(In thousands)

	<u>Campus</u>
<b>Cash flows from operating activities</b>	
Student tuition and fees	\$ 114,008
Federal grants and contracts	—
State grants and contracts	13,426
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(113,858)
Payments to employees	(208,633)
Payments for benefits	(106,798)
Payments to students	(71,937)
Collections of student loans	—
Sales and services of educational activities	—
Sales and services of auxiliary enterprises	46,058
Other receipts	9,128
Net cash used in operating activities	<u>(318,606)</u>
<b>Cash flows from noncapital financing activities</b>	
State appropriations	236,484
Federal financial aid grants	66,724
State financial aid grants	71,358
Nongovernmental and other financial aid grants	1,994
Other federal nonoperating grants	47,683
Gifts and grants received for other than capital purposes	6,064
Federal loan program receipts	58,251
Federal loan program disbursements	(58,310)
Monies received on behalf of others	4,983
Monies disbursed on behalf of others	(5,000)
Principal paid on long-term debt	(1,280)
Interest paid on long-term debt	(166)
Issuance of notes receivable	—
Principal collections on leases receivable	—
Interest collections on leases receivable	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	17,477
Net cash provided by noncapital financing activities	<u>446,262</u>



## CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

Statement of Cash Flows  
Year ended June 30, 2023  
(In thousands)

	<u>Campus</u>
<b>Cash flows from capital and related financing activities</b>	
Proceeds from capital debt	\$ —
State appropriations	—
Capital grants and gifts	—
Proceeds from sale of capital assets	22
Acquisition of capital assets	(23,374)
Principal paid on capital debt and leases	(17,888)
Interest paid on capital debt and leases	(12,546)
Principal collection on leases receivable	1,284
Interest collection on leases receivable	394
Net cash used in capital and related financing activities	<u>(52,108)</u>
<b>Cash flows from investing activities</b>	
Proceeds from sales of investments	767,655
Purchases of investments	(846,238)
Investment income proceeds	4,298
Net cash used in investing activities	<u>(74,285)</u>
Net increase in cash and cash equivalents	1,263
Cash and cash equivalents at beginning of year, as restated	11
Cash and cash equivalents at end of year	<u>\$ 1,274</u>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>	
Operating loss	\$ (357,779)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	35,854
Change in assets and liabilities	
Accounts receivable, net	(812)
Student loans receivable, net	(76)
Prepaid expenses and other current assets	906
Other assets	—
Deferred outflows of resources	(80,548)
Accounts payable	(1,497)
Accrued salaries and benefits	113
Accrued compensated absences	534
Unearned revenues	12,188
Other postemployment benefits liability	(104,540)
Net pension liability	137,905
Other liabilities	(161)
Deferred inflows of resources	39,307
Net cash used in operating activities	<u>\$ (318,606)</u>

## CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

Statement of Cash Flows  
 Year ended June 30, 2023  
 (In thousands)

	<u>Campus</u>
<b>Supplemental schedule of noncash transactions</b>	
State's contribution for OPEB	\$ 23,063
Change in unrealized gain on investments	4,792
Gifts in kind - noncapital	5,501
BAN proceeds paid directly to escrow agent by bank	—
Change in capital assets due to leases	92
Amortization of net bond premium	1,844
Change in capital assets due to implementation of GASB Statement No. 96	1,392

See accompanying independent auditors' report.

## CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

Transactions with Related Entities

Year ended June 30, 2023

(In thousands)

	<b>Campus</b>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 845
Payments from discretely presented component units for other than salaries	16,435
Payments to discretely presented component units for services, space, and programs	57,382
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	6,414
Accounts receivable from discretely presented component units	3,080
Other amounts receivable from discretely presented component units	22
Accounts payable to discretely presented component units	(6,334)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	414
Payments to the Office of the Chancellor for state pro rata charges	70
Accounts receivable from the Office of the Chancellor	955
Accounts receivable from campuses other than the Office of the Chancellor	—
Accounts payable to campuses other than the Office of the Chancellor	(2)
State lottery allocation received	2,264
Other interagency payments (receipts) for services, space, and programs	(22)

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, SACRAMENTO

## Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 24	17,794	17,818
Short-term investments	213,480	43,461	256,941
Accounts receivable, net	27,920	44,900	72,820
Lease receivable, current portion	288	9,155	9,443
P3 receivable, current portion	—	—	—
Notes receivable, current portion	615	211	826
Pledge receivable, net	—	1,511	1,511
Prepaid expenses and other current assets	4,294	921	5,215
Total current assets	246,621	117,953	364,574
<b>Noncurrent assets</b>			
Restricted cash and cash equivalents	—	3,798	3,798
Accounts receivable, net	—	—	—
Lease receivable, net of current portion	1,067	104,117	105,184
P3 receivable, current portion	—	—	—
Notes receivable, net of current portion	11,585	844	12,429
Student loans receivable, net	1,755	—	1,755
Pledge receivable, net	—	—	—
Endowment investments	14	74,590	74,604
Other long-term investments	78,239	39,263	117,502
Capital assets, net	634,810	100,729	735,539
Other assets	8	304	312
Total noncurrent assets	727,478	323,645	1,051,123
Total assets	974,099	441,598	1,415,697
<b>Deferred Outflows of Resources</b>			
Deferred outflows of resources	323,888	10,820	334,708
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable	19,333	17,834	37,167
Accrued salaries and benefits	27,593	5,745	33,338
Accrued compensated absences, current portion	9,849	1,972	11,821
Unearned revenues	34,159	2,737	36,896
Lease liabilities, current portion	7,151	1,023	8,174
SBITA liabilities, current portion	1,197	137	1,334
Long-term debt obligations, current portion	10,804	4,844	15,648
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	1,015	1,189	2,204
Other liabilities	4,613	3,814	8,427
Total current liabilities	115,714	39,295	155,009

## CALIFORNIA STATE UNIVERSITY, SACRAMENTO

## Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
<b>Noncurrent liabilities</b>			
Accrued compensated absences, net of current portion	\$ 5,648	163	5,811
Unearned revenues	—	5,554	5,554
Grants refundable	3,107	8,777	11,884
Lease liabilities, net of current portion	111,264	1,192	112,456
SBITA liabilities, net of current portion	887	228	1,115
Long-term debt obligations, net of current portion	235,473	63,369	298,842
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Other postemployment benefits liability	827,329	6,877	834,206
Net pension liability	480,756	22,225	502,981
Other liabilities	17	—	17
Total noncurrent liabilities	1,664,481	108,385	1,772,866
Total liabilities	1,780,195	147,680	1,927,875
<b>Deferred Inflows of Resources</b>			
Deferred inflows of resources	353,089	116,858	469,947
<b>Net Position</b>			
<b>Net position</b>			
Net investment in capital assets	296,399	38,230	334,629
Restricted for			
Nonexpendable – endowments	14	77,427	77,441
Expendable			
Scholarships and fellowships	1,467	5,799	7,266
Research	—	—	—
Loans	1,285	—	1,285
Capital projects	13	—	13
Debt service	13	3,484	3,497
Others	583	14,867	15,450
Unrestricted	(1,135,071)	48,073	(1,086,998)
Total net position	\$ (835,297)	187,880	(647,417)

See accompanying independent auditors' report.

**CALIFORNIA STATE UNIVERSITY, SACRAMENTO**  
Statement of Revenues , Expenses, and Changes in Net Position  
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>	<u>Discretely presented component units</u>	<u>Eliminations</u>	<u>Total</u>
<b>Revenues</b>				
Operating revenues				
Student tuition and fees (net of scholarship allowances of \$123,687)	\$ 161,000	—	—	161,000
Grants and contracts, noncapital				
Federal	131	13,804	—	13,935
State	100	40,548	—	40,648
Local	33	3,177	—	3,210
Nongovernmental	—	5,553	—	5,553
Sales and services of educational activities	3,715	17,621	—	21,336
Sales and services of auxiliary enterprises (net of University scholarship allowances of \$7,611)	29,768	31,109	(3,255)	57,622
Other operating revenues	19,382	33,353	—	52,735
<b>Total operating revenues</b>	<b>214,129</b>	<b>145,165</b>	<b>(3,255)</b>	<b>356,039</b>
<b>Expenses</b>				
Operating expenses				
Instruction	229,186	8,144	—	237,330
Research	3,131	29,178	—	32,309
Public service	1,101	38,915	—	40,016
Academic support	48,546	4,838	—	53,384
Student services	85,431	15,216	—	100,647
Institutional support	55,137	42,041	(4,159)	93,019
Operation and maintenance of plant	47,203	7,632	—	54,835
Student grants and scholarships	111,885	3,491	—	115,376
Auxiliary enterprise expenses	28,779	6,359	—	35,138
Depreciation and amortization	46,352	7,271	—	53,623
<b>Total operating expenses</b>	<b>656,751</b>	<b>163,085</b>	<b>(4,159)</b>	<b>815,677</b>
<b>Operating loss</b>	<b>(442,622)</b>	<b>(17,920)</b>	<b>904</b>	<b>(459,638)</b>
<b>Nonoperating revenues (expenses)</b>				
State appropriations, noncapital	273,775	—	—	273,775
Federal financial aid grants, noncapital	78,453	—	—	78,453
State financial aid grants, noncapital	102,306	—	—	102,306
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	11,289	—	—	11,289

**CALIFORNIA STATE UNIVERSITY, SACRAMENTO**  
Statement of Revenues , Expenses, and Changes in Net Position  
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>	<u>Discretely presented component units</u>	<u>Eliminations</u>	<u>Total</u>
<b>Nonoperating revenues (expenses), <i>continued</i></b>				
Gifts, noncapital	\$ 1,971	7,474	(490)	8,955
Investment income, net	9,311	11,836	—	21,147
Endowment income, net	—	3,921	—	3,921
Interest expense	(12,041)	(2,307)	—	(14,348)
Other nonoperating revenues (expenses)	(8,592)	12,857	—	4,265
Net nonoperating income	456,472	33,781	(490)	489,763
Income before other revenues	13,850	15,861	414	30,125
State appropriations, capital	—	—	—	—
Grants and gifts, capital	2,310	—	(414)	1,896
Additions to permanent endowments	—	4,405	—	4,405
Increase in net position	16,160	20,266	—	36,426
<b>Net position</b>				
Net position at beginning of year	(851,457)	167,614	—	(683,843)
Net position at end of year	\$ (835,297)	187,880	—	(647,417)

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, SACRAMENTO

Statement of Cash Flows  
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
<b>Cash flows from operating activities</b>	
Student tuition and fees	\$ 166,959
Federal grants and contracts	133
State grants and contracts	17
Local grants and contracts	20
Nongovernmental grants and contracts	—
Payments to suppliers	(109,535)
Payments to employees	(256,318)
Payments for benefits	(127,619)
Payments to students	(111,956)
Collections of student loans	28
Sales and services of educational activities	3,857
Sales and services of auxiliary enterprises	29,492
Other receipts	20,531
	<hr/>
Net cash used in operating activities	(384,391)
<b>Cash flows from noncapital financing activities</b>	
State appropriations	245,762
Federal financial aid grants	78,453
State financial aid grants	102,306
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	20,323
Gifts and grants received for other than capital purposes	1,971
Federal loan program receipts	82,959
Federal loan program disbursements	(82,941)
Monies received on behalf of others	10,188
Monies disbursed on behalf of others	(10,075)
Principal paid on long-term debt	(585)
Interest paid on long-term debt	(37)
Issuance of notes receivable	—
Principal collections on leases receivable	—
Interest collections on leases receivable	—
Principal collections on notes receivable	631
Interest collections on notes receivable	596
Other noncapital financing activities	244
	<hr/>
Net cash provided by noncapital financing activities	449,795



## CALIFORNIA STATE UNIVERSITY, SACRAMENTO

Statement of Cash Flows  
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
<b>Cash flows from capital and related financing activities</b>	
Proceeds from capital debt	\$ —
State appropriations	—
Capital grants and gifts	1,710
Proceeds from sale of capital assets	134
Acquisition of capital assets	(17,527)
Principal paid on capital debt and leases	(17,934)
Interest paid on capital debt and leases	(11,710)
Principal collection on leases receivable	316
Interest collection on leases receivable	24
Net cash used in capital and related financing activities	<u>(44,987)</u>
<b>Cash flows from investing activities</b>	
Proceeds from sales of investments	889,819
Purchases of investments	(914,789)
Investment income proceeds	4,553
Net cash used in investing activities	<u>(20,417)</u>
Net increase (decrease) in cash and cash equivalents	—
Cash and cash equivalents at beginning of year, as restated	24
Cash and cash equivalents at end of year	<u>\$ 24</u>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>	
Operating loss	\$ (442,622)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	46,352
Change in assets and liabilities	
Accounts receivable, net	(8,935)
Student loans receivable, net	(95)
Prepaid expenses and other current assets	(248)
Other assets	—
Deferred outflows of resources	(101,360)
Accounts payable	9,294
Accrued salaries and benefits	801
Accrued compensated absences	972
Unearned revenues	10,136
Other postemployment benefits liability	(123,243)
Net pension liability	162,533
Other liabilities	(263)
Deferred inflows of resources	62,287
Net cash used in operating activities	<u>\$ (384,391)</u>

## CALIFORNIA STATE UNIVERSITY, SACRAMENTO

Statement of Cash Flows  
 Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
<b>Supplemental schedule of noncash transactions</b>	
State's contribution for OPEB	\$ 28,013
Change in unrealized gain on investments	4,126
Gifts in kind - noncapital	1,971
BAN proceeds paid directly to escrow agent by bank	—
Change in capital assets due to leases	11,925
Amortization of net bond premium	1,519
Change in capital assets due to implementation of GASB Statement No. 96	119

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, SACRAMENTO

## Transactions with Related Entities

Year ended June 30, 2023

(In thousands)

	<b>Campus</b>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 6,040
Payments from discretely presented component units for other than salaries	3,565
Payments to discretely presented component units for services, space, and programs	8,078
Gifts in kind from discretely presented component units	30
Gifts (cash or assets) from discretely presented component units	859
Accounts receivable from discretely presented component units	9,040
Other amounts receivable from discretely presented component units	1,714
Accounts payable to discretely presented component units	(8,395)
Other amounts payable to discretely presented component units	(681)
Payments to the Office of the Chancellor for administrative activities	379
Payments to the Office of the Chancellor for state pro rata charges	149
Accounts receivable from the Office of the Chancellor	185
Accounts receivable from campuses other than the Office of the Chancellor	—
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery allocation received	2,760
Other interagency payments (receipts) for services, space, and programs	72

See accompanying independent auditors' report.



**ONE IN 10**

employees in California  
is a CSU graduate

## CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

## Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 12	3,677	3,689
Short-term investments	103,480	38,869	142,349
Accounts receivable, net	22,216	13,734	35,950
Lease receivable, current portion	—	254	254
P3 receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledge receivable, net	—	1,261	1,261
Prepaid expenses and other current assets	3,540	560	4,100
Total current assets	129,248	58,355	187,603
<b>Noncurrent assets</b>			
Restricted cash and cash equivalents	—	—	—
Accounts receivable, net	—	—	—
Lease receivable, net of current portion	—	692	692
P3 receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	1,457	—	1,457
Pledge receivable, net	—	2,407	2,407
Endowment investments	—	51,173	51,173
Other long-term investments	123,939	1,030	124,969
Capital assets, net	543,551	7,683	551,234
Other assets	9	539	548
Total noncurrent assets	668,956	63,524	732,480
Total assets	798,204	121,879	920,083
<b>Deferred Outflows of Resources</b>			
Deferred outflows of resources	197,505	6,260	203,765
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable	13,983	5,365	19,348
Accrued salaries and benefits	16,439	1,157	17,596
Accrued compensated absences, current portion	5,402	590	5,992
Unearned revenues	7,030	7,994	15,024
Lease liabilities, current portion	345	988	1,333
SBITA liabilities, current portion	1,422	—	1,422
Long-term debt obligations, current portion	8,555	—	8,555
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	—	—	—
Other liabilities	11,181	1,256	12,437
Total current liabilities	64,357	17,350	81,707

## CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

## Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
<b>Noncurrent liabilities</b>			
Accrued compensated absences, net of current portion	\$ 7,398	54	7,452
Unearned revenues	8,367	2,707	11,074
Grants refundable	939	—	939
Lease liabilities, net of current portion	727	3,188	3,915
SBITA liabilities, net of current portion	1,696	—	1,696
Long-term debt obligations, net of current portion	285,913	—	285,913
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Other postemployment benefits liability	467,558	492	468,050
Net pension liability	313,220	8,136	321,356
Other liabilities	155	—	155
Total noncurrent liabilities	1,085,973	14,577	1,100,550
Total liabilities	1,150,330	31,927	1,182,257
<b>Deferred Inflows of Resources</b>			
Deferred inflows of resources	205,717	3,347	209,064
<b>Net Position</b>			
<b>Net position</b>			
Net investment in capital assets	247,990	3,566	251,556
Restricted for			
Nonexpendable – endowments	—	51,217	51,217
Expendable			
Scholarships and fellowships	—	—	—
Research	—	—	—
Loans	1,426	—	1,426
Capital projects	1,369	—	1,369
Debt service	789	—	789
Others	200	18,330	18,530
Unrestricted	(612,112)	19,752	(592,360)
Total net position	\$ (360,338)	92,865	(267,473)

See accompanying independent auditors' report.



**CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO**  
Statement of Revenues , Expenses, and Changes in Net Position  
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>	<u>Discretely presented component units</u>	<u>Eliminations</u>	<u>Total</u>
<b>Revenues</b>				
Operating revenues				
Student tuition and fees (net of scholarship allowances of \$100,566)	\$ 62,970	—	—	62,970
Grants and contracts, noncapital				
Federal	—	21,981	—	21,981
State	—	12,667	—	12,667
Local	—	4,820	—	4,820
Nongovernmental	—	686	—	686
Sales and services of educational activities	95	—	—	95
Sales and services of auxiliary enterprises (net of University scholarship allowances of \$6,924)	10,769	642	—	11,411
Other operating revenues	9,506	13,337	—	22,843
<b>Total operating revenues</b>	<b>83,340</b>	<b>54,133</b>	<b>—</b>	<b>137,473</b>
<b>Expenses</b>				
Operating expenses				
Instruction	145,483	710	—	146,193
Research	573	14,883	—	15,456
Public service	1,650	11,945	—	13,595
Academic support	22,891	19	—	22,910
Student services	38,823	16,997	—	55,820
Institutional support	51,765	10,256	—	62,021
Operation and maintenance of plant	39,106	—	—	39,106
Student grants and scholarships	41,181	1,429	(1,480)	41,130
Auxiliary enterprise expenses	13,363	1,429	—	14,792
Depreciation and amortization	30,218	1,673	—	31,891
<b>Total operating expenses</b>	<b>385,053</b>	<b>59,341</b>	<b>(1,480)</b>	<b>442,914</b>
<b>Operating loss</b>	<b>(301,713)</b>	<b>(5,208)</b>	<b>1,480</b>	<b>(305,441)</b>
<b>Nonoperating revenues (expenses)</b>				
State appropriations, noncapital	276,892	—	—	276,892
Federal financial aid grants, noncapital	54,706	—	—	54,706
State financial aid grants, noncapital	50,217	—	—	50,217
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	1,560	—	(1,480)	80
Other federal nonoperating grants, noncapital	7,659	—	—	7,659

**CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO**  
Statement of Revenues , Expenses, and Changes in Net Position  
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>	<u>Discretely presented component units</u>	<u>Eliminations</u>	<u>Total</u>
<b>Nonoperating revenues (expenses), <i>continued</i></b>				
Gifts, noncapital	\$ 49	2,551	—	2,600
Investment income, net	3,219	644	—	3,863
Endowment income, net	—	4,908	—	4,908
Interest expense	(10,116)	(1)	—	(10,117)
Other nonoperating revenues	46,727	767	—	47,494
Net nonoperating income	430,913	8,869	(1,480)	438,302
Income before other revenues	129,200	3,661	—	132,861
State appropriations, capital	—	—	—	—
Grants and gifts, capital	348	—	—	348
Additions to permanent endowments	—	1,376	—	1,376
Increase in net position	129,548	5,037	—	134,585
<b>Net position</b>				
Net position at beginning of year	(489,886)	87,828	—	(402,058)
Net position at end of year	\$ (360,338)	92,865	—	(267,473)

See accompanying independent auditors' report.



## CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

Statement of Cash Flows  
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
<b>Cash flows from operating activities</b>	
Student tuition and fees	\$ 63,125
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(73,009)
Payments to employees	(165,336)
Payments for benefits	(81,482)
Payments to students	(40,134)
Collections of student loans	32
Sales and services of educational activities	1,287
Sales and services of auxiliary enterprises	12,076
Other receipts	11,313
Net cash used in operating activities	<u>(272,128)</u>
<b>Cash flows from noncapital financing activities</b>	
State appropriations	260,613
Federal financial aid grants	54,936
State financial aid grants	57,278
Nongovernmental and other financial aid grants	1,560
Other federal nonoperating grants	7,659
Gifts and grants received for other than capital purposes	49
Federal loan program receipts	48,433
Federal loan program disbursements	(48,325)
Monies received on behalf of others	4,163
Monies disbursed on behalf of others	(4,153)
Principal paid on long-term debt	—
Interest paid on long-term debt	—
Issuance of notes receivable	—
Principal collections on leases receivable	—
Interest collections on leases receivable	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	46,007
Net cash provided by noncapital financing activities	<u>428,220</u>

## CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

Statement of Cash Flows  
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
<b>Cash flows from capital and related financing activities</b>	
Proceeds from capital debt	\$ —
State appropriations	—
Capital grants and gifts	348
Proceeds from sale of capital assets	—
Acquisition of capital assets	(38,845)
Principal paid on capital debt and leases	(9,667)
Interest paid on capital debt and leases	(11,486)
Principal collection on leases receivable	—
Interest collection on leases receivable	—
Net cash used in capital and related financing activities	<u>(59,650)</u>
<b>Cash flows from investing activities</b>	
Proceeds from sales of investments	582,594
Purchases of investments	(681,711)
Investment income proceeds	2,668
Net cash used in investing activities	<u>(96,449)</u>
Net decrease in cash and cash equivalents	(7)
Cash and cash equivalents at beginning of year, as restated	19
Cash and cash equivalents at end of year	<u>\$ 12</u>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>	
Operating loss	\$ (301,713)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	30,218
Change in assets and liabilities	
Accounts receivable, net	4,292
Student loans receivable, net	(142)
Prepaid expenses and other current assets	(1,458)
Other assets	—
Deferred outflows of resources	(61,166)
Accounts payable	(458)
Accrued salaries and benefits	594
Accrued compensated absences	1,438
Unearned revenues	(91)
Other postemployment benefits liability	(76,747)
Net pension liability	102,104
Other liabilities	2,829
Deferred inflows of resources	28,172
Net cash used in operating activities	<u>\$ (272,128)</u>

## CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

Statement of Cash Flows  
 Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
<b>Supplemental schedule of noncash transactions</b>	
State's contribution for OPEB	\$ 16,279
Change in unrealized gain on investments	529
Gifts in kind - noncapital	49
BAN proceeds paid directly to escrow agent by bank	—
Change in capital assets due to leases	99
Amortization of net bond premium	1,613
Change in capital assets due to implementation of GASB Statement No. 96	1,050

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

Transactions with Related Entities

Year ended June 30, 2023

(In thousands)

	<b>Campus</b>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 5,683
Payments from discretely presented component units for other than salaries	12,624
Payments to discretely presented component units for services, space, and programs	9,641
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	—
Accounts receivable from discretely presented component units	2,808
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(3)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	1,428
Payments to the Office of the Chancellor for state pro rata charges	57
Accounts receivable from the Office of the Chancellor	9,115
Accounts receivable from campuses other than the Office of the Chancellor	—
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery allocation received	2,116
Other interagency payments (receipts) for services, space, and programs	445

See accompanying independent auditors' report.

## SAN DIEGO STATE UNIVERSITY

## Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 51	17,090	17,141
Short-term investments	485,789	78,805	564,594
Accounts receivable, net	52,204	42,448	94,652
Lease receivable, current portion	649	3,194	3,843
P3 receivable, current portion	—	201	201
Notes receivable, current portion	—	837	837
Pledge receivable, net	—	21,377	21,377
Prepaid expenses and other current assets	4,041	13,926	17,967
Total current assets	542,734	177,878	720,612
<b>Noncurrent assets</b>			
Restricted cash and cash equivalents	—	981	981
Accounts receivable, net	285	—	285
Lease receivable, net of current portion	14,065	51,279	65,344
P3 receivable, net of current portion	—	3,710	3,710
Notes receivable, net of current portion	—	5,480	5,480
Student loans receivable, net	1,919	—	1,919
Pledge receivable, net	—	29,966	29,966
Endowment investments	—	420,584	420,584
Other long-term investments	235,249	119,201	354,450
Capital assets, net	1,646,215	204,419	1,850,634
Other assets	14,658	11,993	26,651
Total noncurrent assets	1,912,391	847,613	2,760,004
Total assets	2,455,125	1,025,491	3,480,616
<b>Deferred Outflows of Resources</b>			
Deferred outflows of resources	431,020	2,840	433,860
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable	50,155	11,432	61,587
Accrued salaries and benefits	37,922	10,988	48,910
Accrued compensated absences, current portion	8,428	1,932	10,360
Unearned revenues	57,036	41,497	98,533
Lease liabilities, current portion	9,687	4,013	13,700
SBITA liabilities, current portion	1,405	505	1,910
Long-term debt obligations, current portion	45,334	4,832	50,166
Claims liability for losses and loss adjustment expenses, current portion	—	1,185	1,185
Depository accounts	—	23	23
Other liabilities	13,142	56,779	69,921
Total current liabilities	223,109	133,186	356,295

## SAN DIEGO STATE UNIVERSITY

## Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
<b>Noncurrent liabilities</b>			
Accrued compensated absences, net of current portion	\$ 17,260	3,360	20,620
Unearned revenues	825	2,974	3,799
Grants refundable	2,547	—	2,547
Lease liabilities, net of current portion	38,969	24,192	63,161
SBITA liabilities, net of current portion	612	731	1,343
Long-term debt obligations, net of current portion	1,106,362	109,413	1,215,775
Claims liability for losses and loss adjustment expenses, net of current portion	—	4,555	4,555
Depository accounts	—	—	—
Other postemployment benefits liability	1,146,060	14,975	1,161,035
Net pension liability	641,402	92	641,494
Other liabilities	957	6,769	7,726
Total noncurrent liabilities	2,954,994	167,061	3,122,055
Total liabilities	3,178,103	300,247	3,478,350
<b>Deferred Inflows of Resources</b>			
Deferred inflows of resources	493,483	62,374	555,857
<b>Net Position</b>			
<b>Net position</b>			
Net investment in capital assets	458,783	67,398	526,181
Restricted for			
Nonexpendable – endowments	—	297,791	297,791
Expendable			
Scholarships and fellowships	96	20,519	20,615
Research	—	10,806	10,806
Loans	606	—	606
Capital projects	1,923	8,298	10,221
Debt service	178	—	178
Others	779	179,579	180,358
Unrestricted	(1,247,806)	81,319	(1,166,487)
Total net position	\$ (785,441)	665,710	(119,731)

See accompanying independent auditors' report.

## SAN DIEGO STATE UNIVERSITY

## Statement of Revenues , Expenses, and Changes in Net Position

Year ended June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
<b>Revenues</b>				
Operating revenues				
Student tuition and fees (net of scholarship allowances of \$128,488)	\$ 290,252	—	—	290,252
Grants and contracts, noncapital				
Federal	2,206	115,273	—	117,479
State	—	16,818	—	16,818
Local	521	2,937	—	3,458
Nongovernmental	2,425	18,941	—	21,366
Sales and services of educational activities	34,760	14,700	—	49,460
Sales and services of auxiliary enterprises (net of University scholarship allowances of \$30,341)	115,360	106,547	—	221,907
Other operating revenues	26,652	102,195	—	128,847
<b>Total operating revenues</b>	<b>472,176</b>	<b>377,411</b>	<b>—</b>	<b>849,587</b>
<b>Expenses</b>				
Operating expenses				
Instruction	279,774	40,707	(91)	320,390
Research	17,920	65,064	(11)	82,973
Public service	5,559	56,566	(2,572)	59,553
Academic support	79,829	22,874	(51)	102,652
Student services	149,380	11,478	(1,611)	159,247
Institutional support	63,046	24,619	(181)	87,484
Operation and maintenance of plant	95,152	24,564	(18,267)	101,449
Student grants and scholarships	66,143	6,897	(6,809)	66,231
Auxiliary enterprise expenses	104,316	131,374	(3,741)	231,949
Depreciation and amortization	83,729	15,535	—	99,264
<b>Total operating expenses</b>	<b>944,848</b>	<b>399,678</b>	<b>(33,334)</b>	<b>1,311,192</b>
<b>Operating loss</b>	<b>(472,672)</b>	<b>(22,267)</b>	<b>33,334</b>	<b>(461,605)</b>
<b>Nonoperating revenues (expenses)</b>				
State appropriations, noncapital	413,656	—	—	413,656
Federal financial aid grants, noncapital	65,283	—	—	65,283
State financial aid grants, noncapital	71,687	—	—	71,687
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	6,700	—	(6,809)	(109)
Other federal nonoperating grants, noncapital	13,673	—	—	13,673

## SAN DIEGO STATE UNIVERSITY

## Statement of Revenues , Expenses, and Changes in Net Position

Year ended June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
<b>Nonoperating revenues (expenses), <i>continued</i></b>				
Gifts, noncapital	\$ 10,090	42,131	(8,320)	43,901
Investment income, net	14,381	5,281	—	19,662
Endowment income, net	—	27,412	—	27,412
Interest expense	(36,940)	(3,549)	—	(40,489)
Other nonoperating revenues	31,882	3,032	—	34,914
Net nonoperating income	590,412	74,307	(15,129)	649,590
Income before other revenues	117,740	52,040	18,205	187,985
State appropriations, capital	—	—	—	—
Grants and gifts, capital	17,380	3,648	(18,205)	2,823
Additions to permanent endowments	—	5,971	—	5,971
Increase in net position	135,120	61,659	—	196,779
<b>Net position</b>				
Net position at beginning of year	(920,561)	604,051	—	(316,510)
Net position at end of year	\$ (785,441)	665,710	—	(119,731)

See accompanying independent auditors' report.



## SAN DIEGO STATE UNIVERSITY

Statement of Cash Flows  
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
<b>Cash flows from operating activities</b>	
Student tuition and fees	\$ 318,440
Federal grants and contracts	2,206
State grants and contracts	—
Local grants and contracts	835
Nongovernmental grants and contracts	2,425
Payments to suppliers	(262,832)
Payments to employees	(326,755)
Payments for benefits	(160,526)
Payments to students	(64,482)
Collections of student loans	97
Sales and services of educational activities	33,856
Sales and services of auxiliary enterprises	110,064
Other receipts	17,302
Net cash used in operating activities	<u>(329,370)</u>
<b>Cash flows from noncapital financing activities</b>	
State appropriations	374,412
Federal financial aid grants	64,743
State financial aid grants	79,267
Nongovernmental and other financial aid grants	6,700
Other federal nonoperating grants	13,382
Gifts and grants received for other than capital purposes	10,090
Federal loan program receipts	121,234
Federal loan program disbursements	(120,522)
Monies received on behalf of others	—
Monies disbursed on behalf of others	—
Principal paid on long-term debt	(285)
Interest paid on long-term debt	(35)
Issuance of notes receivable	—
Principal collections on leases receivable	—
Interest collections on leases receivable	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	42,923
Net cash provided by noncapital financing activities	<u>591,909</u>

## SAN DIEGO STATE UNIVERSITY

Statement of Cash Flows  
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
<b>Cash flows from capital and related financing activities</b>	
Proceeds from capital debt	\$ —
State appropriations	1,694
Capital grants and gifts	16,237
Proceeds from sale of capital assets	107
Acquisition of capital assets	(167,174)
Principal paid on capital debt and leases	(44,852)
Interest paid on capital debt and leases	(38,992)
Principal collection on leases receivable	650
Interest collection on leases receivable	294
Net cash used in capital and related financing activities	(232,036)
<b>Cash flows from investing activities</b>	
Proceeds from sales of investments	1,580,846
Purchases of investments	(1,619,306)
Investment income proceeds	7,915
Net cash used in investing activities	(30,545)
Net decrease in cash and cash equivalents	(42)
Cash and cash equivalents at beginning of year, as restated	93
Cash and cash equivalents at end of year	<u>\$ 51</u>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>	
Operating loss	\$ (472,672)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	83,729
Change in assets and liabilities	
Accounts receivable, net	(4,599)
Student loans receivable, net	(142)
Prepaid expenses and other current assets	(973)
Other assets	(1,432)
Deferred outflows of resources	(145,047)
Accounts payable	4,577
Accrued salaries and benefits	4,438
Accrued compensated absences	2,004
Unearned revenues	24,458
Other postemployment benefits liability	(142,646)
Net pension liability	228,902
Other liabilities	1,343
Deferred inflows of resources	88,690
Net cash used in operating activities	<u>\$ (329,370)</u>

## SAN DIEGO STATE UNIVERSITY

Statement of Cash Flows  
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
<b>Supplemental schedule of noncash transactions</b>	
State's contribution for OPEB	\$ 39,244
Change in unrealized gain on investments	6,316
Gifts in kind - noncapital	10,090
BAN proceeds paid directly to escrow agent by bank	—
Change in capital assets due to leases	21,207
Amortization of net bond premium	2,552
Change in capital assets due to implementation of GASB Statement No. 96	668

See accompanying independent auditors' report.

## SAN DIEGO STATE UNIVERSITY

## Transactions with Related Entities

Year ended June 30, 2023

(In thousands)

	<b>Campus</b>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 7,978
Payments from discretely presented component units for other than salaries	14,854
Payments to discretely presented component units for services, space, and programs	45,579
Gifts in kind from discretely presented component units	1,132
Gifts (cash or assets) from discretely presented component units	32,201
Accounts receivable from discretely presented component units	19,893
Other amounts receivable from discretely presented component units	1,500
Accounts payable to discretely presented component units	(2,738)
Other amounts payable to discretely presented component units	(765)
Payments to the Office of the Chancellor for administrative activities	300
Payments to the Office of the Chancellor for state pro rata charges	104
Accounts receivable from the Office of the Chancellor	11,984
Accounts receivable from campuses other than the Office of the Chancellor	1
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery allocation received	3,148
Other interagency payments (receipts) for services, space, and programs	(19)

See accompanying independent auditors' report.

## SAN FRANCISCO STATE UNIVERSITY

## Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 5	2,996	3,001
Short-term investments	166,414	56,411	222,825
Accounts receivable, net	28,836	11,190	40,026
Lease receivable, current portion	225	1,142	1,367
P3 receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledge receivable, net	—	4,490	4,490
Prepaid expenses and other current assets	4,753	146	4,899
Total current assets	200,233	76,375	276,608
<b>Noncurrent assets</b>			
Restricted cash and cash equivalents	—	—	—
Accounts receivable, net	—	—	—
Lease receivable, net of current portion	11,888	18,631	30,519
P3 receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	1,060	—	1,060
Pledge receivable, net	—	601	601
Endowment investments	—	149,249	149,249
Other long-term investments	183,628	13,961	197,589
Capital assets, net	673,347	10,876	684,223
Other assets	10	—	10
Total noncurrent assets	869,933	193,318	1,063,251
Total assets	1,070,166	269,693	1,339,859
<b>Deferred Outflows of Resources</b>			
Deferred outflows of resources	334,064	—	334,064
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable	26,226	2,645	28,871
Accrued salaries and benefits	30,627	518	31,145
Accrued compensated absences, current portion	10,103	484	10,587
Unearned revenues	19,993	29	20,022
Lease liabilities, current portion	1,418	101	1,519
SBITA liabilities, current portion	1,145	—	1,145
Long-term debt obligations, current portion	11,238	—	11,238
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	300	—	300
Other liabilities	5,274	111	5,385
Total current liabilities	106,324	3,888	110,212

## SAN FRANCISCO STATE UNIVERSITY

## Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
<b>Noncurrent liabilities</b>			
Accrued compensated absences, net of current portion	\$ 10,096	—	10,096
Unearned revenues	7,419	—	7,419
Grants refundable	973	—	973
Lease liabilities, net of current portion	1,832	8,391	10,223
SBITA liabilities, net of current portion	1,077	—	1,077
Long-term debt obligations, net of current portion	238,655	—	238,655
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Other postemployment benefits liability	809,604	3,210	812,814
Net pension liability	524,459	—	524,459
Other liabilities	—	—	—
Total noncurrent liabilities	1,594,115	11,601	1,605,716
Total liabilities	1,700,439	15,489	1,715,928
<b>Deferred Inflows of Resources</b>			
Deferred inflows of resources	373,411	18,558	391,969
<b>Net Position</b>			
<b>Net position</b>			
Net investment in capital assets	421,577	10,876	432,453
Restricted for			
Nonexpendable – endowments	—	110,946	110,946
Expendable			
Scholarships and fellowships	32	76,929	76,961
Research	—	—	—
Loans	1,557	—	1,557
Capital projects	93	1,914	2,007
Debt service	13	—	13
Others	—	10,190	10,190
Unrestricted	(1,092,892)	24,791	(1,068,101)
Total net position	\$ (669,620)	235,646	(433,974)

See accompanying independent auditors' report.

## SAN FRANCISCO STATE UNIVERSITY

## Statement of Revenues , Expenses, and Changes in Net Position

Year ended June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
<b>Revenues</b>				
Operating revenues				
Student tuition and fees (net of scholarship allowances of \$113,574)	\$ 115,656	—	—	115,656
Grants and contracts, noncapital				
Federal	24,481	—	—	24,481
State	2,215	266	—	2,481
Local	299	993	—	1,292
Nongovernmental	3,759	8,980	—	12,739
Sales and services of educational activities	296	—	—	296
Sales and services of auxiliary enterprises (net of University scholarship allowances of \$14,540)	60,831	14,654	—	75,485
Other operating revenues	14,323	10,355	(216)	24,462
<b>Total operating revenues</b>	<b>221,860</b>	<b>35,248</b>	<b>(216)</b>	<b>256,892</b>
<b>Expenses</b>				
Operating expenses				
Instruction	210,833	2,139	—	212,972
Research	19,281	652	—	19,933
Public service	3,965	397	(210)	4,152
Academic support	46,160	4,129	(6)	50,283
Student services	57,981	8,129	—	66,110
Institutional support	44,790	4,554	—	49,344
Operation and maintenance of plant	36,189	1,247	—	37,436
Student grants and scholarships	59,049	4,974	—	64,023
Auxiliary enterprise expenses	61,953	6,673	—	68,626
Depreciation and amortization	34,284	653	—	34,937
<b>Total operating expenses</b>	<b>574,485</b>	<b>33,547</b>	<b>(216)</b>	<b>607,816</b>
<b>Operating income (loss)</b>	<b>(352,625)</b>	<b>1,701</b>	<b>—</b>	<b>(350,924)</b>
<b>Nonoperating revenues (expenses)</b>				
State appropriations, noncapital	383,470	—	—	383,470
Federal financial aid grants, noncapital	52,991	—	—	52,991
State financial aid grants, noncapital	59,809	—	—	59,809
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	23,361	—	—	23,361

## SAN FRANCISCO STATE UNIVERSITY

## Statement of Revenues , Expenses, and Changes in Net Position

Year ended June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
<b>Nonoperating revenues (expenses), continued</b>				
Gifts, noncapital	\$ 2,408	4,052	—	6,460
Investment income, net	7,236	3,401	—	10,637
Endowment income, net	—	11,034	—	11,034
Interest expense	(7,410)	—	—	(7,410)
Other nonoperating revenues (expenses)	47,149	(9,155)	—	37,994
Net nonoperating income	569,014	9,332	—	578,346
Income before other revenues	216,389	11,033	—	227,422
State appropriations, capital	—	—	—	—
Grants and gifts, capital	500	—	—	500
Additions to permanent endowments	—	1,969	—	1,969
Increase in net position	216,889	13,002	—	229,891
<b>Net position</b>				
Net position at beginning of year	(886,509)	222,644	—	(663,865)
Net position at end of year	\$ (669,620)	235,646	—	(433,974)

See accompanying independent auditors' report.



## SAN FRANCISCO STATE UNIVERSITY

Statement of Cash Flows  
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
<b>Cash flows from operating activities</b>	
Student tuition and fees	\$ 112,195
Federal grants and contracts	24,529
State grants and contracts	3,010
Local grants and contracts	659
Nongovernmental grants and contracts	4,396
Payments to suppliers	(127,267)
Payments to employees	(247,602)
Payments for benefits	(124,115)
Payments to students	(58,937)
Collections of student loans	103
Sales and services of educational activities	296
Sales and services of auxiliary enterprises	58,318
Other receipts	13,122
Net cash used in operating activities	<u>(341,293)</u>
<b>Cash flows from noncapital financing activities</b>	
State appropriations	355,966
Federal financial aid grants	53,008
State financial aid grants	68,472
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	18,357
Gifts and grants received for other than capital purposes	2,319
Federal loan program receipts	78,068
Federal loan program disbursements	(78,128)
Monies received on behalf of others	2,562
Monies disbursed on behalf of others	(2,559)
Principal paid on long-term debt	—
Interest paid on long-term debt	—
Issuance of notes receivable	—
Principal collections on leases receivable	—
Interest collections on leases receivable	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	40,903
Net cash provided by noncapital financing activities	<u>538,968</u>

## SAN FRANCISCO STATE UNIVERSITY

Statement of Cash Flows  
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
<b>Cash flows from capital and related financing activities</b>	
Proceeds from capital debt	\$ 14,315
State appropriations	371
Capital grants and gifts	500
Proceeds from sale of capital assets	—
Acquisition of capital assets	(98,908)
Principal paid on capital debt and leases	(12,887)
Interest paid on capital debt and leases	(8,062)
Principal collection on leases receivable	215
Interest collection on leases receivable	310
Net cash used in capital and related financing activities	<u>(104,146)</u>
<b>Cash flows from investing activities</b>	
Proceeds from sales of investments	954,245
Purchases of investments	(1,051,858)
Investment income proceeds	4,083
Net cash used in investing activities	<u>(93,530)</u>
Net decrease in cash and cash equivalents	(1)
Cash and cash equivalents at beginning of year, as restated	<u>6</u>
Cash and cash equivalents at end of year	<u>\$ 5</u>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>	
Operating loss	\$ (352,625)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	34,284
Change in assets and liabilities	
Accounts receivable, net	(1,532)
Student loans receivable, net	58
Prepaid expenses and other current assets	545
Other assets	—
Deferred outflows of resources	(108,568)
Accounts payable	(1,064)
Accrued salaries and benefits	(1,251)
Accrued compensated absences	1,240
Unearned revenues	1,007
Other postemployment benefits liability	(138,683)
Net pension liability	169,441
Other liabilities	(1,522)
Deferred inflows of resources	57,377
Net cash used in operating activities	<u>\$ (341,293)</u>

## SAN FRANCISCO STATE UNIVERSITY

Statement of Cash Flows  
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
<b>Supplemental schedule of noncash transactions</b>	
State's contribution for OPEB	\$ 27,505
Change in unrealized gain on investments	2,745
Gifts in kind - noncapital	2,408
BAN proceeds paid directly to escrow agent by bank	—
Change in capital assets due to leases	(18)
Amortization of net bond premium	1,304
Change in capital assets due to implementation of GASB Statement No. 96	1,280

See accompanying independent auditors' report.

## SAN FRANCISCO STATE UNIVERSITY

## Transactions with Related Entities

Year ended June 30, 2023

(In thousands)

	<b>Campus</b>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 4,433
Payments from discretely presented component units for other than salaries	7,225
Payments to discretely presented component units for services, space, and programs	8,258
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	2,768
Accounts receivable from discretely presented component units	1,880
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(385)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	2,008
Payments to the Office of the Chancellor for state pro rata charges	117
Accounts receivable from the Office of the Chancellor	9,724
Accounts receivable from campuses other than the Office of the Chancellor	—
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery allocation received	2,940
Other interagency payments (receipts) for services, space, and programs	(57)

See accompanying independent auditors' report.





Awards

**NEARLY HALF**

of the state's  
bachelor's degrees

## SAN JOSE STATE UNIVERSITY

## Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 21	48,660	48,681
Short-term investments	232,019	42,187	274,206
Accounts receivable, net	16,419	14,188	30,607
Lease receivable, current portion	178	89	267
P3 receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledge receivable, net	—	3,840	3,840
Prepaid expenses and other current assets	2,489	1,116	3,605
Total current assets	251,126	110,080	361,206
<b>Noncurrent assets</b>			
Restricted cash and cash equivalents	—	1,423	1,423
Accounts receivable, net	—	—	—
Lease receivable, net of current portion	1,272	46	1,318
P3 receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	2,490	2,490
Student loans receivable, net	2,152	—	2,152
Pledge receivable, net	—	6,461	6,461
Endowment investments	—	182,636	182,636
Other long-term investments	96,749	7,256	104,005
Capital assets, net	884,343	68,758	953,101
Other assets	6,052	13,318	19,370
Total noncurrent assets	990,568	282,388	1,272,956
Total assets	1,241,694	392,468	1,634,162
<b>Deferred Outflows of Resources</b>			
Deferred outflows of resources	385,689	13,622	399,311
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable	59,069	7,925	66,994
Accrued salaries and benefits	33,429	2,423	35,852
Accrued compensated absences, current portion	7,201	1,910	9,111
Unearned revenues	36,001	4,163	40,164
Lease liabilities, current portion	755	591	1,346
SBITA liabilities, current portion	828	47	875
Long-term debt obligations, current portion	20,342	—	20,342
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	—	—	—
Other liabilities	9,041	4,829	13,870
Total current liabilities	166,666	21,888	188,554



## SAN JOSE STATE UNIVERSITY

## Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
<b>Noncurrent liabilities</b>			
Accrued compensated absences, net of current portion	\$ 13,138	91	13,229
Unearned revenues	4,230	14,555	18,785
Grants refundable	2,694	—	2,694
Lease liabilities, net of current portion	2,233	2,142	4,375
SBITA liabilities, net of current portion	629	48	677
Long-term debt obligations, net of current portion	466,359	42,470	508,829
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	197	197
Other postemployment benefits liability	928,729	12,147	940,876
Net pension liability	607,533	—	607,533
Other liabilities	6,908	1,931	8,839
Total noncurrent liabilities	2,032,453	73,581	2,106,034
Total liabilities	2,199,119	95,469	2,294,588
<b>Deferred Inflows of Resources</b>			
Deferred inflows of resources	379,836	19,040	398,876
<b>Net Position</b>			
<b>Net position</b>			
Net investment in capital assets	400,307	23,981	424,288
Restricted for			
Nonexpendable – endowments	—	136,119	136,119
Expendable			
Scholarships and fellowships	8,941	—	8,941
Research	—	27	27
Loans	6,744	—	6,744
Capital projects	10	—	10
Debt service	25	—	25
Others	291	106,865	107,156
Unrestricted	(1,367,890)	24,589	(1,343,301)
Total net position	\$ (951,572)	291,581	(659,991)

See accompanying independent auditors' report.

## SAN JOSE STATE UNIVERSITY

## Statement of Revenues , Expenses, and Changes in Net Position

Year ended June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
<b>Revenues</b>				
Operating revenues				
Student tuition and fees (net of scholarship allowances of \$116,227)	\$ 204,257	—	—	204,257
Grants and contracts, noncapital				
Federal	—	33,704	—	33,704
State	—	9,924	—	9,924
Local	—	2,536	—	2,536
Nongovernmental	—	3,398	—	3,398
Sales and services of educational activities	8,127	—	(1)	8,126
Sales and services of auxiliary enterprises (net of University scholarship allowances of \$10,221)	60,574	3,261	—	63,835
Other operating revenues	21,910	30,343	(502)	51,751
<b>Total operating revenues</b>	<b>294,868</b>	<b>83,166</b>	<b>(503)</b>	<b>377,531</b>
<b>Expenses</b>				
Operating expenses				
Instruction	272,653	8,857	—	281,510
Research	2,435	36,844	—	39,279
Public service	966	2	—	968
Academic support	65,775	10,494	(15)	76,254
Student services	104,861	28,909	—	133,770
Institutional support	68,653	8,437	—	77,090
Operation and maintenance of plant	51,207	636	—	51,843
Student grants and scholarships	53,086	6,459	(3,674)	55,871
Auxiliary enterprise expenses	39,329	8,863	—	48,192
Depreciation and amortization	43,333	3,930	—	47,263
<b>Total operating expenses</b>	<b>702,298</b>	<b>113,431</b>	<b>(3,689)</b>	<b>812,040</b>
<b>Operating loss</b>	<b>(407,430)</b>	<b>(30,265)</b>	<b>3,186</b>	<b>(434,509)</b>
<b>Nonoperating revenues (expenses)</b>				
State appropriations, noncapital	275,088	—	—	275,088
Federal financial aid grants, noncapital	51,193	2,061	—	53,254
State financial aid grants, noncapital	75,469	443	—	75,912
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	48	—	48
Other federal nonoperating grants, noncapital	2,192	—	—	2,192



## SAN JOSE STATE UNIVERSITY

## Statement of Revenues , Expenses, and Changes in Net Position

Year ended June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
<b>Nonoperating revenues (expenses), <i>continued</i></b>				
Gifts, noncapital	\$ 4,552	18,155	(3,673)	19,034
Investment income, net	11,068	4,262	—	15,330
Endowment income, net	—	19,035	—	19,035
Interest expense	(11,966)	(41)	—	(12,007)
Other nonoperating revenues	14,136	4,032	—	18,168
Net nonoperating income	421,732	47,995	(3,673)	466,054
Income before other revenues	14,302	17,730	(487)	31,545
State appropriations, capital	—	—	—	—
Grants and gifts, capital	753	—	487	1,240
Additions (reductions) to permanent endowments	—	—	—	—
Increase in net position	15,055	17,730	—	32,785
<b>Net position</b>				
Net position at beginning of year	(966,627)	273,851	—	(692,776)
Net position at end of year	\$ (951,572)	291,581	—	(659,991)

See accompanying independent auditors' report.

## SAN JOSE STATE UNIVERSITY

Statement of Cash Flows  
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
<b>Cash flows from operating activities</b>	
Student tuition and fees	\$ 209,486
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(149,368)
Payments to employees	(297,161)
Payments for benefits	(145,182)
Payments to students	(53,020)
Collections of student loans	—
Sales and services of educational activities	8,126
Sales and services of auxiliary enterprises	57,897
Other receipts	19,697
Net cash used in operating activities	<u>(349,525)</u>
<b>Cash flows from noncapital financing activities</b>	
State appropriations	242,922
Federal financial aid grants	50,570
State financial aid grants	75,469
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	1,965
Gifts and grants received for other than capital purposes	4,552
Federal loan program receipts	90,476
Federal loan program disbursements	(90,684)
Monies received on behalf of others	787
Monies disbursed on behalf of others	(883)
Principal paid on long-term debt	—
Interest paid on long-term debt	—
Issuance of notes receivable	—
Principal collections on leases receivable	—
Interest collections on leases receivable	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	(5,878)
Net cash provided by noncapital financing activities	<u>369,296</u>

## SAN JOSE STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
<b>Cash flows from capital and related financing activities</b>	
Proceeds from capital debt	\$ —
State appropriations	—
Capital grants and gifts	753
Proceeds from sale of capital assets	1
Acquisition of capital assets	(45,197)
Principal paid on capital debt and leases	(18,632)
Interest paid on capital debt and leases	(12,643)
Principal collection on leases receivable	123
Interest collection on leases receivable	4
Net cash used in capital and related financing activities	<u>(75,591)</u>
<b>Cash flows from investing activities</b>	
Proceeds from sales of investments	1,142,480
Purchases of investments	(1,091,295)
Investment income proceeds	4,632
Net cash provided by investing activities	<u>55,817</u>
Net decrease in cash and cash equivalents	(3)
Cash and cash equivalents at beginning of year, as restated	24
Cash and cash equivalents at end of year	<u>\$ 21</u>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>	
Operating loss	\$ (407,430)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	43,333
Change in assets and liabilities	
Accounts receivable, net	(752)
Student loans receivable, net	(217)
Prepaid expenses and other current assets	2,630
Other assets	679
Deferred outflows of resources	(106,329)
Accounts payable	2,993
Accrued salaries and benefits	(659)
Accrued compensated absences	1,465
Unearned revenues	5,839
Other postemployment benefits liability	(143,525)
Net pension liability	215,109
Other liabilities	(566)
Deferred inflows of resources	37,905
Net cash used in operating activities	<u>\$ (349,525)</u>

## SAN JOSE STATE UNIVERSITY

Statement of Cash Flows  
 Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
<b>Supplemental schedule of noncash transactions</b>	
State's contribution for OPEB	\$ 32,166
Change in unrealized gain on investments	6,414
Gifts in kind - noncapital	4,552
BAN proceeds paid directly to escrow agent by bank	—
Change in capital assets due to leases	207
Amortization of net bond premium	1,088
Change in capital assets due to implementation of GASB Statement No. 96	506

See accompanying independent auditors' report.

**SAN JOSE STATE UNIVERSITY**  
 Transactions with Related Entities  
 Year ended June 30, 2023  
 (In thousands)

	<b>Campus</b>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 4,797
Payments from discretely presented component units for other than salaries	11,408
Payments to discretely presented component units for services, space, and programs	39,321
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	6,274
Accounts receivable from discretely presented component units	7,047
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(7,993)
Other amounts payable to discretely presented component units	(1,274)
Payments to the Office of the Chancellor for administrative activities	350
Payments to the Office of the Chancellor for state pro rata charges	206
Accounts receivable from the Office of the Chancellor	195
Accounts receivable from campuses other than the Office of the Chancellor	—
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery allocation received	2,730
Other interagency payments (receipts) for services, space, and programs	216

See accompanying independent auditors' report.

## CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO

## Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 3	27,388	27,391
Short-term investments	365,685	163,248	528,933
Accounts receivable, net	6,696	13,841	20,537
Lease receivable, current portion	556	296	852
P3 receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledge receivable, net	—	12,901	12,901
Prepaid expenses and other current assets	8,870	3,214	12,084
Total current assets	381,810	220,888	602,698
<b>Noncurrent assets</b>			
Restricted cash and cash equivalents	—	416	416
Accounts receivable, net	—	24	24
Lease receivable, net of current portion	2,847	2,246	5,093
P3 receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	2,563	2,563
Student loans receivable, net	1,828	—	1,828
Pledge receivable, net	—	26,916	26,916
Endowment investments	—	265,256	265,256
Other long-term investments	73,550	52,337	125,887
Capital assets, net	925,854	120,689	1,046,543
Other assets	165	415	580
Total noncurrent assets	1,004,244	470,862	1,475,106
Total assets	1,386,054	691,750	2,077,804
<b>Deferred Outflows of Resources</b>			
Deferred outflows of resources	343,429	11,688	355,117
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable	29,770	15,157	44,927
Accrued salaries and benefits	28,597	2,994	31,591
Accrued compensated absences, current portion	8,731	1,314	10,045
Unearned revenues	19,706	22,613	42,319
Lease liabilities, current portion	411	236	647
SBITA liabilities, current portion	224	175	399
Long-term debt obligations, current portion	23,921	750	24,671
Claims liability for losses and loss adjustment expenses, current portion	—	20	20
Depository accounts	287	2,202	2,489
Other liabilities	4,250	1,350	5,600
Total current liabilities	115,897	46,811	162,708

## CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO

## Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
<b>Noncurrent liabilities</b>			
Accrued compensated absences, net of current portion	\$ 7,836	—	7,836
Unearned revenues	—	—	—
Grants refundable	568	—	568
Lease liabilities, net of current portion	2,003	2,502	4,505
SBITA liabilities, net of current portion	291	218	509
Long-term debt obligations, net of current portion	594,863	42,307	637,170
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	5,863	5,863
Other postemployment benefits liability	814,075	1,114	815,189
Net pension liability	526,216	26,683	552,899
Other liabilities	489	8,517	9,006
Total noncurrent liabilities	1,946,341	87,204	2,033,545
Total liabilities	2,062,238	134,015	2,196,253
<b>Deferred Inflows of Resources</b>			
Deferred inflows of resources	361,095	28,361	389,456
<b>Net Position</b>			
<b>Net position</b>			
Net investment in capital assets	343,679	55,899	399,578
Restricted for			
Nonexpendable – endowments	—	159,343	159,343
Expendable			
Scholarships and fellowships	8,015	17,702	25,717
Research	—	7,894	7,894
Loans	4,017	—	4,017
Capital projects	5,307	39,927	45,234
Debt service	43	—	43
Others	422	179,309	179,731
Unrestricted	(1,055,333)	80,988	(974,345)
Total net position	\$ (693,850)	541,062	(152,788)

See accompanying independent auditors' report.

## CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO

## Statement of Revenues , Expenses, and Changes in Net Position

Year ended June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
<b>Revenues</b>				
Operating revenues				
Student tuition and fees (net of scholarship allowances of \$64,259)	\$ 242,282	—	—	242,282
Grants and contracts, noncapital				
Federal	—	18,557	—	18,557
State	—	8,435	—	8,435
Local	—	472	—	472
Nongovernmental	8	4,446	—	4,454
Sales and services of educational activities	2,300	—	—	2,300
Sales and services of auxiliary enterprises (net of University scholarship allowances of \$17,160)	84,107	44,156	—	128,263
Other operating revenues	24,848	41,034	(6,799)	59,083
<b>Total operating revenues</b>	<b>353,545</b>	<b>117,100</b>	<b>(6,799)</b>	<b>463,846</b>
<b>Expenses</b>				
Operating expenses				
Instruction	219,377	3,029	(2,478)	219,928
Research	5,290	29,383	(1,270)	33,403
Public service	247	19,605	(126)	19,726
Academic support	71,030	15,073	(11,713)	74,390
Student services	85,101	16,265	(8,951)	92,415
Institutional support	33,830	25,077	(5,622)	53,285
Operation and maintenance of plant	69,462	25,206	(8,412)	86,256
Student grants and scholarships	30,731	4,417	(1,023)	34,125
Auxiliary enterprise expenses	56,222	39,637	—	95,859
Depreciation and amortization	50,236	4,408	—	54,644
<b>Total operating expenses</b>	<b>621,526</b>	<b>182,100</b>	<b>(39,595)</b>	<b>764,031</b>
<b>Operating loss</b>	<b>(267,981)</b>	<b>(65,000)</b>	<b>32,796</b>	<b>(300,185)</b>
<b>Nonoperating revenues (expenses)</b>				
State appropriations, noncapital	270,097	—	—	270,097
Federal financial aid grants, noncapital	22,494	—	—	22,494
State financial aid grants, noncapital	34,542	—	—	34,542
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	12,809	—	(3,557)	9,252
Other federal nonoperating grants, noncapital	3,766	—	—	3,766



## CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO

## Statement of Revenues , Expenses, and Changes in Net Position

Year ended June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
<b>Nonoperating revenues (expenses), <i>continued</i></b>				
Gifts, noncapital	\$ 16,974	25,561	(15,374)	27,161
Investment income, net	8,510	8,706	—	17,216
Endowment income, net	—	21,948	—	21,948
Interest expense	(20,059)	(1,528)	—	(21,587)
Other nonoperating revenues	14,775	10,928	(27)	25,676
Net nonoperating income	363,908	65,615	(18,958)	410,565
Income before other revenues	95,927	615	13,838	110,380
State appropriations, capital	—	—	—	—
Grants and gifts, capital	24,012	18,912	(13,838)	29,086
Additions to permanent endowments	—	12,549	—	12,549
Increase in net position	119,939	32,076	—	152,015
<b>Net position</b>				
Net position at beginning of year	(813,789)	508,986	—	(304,803)
Net position at end of year	\$ (693,850)	541,062	—	(152,788)

See accompanying independent auditors' report.

## CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO

Statement of Cash Flows  
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
<b>Cash flows from operating activities</b>	
Student tuition and fees	\$ 240,661
Federal grants and contracts	—
State grants and contracts	2,604
Local grants and contracts	—
Nongovernmental grants and contracts	8
Payments to suppliers	(167,649)
Payments to employees	(252,428)
Payments for benefits	(126,092)
Payments to students	(31,208)
Collections of student loans	23
Sales and services of educational activities	2,300
Sales and services of auxiliary enterprises	83,953
Other receipts	22,862
Net cash used in operating activities	<u>(224,966)</u>
<b>Cash flows from noncapital financing activities</b>	
State appropriations	243,212
Federal financial aid grants	22,494
State financial aid grants	34,541
Nongovernmental and other financial aid grants	12,809
Other federal nonoperating grants	4,398
Gifts and grants received for other than capital purposes	16,974
Federal loan program receipts	71,461
Federal loan program disbursements	(71,321)
Monies received on behalf of others	11,731
Monies disbursed on behalf of others	(11,833)
Principal paid on long-term debt	—
Interest paid on long-term debt	—
Issuance of notes receivable	—
Principal collections on leases receivable	—
Interest collections on leases receivable	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	12,657
Net cash provided by noncapital financing activities	<u>347,123</u>

## CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO

Statement of Cash Flows  
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
<b>Cash flows from capital and related financing activities</b>	
Proceeds from capital debt	\$ 135
State appropriations	—
Capital grants and gifts	23,756
Proceeds from sale of capital assets	247
Acquisition of capital assets	(45,449)
Principal paid on capital debt and leases	(21,462)
Interest paid on capital debt and leases	(21,177)
Principal collection on leases receivable	531
Interest collection on leases receivable	41
Net cash used in capital and related financing activities	<u>(63,378)</u>
<b>Cash flows from investing activities</b>	
Proceeds from sales of investments	984,689
Purchases of investments	(1,054,960)
Investment income proceeds	4,479
Net cash used in investing activities	<u>(65,792)</u>
Net decrease in cash and cash equivalents	(7,013)
Cash and cash equivalents at beginning of year, as restated	7,016
Cash and cash equivalents at end of year	<u>\$ 3</u>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>	
Operating loss	\$ (267,981)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	50,236
Change in assets and liabilities	
Accounts receivable, net	957
Student loans receivable, net	(898)
Prepaid expenses and other current assets	(4,595)
Other assets	—
Deferred outflows of resources	(108,291)
Accounts payable	6,880
Accrued salaries and benefits	1,658
Accrued compensated absences	920
Unearned revenues	3,137
Other postemployment benefits liability	(133,872)
Net pension liability	174,794
Other liabilities	(2,540)
Deferred inflows of resources	54,629
Net cash used in operating activities	<u>\$ (224,966)</u>

## CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO

Statement of Cash Flows  
 Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
<b>Supplemental schedule of noncash transactions</b>	
State's contribution for OPEB	\$ 26,886
Change in unrealized gain on investments	3,847
Gifts in kind - noncapital	16,974
BAN proceeds paid directly to escrow agent by bank	—
Change in capital assets due to leases	—
Amortization of net bond premium	2,478
Change in capital assets due to implementation of GASB Statement No. 96	—

See accompanying independent auditors' report.

## CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO

Transactions with Related Entities

Year ended June 30, 2023

(In thousands)

	<b>Campus</b>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 8,951
Payments from discretely presented component units for other than salaries	27,056
Payments to discretely presented component units for services, space, and programs	8,672
Gifts in kind from discretely presented component units	444
Gifts (cash or assets) from discretely presented component units	21,745
Accounts receivable from discretely presented component units	1,728
Other amounts receivable from discretely presented component units	175
Accounts payable to discretely presented component units	(1,487)
Other amounts payable to discretely presented component units	(2,563)
Payments to the Office of the Chancellor for administrative activities	232
Payments to the Office of the Chancellor for state pro rata charges	97
Accounts receivable from the Office of the Chancellor	1,849
Accounts receivable from campuses other than the Office of the Chancellor	—
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery allocation received	2,012
Other interagency payments (receipts) for services, space, and programs	589

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, SAN MARCOS

## Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 3	4,905	4,908
Short-term investments	94,902	14,062	108,964
Accounts receivable, net	4,878	8,070	12,948
Lease receivable, current portion	1,301	3,502	4,803
P3 receivable, current portion	—	—	—
Notes receivable, current portion	31	—	31
Pledge receivable, net	—	1,355	1,355
Prepaid expenses and other current assets	2,379	61	2,440
Total current assets	103,494	31,955	135,449
<b>Noncurrent assets</b>			
Restricted cash and cash equivalents	—	309	309
Accounts receivable, net	—	—	—
Lease receivable, net of current portion	13,354	85,467	98,821
P3 receivable, net of current portion	—	—	—
Notes receivable, net of current portion	32	—	32
Student loans receivable, net	268	50	318
Pledge receivable, net	—	2,014	2,014
Endowment investments	—	33,548	33,548
Other long-term investments	96,011	12,218	108,229
Capital assets, net	277,637	28,039	305,676
Other assets	10	103	113
Total noncurrent assets	387,312	161,748	549,060
Total assets	490,806	193,703	684,509
<b>Deferred Outflows of Resources</b>			
Deferred outflows of resources	162,095	628	162,723
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable	7,006	4,255	11,261
Accrued salaries and benefits	15,566	319	15,885
Accrued compensated absences, current portion	4,795	740	5,535
Unearned revenues	13,762	5,025	18,787
Lease liabilities, current portion	1,557	1,857	3,414
SBITA liabilities, current portion	500	—	500
Long-term debt obligations, current portion	4,606	1,061	5,667
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	131	—	131
Other liabilities	4,679	—	4,679
Total current liabilities	52,602	13,257	65,859

## CALIFORNIA STATE UNIVERSITY, SAN MARCOS

## Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
<b>Noncurrent liabilities</b>			
Accrued compensated absences, net of current portion	\$ 4,239	—	4,239
Unearned revenues	—	31,660	31,660
Grants refundable	53	—	53
Lease liabilities, net of current portion	56,630	17,705	74,335
SBITA liabilities, net of current portion	423	—	423
Long-term debt obligations, net of current portion	82,216	57,387	139,603
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Other postemployment benefits liability	342,046	1,391	343,437
Net pension liability	270,234	—	270,234
Other liabilities	—	—	—
Total noncurrent liabilities	755,841	108,143	863,984
Total liabilities	808,443	121,400	929,843
<b>Deferred Inflows of Resources</b>			
Deferred inflows of resources	161,494	—	161,494
<b>Net Position</b>			
<b>Net position</b>			
Net investment in capital assets	133,261	5,892	139,153
Restricted for			
Nonexpendable – endowments	—	24,090	24,090
Expendable			
Scholarships and fellowships	—	4,916	4,916
Research	—	—	—
Loans	323	—	323
Capital projects	44	16	60
Debt service	3	—	3
Others	200	5,404	5,604
Unrestricted	(450,867)	32,613	(418,254)
Total net position	\$ (317,036)	72,931	(244,105)

See accompanying independent auditors' report.

**CALIFORNIA STATE UNIVERSITY, SAN MARCOS**  
Statement of Revenues , Expenses, and Changes in Net Position  
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>	<u>Discretely presented component units</u>	<u>Eliminations</u>	<u>Total</u>
<b>Revenues</b>				
Operating revenues				
Student tuition and fees (net of scholarship allowances of \$66,358)	\$ 73,840	—	—	73,840
Grants and contracts, noncapital				
Federal	—	12,772	—	12,772
State	—	2,165	—	2,165
Local	—	3	—	3
Nongovernmental	—	328	—	328
Sales and services of educational activities	138	4,296	—	4,434
Sales and services of auxiliary enterprises (net of University scholarship allowances of \$3,996)	24,141	8,943	—	33,084
Other operating revenues	7,821	4,618	—	12,439
<b>Total operating revenues</b>	<b>105,940</b>	<b>33,125</b>	<b>—</b>	<b>139,065</b>
<b>Expenses</b>				
Operating expenses				
Instruction	115,531	3,723	—	119,254
Research	1,901	5,194	—	7,095
Public service	14	785	—	799
Academic support	36,172	2,700	(20)	38,852
Student services	43,354	5,961	—	49,315
Institutional support	42,324	843	(80)	43,087
Operation and maintenance of plant	29,886	—	(389)	29,497
Student grants and scholarships	30,636	3,902	(2,622)	31,916
Auxiliary enterprise expenses	24,346	7,911	—	32,257
Depreciation and amortization	16,311	2,176	—	18,487
<b>Total operating expenses</b>	<b>340,475</b>	<b>33,195</b>	<b>(3,111)</b>	<b>370,559</b>
<b>Operating loss</b>	<b>(234,535)</b>	<b>(70)</b>	<b>3,111</b>	<b>(231,494)</b>
<b>Nonoperating revenues (expenses)</b>				
State appropriations, noncapital	226,512	—	—	226,512
Federal financial aid grants, noncapital	33,826	—	—	33,826
State financial aid grants, noncapital	39,869	—	—	39,869
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	9,089	—	—	9,089



## CALIFORNIA STATE UNIVERSITY, SAN MARCOS

## Statement of Revenues , Expenses, and Changes in Net Position

Year ended June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
<b>Nonoperating revenues (expenses), <i>continued</i></b>				
Gifts, noncapital	\$ 2,722	5,267	(2,723)	5,266
Investment income, net	2,815	1,256	—	4,071
Endowment income, net	—	2,905	—	2,905
Interest expense	(4,676)	(2,722)	—	(7,398)
Other nonoperating revenues (expenses)	1,079	—	—	1,079
Net nonoperating income	311,236	6,706	(2,723)	315,219
Income before other revenues	76,701	6,636	388	83,725
State appropriations, capital	—	—	—	—
Grants and gifts, capital	389	—	(388)	1
Additions to permanent endowments	—	390	—	390
Increase in net position	77,090	7,026	—	84,116
<b>Net position</b>				
Net position at beginning of year	(394,126)	65,905	—	(328,221)
Net position at end of year	\$ (317,036)	72,931	—	(244,105)

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, SAN MARCOS

Statement of Cash Flows  
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
<b>Cash flows from operating activities</b>	
Student tuition and fees	\$ 78,257
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(74,355)
Payments to employees	(138,354)
Payments for benefits	(69,637)
Payments to students	(30,679)
Collections of student loans	22
Sales and services of educational activities	138
Sales and services of auxiliary enterprises	23,734
Other receipts	6,621
Net cash used in operating activities	<u>(204,253)</u>
<b>Cash flows from noncapital financing activities</b>	
State appropriations	215,405
Federal financial aid grants	35,041
State financial aid grants	40,083
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	9,374
Gifts and grants received for other than capital purposes	2,723
Federal loan program receipts	45,723
Federal loan program disbursements	(45,768)
Monies received on behalf of others	3,381
Monies disbursed on behalf of others	(3,322)
Principal paid on long-term debt	(1,195)
Interest paid on long-term debt	(269)
Issuance of notes receivable	—
Principal collections on leases receivable	—
Interest collections on leases receivable	—
Principal collections on notes receivable	30
Interest collections on notes receivable	—
Other noncapital financing activities	323
Net cash provided by noncapital financing activities	<u>301,529</u>

## CALIFORNIA STATE UNIVERSITY, SAN MARCOS

Statement of Cash Flows  
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
<b>Cash flows from capital and related financing activities</b>	
Proceeds from capital debt	\$ —
State appropriations	34
Capital grants and gifts	—
Proceeds from sale of capital assets	—
Acquisition of capital assets	(8,116)
Principal paid on capital debt and leases	(5,829)
Interest paid on capital debt and leases	(4,560)
Principal collection on leases receivable	1,189
Interest collection on leases receivable	269
Net cash used in capital and related financing activities	<u>(17,013)</u>
<b>Cash flows from investing activities</b>	
Proceeds from sales of investments	480,189
Purchases of investments	(562,676)
Investment income proceeds	2,220
Net cash used in investing activities	<u>(80,267)</u>
Net decrease in cash and cash equivalents	(4)
Cash and cash equivalents at beginning of year, as restated	7
Cash and cash equivalents at end of year	<u>\$ 3</u>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>	
Operating loss	\$ (234,535)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	16,311
Change in assets and liabilities	
Accounts receivable, net	(695)
Student loans receivable, net	(25)
Prepaid expenses and other current assets	(326)
Other assets	—
Deferred outflows of resources	(52,022)
Accounts payable	(1,440)
Accrued salaries and benefits	552
Accrued compensated absences	680
Unearned revenues	5,664
Other postemployment benefits liability	(43,213)
Net pension liability	95,076
Other liabilities	940
Deferred inflows of resources	8,780
Net cash used in operating activities	<u>\$ (204,253)</u>

## CALIFORNIA STATE UNIVERSITY, SAN MARCOS

Statement of Cash Flows  
 Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
<b>Supplemental schedule of noncash transactions</b>	
State's contribution for OPEB	\$ 11,107
Change in unrealized gain on investments	324
Gifts in kind - noncapital	2,723
BAN proceeds paid directly to escrow agent by bank	—
Change in capital assets due to leases	268
Amortization of net bond premium	331
Change in capital assets due to implementation of GASB Statement No. 96	623

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, SAN MARCOS

## Transactions with Related Entities

Year ended June 30, 2023

(In thousands)

	<b>Campus</b>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 341
Payments from discretely presented component units for other than salaries	6,142
Payments to discretely presented component units for services, space, and programs	15,654
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	2,723
Accounts receivable from discretely presented component units	1,497
Other amounts receivable from discretely presented component units	213
Accounts payable to discretely presented component units	(1,323)
Other amounts payable to discretely presented component units	(92,240)
Payments to the Office of the Chancellor for administrative activities	264
Payments to the Office of the Chancellor for state pro rata charges	147
Accounts receivable from the Office of the Chancellor	267
Accounts receivable from campuses other than the Office of the Chancellor	—
Accounts payable to campuses other than the Office of the Chancellor	(3)
State lottery allocation received	1,212
Other interagency payments (receipts) for services, space, and programs	4

See accompanying independent auditors' report.



## ALUMNI

network is larger  
than the population  
of 23 U.S. states



## SONOMA STATE UNIVERSITY

## Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 185	910	1,095
Short-term investments	118,213	5,444	123,657
Accounts receivable, net	6,223	721	6,944
Lease receivable, current portion	—	—	—
P3 receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledge receivable, net	—	1,043	1,043
Prepaid expenses and other current assets	1,272	139	1,411
Total current assets	125,893	8,257	134,150
<b>Noncurrent assets</b>			
Restricted cash and cash equivalents	—	—	—
Accounts receivable, net	—	—	—
Lease receivable, net of current portion	—	—	—
P3 receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	582	—	582
Pledge receivable, net	—	1,409	1,409
Endowment investments	—	49,705	49,705
Other long-term investments	10,751	17,153	27,904
Capital assets, net	426,634	688	427,322
Other assets	—	933	933
Total noncurrent assets	437,967	69,888	507,855
Total assets	563,860	78,145	642,005
<b>Deferred Outflows of Resources</b>			
Deferred outflows of resources	135,236	—	135,236
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable	3,547	794	4,341
Accrued salaries and benefits	8,677	9	8,686
Accrued compensated absences, current portion	4,177	7	4,184
Unearned revenues	10,848	13	10,861
Lease liabilities, current portion	78	—	78
SBITA liabilities, current portion	445	60	505
Long-term debt obligations, current portion	9,075	—	9,075
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	—	—	—
Other liabilities	980	186	1,166
Total current liabilities	37,827	1,069	38,896

## SONOMA STATE UNIVERSITY

## Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
<b>Noncurrent liabilities</b>			
Accrued compensated absences, net of current portion	\$ 2,910	16	2,926
Unearned revenues	—	—	—
Grants refundable	470	—	470
Lease liabilities, net of current portion	200	—	200
SBITA liabilities, net of current portion	597	204	801
Long-term debt obligations, net of current portion	181,660	—	181,660
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Other postemployment benefits liability	354,022	—	354,022
Net pension liability	199,239	—	199,239
Other liabilities	—	—	—
Total noncurrent liabilities	739,098	220	739,318
Total liabilities	776,925	1,289	778,214
<b>Deferred Inflows of Resources</b>			
Deferred inflows of resources	161,600	—	161,600
<b>Net Position</b>			
<b>Net position</b>			
Net investment in capital assets	238,206	422	238,628
Restricted for			
Nonexpendable – endowments	—	50,616	50,616
Expendable			
Scholarships and fellowships	3,209	1,524	4,733
Research	—	—	—
Loans	279	—	279
Capital projects	2,427	—	2,427
Debt service	7	—	7
Others	10,089	12,429	22,518
Unrestricted	(493,646)	11,865	(481,781)
Total net position	\$ (239,429)	76,856	(162,573)

See accompanying independent auditors' report.



## SONOMA STATE UNIVERSITY

## Statement of Revenues , Expenses, and Changes in Net Position

Year ended June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
<b>Revenues</b>				
Operating revenues				
Student tuition and fees (net of scholarship allowances of \$22,562)	\$ 35,877	—	—	35,877
Grants and contracts, noncapital				
Federal	11,084	115	—	11,199
State	2,124	327	—	2,451
Local	14	—	—	14
Nongovernmental	1,157	—	—	1,157
Sales and services of educational activities	168	3	—	171
Sales and services of auxiliary enterprises (net of University scholarship allowances of \$4,365)	27,287	212	—	27,499
Other operating revenues	17,545	8,608	—	26,153
Total operating revenues	95,256	9,265	—	104,521
<b>Expenses</b>				
Operating expenses				
Instruction	59,295	—	—	59,295
Research	4,339	—	—	4,339
Public service	14,199	—	—	14,199
Academic support	15,478	—	—	15,478
Student services	25,650	2,514	—	28,164
Institutional support	16,907	202	—	17,109
Operation and maintenance of plant	19,118	—	—	19,118
Student grants and scholarships	13,158	—	—	13,158
Auxiliary enterprise expenses	24,724	6,614	—	31,338
Depreciation and amortization	21,515	70	—	21,585
Total operating expenses	214,383	9,400	—	223,783
Operating loss	(119,127)	(135)	—	(119,262)
<b>Nonoperating revenues (expenses)</b>				
State appropriations, noncapital	109,903	—	—	109,903
Federal financial aid grants, noncapital	11,894	—	—	11,894
State financial aid grants, noncapital	15,662	—	—	15,662
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	2,431	—	—	2,431

## SONOMA STATE UNIVERSITY

## Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
<b>Nonoperating revenues (expenses), continued</b>				
Gifts, noncapital	\$ 7,546	350	—	7,896
Investment income (loss), net	3,310	(484)	—	2,826
Endowment income, net	—	3,245	—	3,245
Interest expense	(5,254)	(1)	—	(5,255)
Other nonoperating revenues (expenses)	20,738	—	—	20,738
Net nonoperating income	166,230	3,110	—	169,340
Income before other revenues	47,103	2,975	—	50,078
State appropriations, capital	—	—	—	—
Grants and gifts, capital	34	—	—	34
Additions to permanent endowments	—	425	—	425
Increase in net position	47,137	3,400	—	50,537
<b>Net position</b>				
Net position at beginning of year	(286,566)	73,456	—	(213,110)
Net position at end of year	\$ (239,429)	76,856	—	(162,573)

See accompanying independent auditors' report.

## SONOMA STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
<b>Cash flows from operating activities</b>	
Student tuition and fees	\$ 42,147
Federal grants and contracts	10,511
State grants and contracts	2,332
Local grants and contracts	(81)
Nongovernmental grants and contracts	870
Payments to suppliers	(54,446)
Payments to employees	(90,909)
Payments for benefits	(47,944)
Payments to students	(13,197)
Collections of student loans	28
Sales and services of educational activities	166
Sales and services of auxiliary enterprises	26,873
Other receipts	18,385
Net cash used in operating activities	<u>(105,265)</u>
<b>Cash flows from noncapital financing activities</b>	
State appropriations	98,750
Federal financial aid grants	11,894
State financial aid grants	17,753
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	2,431
Gifts and grants received for other than capital purposes	7,546
Federal loan program receipts	128
Federal loan program disbursements	(178)
Monies received on behalf of others	25
Monies disbursed on behalf of others	—
Principal paid on long-term debt	—
Interest paid on long-term debt	—
Issuance of notes receivable	—
Principal collections on leases receivable	—
Interest collections on leases receivable	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	20,262
Net cash provided by noncapital financing activities	<u>158,611</u>

## SONOMA STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
<b>Cash flows from capital and related financing activities</b>	
Proceeds from capital debt	\$ —
State appropriations	—
Capital grants and gifts	—
Proceeds from sale of capital assets	276
Acquisition of capital assets	(27,243)
Principal paid on capital debt and leases	(8,241)
Interest paid on capital debt and leases	(5,917)
Principal collection on leases receivable	—
Interest collection on leases receivable	—
Net cash used in capital and related financing activities	<u>(41,125)</u>
<b>Cash flows from investing activities</b>	
Proceeds from sales of investments	335,389
Purchases of investments	(348,973)
Investment income proceeds	1,463
Net cash used in investing activities	<u>(12,121)</u>
Net increase in cash and cash equivalents	100
Cash and cash equivalents at beginning of year, as restated	85
Cash and cash equivalents at end of year	<u>\$ 185</u>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>	
Operating loss	\$ (119,127)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	21,515
Change in assets and liabilities	
Accounts receivable, net	4,437
Student loans receivable, net	2
Prepaid expenses and other current assets	177
Other assets	—
Deferred outflows of resources	(47,979)
Accounts payable	(1,093)
Accrued salaries and benefits	(292)
Accrued compensated absences	119
Unearned revenues	1,318
Other postemployment benefits liability	(61,820)
Net pension liability	62,008
Other liabilities	(174)
Deferred inflows of resources	35,644
Net cash used in operating activities	<u>\$ (105,265)</u>

## SONOMA STATE UNIVERSITY

Statement of Cash Flows  
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
<b>Supplemental schedule of noncash transactions</b>	
State's contribution for OPEB	\$ 11,152
Change in unrealized gain on investments	1,842
Gifts in kind - noncapital	7,546
BAN proceeds paid directly to escrow agent by bank	—
Change in capital assets due to leases	(142)
Amortization of net bond premium	885
Change in capital assets due to implementation of GASB Statement No. 96	505

See accompanying independent auditors' report.

**SONOMA STATE UNIVERSITY**  
 Transactions with Related Entities  
 Year ended June 30, 2023  
 (In thousands)

	<b>Campus</b>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 4,713
Payments from discretely presented component units for other than salaries	3,110
Payments to discretely presented component units for services, space, and programs	7,086
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	4,969
Accounts receivable from discretely presented component units	706
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(598)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	142
Payments to the Office of the Chancellor for state pro rata charges	78
Accounts receivable from the Office of the Chancellor	372
Accounts receivable from campuses other than the Office of the Chancellor	58
Accounts payable to campuses other than the Office of the Chancellor	(3)
State lottery allocation received	1,178
Other interagency payments (receipts) for services, space, and programs	223

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, STANISLAUS

Statement of Net Position

Year ended June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ —	1,945	1,945
Short-term investments	125,254	12,848	138,102
Accounts receivable, net	5,553	1,137	6,690
Lease receivable, current portion	249	—	249
P3 receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledge receivable, net	—	506	506
Prepaid expenses and other current assets	810	44	854
Total current assets	131,866	16,480	148,346
<b>Noncurrent assets</b>			
Restricted cash and cash equivalents	—	152	152
Accounts receivable, net	—	—	—
Lease receivable, net of current portion	5,164	—	5,164
P3 receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	652	—	652
Pledge receivable, net	—	1,402	1,402
Endowment investments	—	17,730	17,730
Other long-term investments	65,601	141	65,742
Capital assets, net	223,345	7,425	230,770
Other assets	23	181	204
Total noncurrent assets	294,785	27,031	321,816
Total assets	426,651	43,511	470,162
<b>Deferred Outflows of Resources</b>			
Deferred outflows of resources	126,852	—	126,852
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable	4,450	423	4,873
Accrued salaries and benefits	12,848	22	12,870
Accrued compensated absences, current portion	3,139	96	3,235
Unearned revenues	6,152	90	6,242
Lease liabilities, current portion	696	358	1,054
SBITA liabilities, current portion	210	—	210
Long-term debt obligations, current portion	2,190	—	2,190
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	622	—	622
Other liabilities	1,781	1	1,782
Total current liabilities	32,088	990	33,078

## CALIFORNIA STATE UNIVERSITY, STANISLAUS

Statement of Net Position

Year ended June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
<b>Noncurrent liabilities</b>			
Accrued compensated absences, net of current portion	\$ 4,009	—	4,009
Unearned revenues	4,318	—	4,318
Grants refundable	83	—	83
Lease liabilities, net of current portion	1,594	4,014	5,608
SBITA liabilities, net of current portion	219	—	219
Long-term debt obligations, net of current portion	73,517	—	73,517
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Other postemployment benefits liability	300,687	1,506	302,193
Net pension liability	199,293	2,280	201,573
Other liabilities	—	—	—
Total noncurrent liabilities	583,720	7,800	591,520
Total liabilities	615,808	8,790	624,598
<b>Deferred Inflows of Resources</b>			
Deferred inflows of resources	130,815	—	130,815
<b>Net Position</b>			
<b>Net position</b>			
Net investment in capital assets	149,259	2,522	151,781
Restricted for			
Nonexpendable – endowments	—	16,158	16,158
Expendable			
Scholarships and fellowships	—	2,406	2,406
Research	—	—	—
Loans	782	—	782
Capital projects	—	—	—
Debt service	1	—	1
Others	450	4,866	5,316
Unrestricted	(343,612)	8,769	(334,843)
Total net position	\$ (193,120)	34,721	(158,399)

See accompanying independent auditors' report.



**CALIFORNIA STATE UNIVERSITY, STANISLAUS**  
Statement of Revenues , Expenses, and Changes in Net Position  
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>	<u>Discretely presented component units</u>	<u>Eliminations</u>	<u>Total</u>
<b>Revenues</b>				
Operating revenues				
Student tuition and fees (net of scholarship allowances of \$48,089)	\$ 39,429	—	—	39,429
Grants and contracts, noncapital				
Federal	4,883	—	—	4,883
State	2,045	—	—	2,045
Local	748	—	—	748
Nongovernmental	949	—	—	949
Sales and services of educational activities	318	115	—	433
Sales and services of auxiliary enterprises (net of University scholarship allowances of \$1,934)	5,647	1,230	—	6,877
Other operating revenues	9,105	7,762	(388)	16,479
<b>Total operating revenues</b>	<b>63,124</b>	<b>9,107</b>	<b>(388)</b>	<b>71,843</b>
<b>Expenses</b>				
Operating expenses				
Instruction	91,656	121	(97)	91,680
Research	1,304	—	—	1,304
Public service	1,304	—	—	1,304
Academic support	18,978	93	(13)	19,058
Student services	35,189	6,283	(57)	41,415
Institutional support	28,531	1,004	(366)	29,169
Operation and maintenance of plant	21,692	624	(19)	22,297
Student grants and scholarships	34,459	700	(709)	34,450
Auxiliary enterprise expenses	6,545	1,948	—	8,493
Depreciation and amortization	10,195	652	—	10,847
<b>Total operating expenses</b>	<b>249,853</b>	<b>11,425</b>	<b>(1,261)</b>	<b>260,017</b>
<b>Operating loss</b>	<b>(186,729)</b>	<b>(2,318)</b>	<b>873</b>	<b>(188,174)</b>
<b>Nonoperating revenues (expenses)</b>				
State appropriations, noncapital	117,378	—	—	117,378
Federal financial aid grants, noncapital	28,309	—	—	28,309
State financial aid grants, noncapital	31,081	—	—	31,081
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	(817)	(817)
Other federal nonoperating grants, noncapital	4,839	—	—	4,839

## CALIFORNIA STATE UNIVERSITY, STANISLAUS

## Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
<b>Nonoperating revenues (expenses), continued</b>				
Gifts, noncapital	\$ 740	1,588	(56)	2,272
Investment income, net	5,898	185	—	6,083
Endowment income, net	—	1,395	—	1,395
Interest expense	(2,688)	(5)	—	(2,693)
Other nonoperating revenues	1,565	203	—	1,768
Net nonoperating income	187,122	3,366	(873)	189,615
Income before other revenues	393	1,048	—	1,441
State appropriations, capital	—	—	—	—
Grants and gifts, capital	98	—	—	98
Additions (reductions) to permanent endowments	—	—	—	—
Increase in net position	491	1,048	—	1,539
<b>Net position</b>				
Net position at beginning of year	(193,611)	33,673	—	(159,938)
Net position at end of year	\$ (193,120)	34,721	—	(158,399)

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, STANISLAUS

Statement of Cash Flows  
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
<b>Cash flows from operating activities</b>	
Student tuition and fees	\$ 39,405
Federal grants and contracts	6,857
State grants and contracts	5,797
Local grants and contracts	765
Nongovernmental grants and contracts	562
Payments to suppliers	(43,577)
Payments to employees	(105,290)
Payments for benefits	(52,755)
Payments to students	(34,613)
Collections of student loans	102
Sales and services of educational activities	318
Sales and services of auxiliary enterprises	3,887
Other receipts	7,952
Net cash used in operating activities	<u>(170,590)</u>
<b>Cash flows from noncapital financing activities</b>	
State appropriations	106,775
Federal financial aid grants	28,309
State financial aid grants	31,081
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	4,839
Gifts and grants received for other than capital purposes	740
Federal loan program receipts	22,875
Federal loan program disbursements	(22,939)
Monies received on behalf of others	1,548
Monies disbursed on behalf of others	(1,412)
Principal paid on long-term debt	—
Interest paid on long-term debt	—
Issuance of notes receivable	—
Principal collections on leases receivable	—
Interest collections on leases receivable	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	1,060
Net cash provided by noncapital financing activities	<u>172,876</u>

## CALIFORNIA STATE UNIVERSITY, STANISLAUS

Statement of Cash Flows  
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
<b>Cash flows from capital and related financing activities</b>	
Proceeds from capital debt	\$ —
State appropriations	—
Capital grants and gifts	196
Proceeds from sale of capital assets	12
Acquisition of capital assets	(15,637)
Principal paid on capital debt and leases	(2,838)
Interest paid on capital debt and leases	(3,496)
Principal collection on leases receivable	239
Interest collection on leases receivable	—
Net cash used in capital and related financing activities	<u>(21,524)</u>
<b>Cash flows from investing activities</b>	
Proceeds from sales of investments	357,742
Purchases of investments	(340,548)
Investment income proceeds	2,044
Net cash provided by investing activities	<u>19,238</u>
Net increase (decrease) in cash and cash equivalents	<u>—</u>
Cash and cash equivalents at beginning of year, as restated	—
Cash and cash equivalents at end of year	<u>\$ —</u>
<b>Reconciliation of operating loss to other receipts:</b>	
Operating loss	\$ (186,729)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	10,195
Change in assets and liabilities	
Accounts receivable, net	1,846
Student loans receivable, net	7
Prepaid expenses and other current assets	103
Other assets	2
Deferred outflows of resources	(38,691)
Accounts payable	(213)
Accrued salaries and benefits	694
Accrued compensated absences	573
Unearned revenues	2,350
Other postemployment benefits liability	(44,635)
Net pension liability	69,750
Other liabilities	(251)
Deferred inflows of resources	14,409
Net cash used in operating activities	<u>\$ (170,590)</u>

## CALIFORNIA STATE UNIVERSITY, STANISLAUS

Statement of Cash Flows  
 Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
<b>Supplemental schedule of noncash transactions</b>	
State's contribution for OPEB	\$ 10,603
Change in unrealized gain on investments	3,838
Gifts in kind - noncapital	740
BAN proceeds paid directly to escrow agent by bank	—
Change in capital assets due to leases	—
Amortization of net bond premium	399
Change in capital assets due to implementation of GASB Statement No. 96	164

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, STANISLAUS

## Transactions with Related Entities

Year ended June 30, 2023

(In thousands)

	<b>Campus</b>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 16
Payments from discretely presented component units for other than salaries	5,381
Payments to discretely presented component units for services, space, and programs	7,858
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	108
Accounts receivable from discretely presented component units	259
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(994)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	384
Payments to the Office of the Chancellor for state pro rata charges	49
Accounts receivable from the Office of the Chancellor	62
Accounts receivable from campuses other than the Office of the Chancellor	2
Accounts payable to campuses other than the Office of the Chancellor	(190)
State lottery allocation received	1,094
Other interagency payments (receipts) for services, space, and programs	152

See accompanying independent auditors' report.





**CSU** The California State University

*401 Golden Shore, Long Beach, CA 90802*

[www.calstate.edu](http://www.calstate.edu)



# SINGLE AUDIT REPORTS

2022-2023





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# INDEPENDENT AUDITORS' REPORT

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KPMG LLP  
Suite 1500  
550 South Hope Street  
Los Angeles, CA 90071-2629

**Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards**

The Board of Trustees  
California State University:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate discretely presented component units of the California State University (the University) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated March 27, 2024.

Except for the financial statements of the California State University Institute and the California State University Risk Management Authority, we did not audit the financial statements of the other discretely presented component units, which represent 95.58% and 92.77%, respectively, of the assets and revenues of the aggregate discretely presented component units as of June 30, 2023 and for the year then ended. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for those entities, are based solely on the reports of the other auditors.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the University's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.



### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the University's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**KPMG LLP**

Los Angeles, California  
March 27, 2024



KPMG LLP  
Suite 1500  
550 South Hope Street  
Los Angeles, CA 90071-2629

**Independent Auditors' Report on Compliance for Each Major Federal Program;  
Report on Internal Control Over Compliance; and Report on Schedule of  
Expenditures of Federal Awards Required by the Uniform Guidance**

The Board of Trustees  
California State University:

**Report on Compliance for Each Major Federal Program**

*Opinion on Each Major Federal Program*

We have audited California State University's (the University) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the University's major federal programs for the year ended June 30, 2023. The University's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the University complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

*Basis for Opinion on Each Major Federal Program*

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the University's compliance with the compliance requirements referred to above.

*Other Matter – Federal Expenditures Not Included in the Compliance Audit*

The University's basic financial statements include the operations of the University's discretely presented component units, which expended federal awards totaling \$458,332,965, which are not included in the University's schedule of expenditures of federal awards for the year ended June 30, 2023. Our compliance audit, described in the Opinion on Each Major Federal Program section of our report does not include the operations of these component units because the component units engaged other auditors to perform audits in accordance with the requirements of the Uniform Guidance.





### *Responsibilities of Management for Compliance*

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the University's federal programs.

### *Auditors' Responsibilities for the Audit of Compliance*

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the University's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the University's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the University's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the University's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### *Other Matters*

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2023-001 and 2023-002. Our opinion on each major federal program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on the University's responses to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The University is also responsible for preparing a corrective action plan to address each audit finding included in our auditors' report. The University's responses and corrective action plan were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses or the corrective action plan.



## **Report on Internal Control Over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-001 and 2023-002, to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on the University's responses to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The University is also responsible for preparing a corrective action plan to address each audit finding included in our auditors' report. The University's responses and corrective action plan were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses or the corrective action plan.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

## **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the business-type activities and the aggregate discretely presented component units of the University, an agency of the State of California, as of and for the year ended June 30, 2023, and have issued our report thereon dated March 27, 2024, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other



additional procedures in accordance with GAAS. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

KPMG LLP

Los Angeles, California  
March 27, 2024



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# SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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CALIFORNIA STATE UNIVERSITY  
 Schedule of Expenditures of Federal Awards  
 Year ended of June 30, 2023

Student Financial Assistance Cluster:

Federal Grantor Agency	ALN	Cluster Name	Federal Program Name	Direct Award or Pass-through Entity	Pass-through Entity Identifying Number	Amount Expended	Amounts Provided to Subrecipients
Department of Education	84.007	Student Financial Assistance	Federal Supplemental Educational Opportunity Grants (FSEOG)	Direct Award		\$ 22,857,330	\$ —
	84.033	Student Financial Assistance	Federal Work-Study Program (FWS)	Direct Award		21,066,834	—
	84.038	Student Financial Assistance	Federal Perkins Loan Program (PERKINS LOAN advanced and ACA)	Direct Award		23,415,351	—
	84.063	Student Financial Assistance	Federal Pell Grant Program (PELL)	Direct Award		1,029,436,175	—
	84.268	Student Financial Assistance	Federal Direct Student Loans (DIRECT LOAN)	Direct Award		1,178,189,870	—
	84.379	Student Financial Assistance	Teacher Education Assistance for College and Higher Education Grants (TEACH)	Direct Award		1,598,955	—
	84.408	Student Financial Assistance	Postsecondary Education Scholarships for Veteran's Dependents (VETERANS)	Direct Award		5,547	—
<b>Department of Education Total</b>						<b>2,276,570,063</b>	<b>—</b>
Department of Health and Human Services	93.364	Student Financial Assistance	Nursing Student Loans (NURSING LOAN)	Direct Award		2,302,489	—
<b>Department of Health and Human Services Total</b>						<b>2,302,489</b>	<b>—</b>
<b>Student Financial Assistance Cluster Total</b>						<b>\$ 2,278,872,552</b>	<b>\$ —</b>

Other Programs and Clusters:

Federal Grantor Agency	ALN	Cluster Name	Federal Program Name	Direct Award or Pass-through Entity	Pass-through Entity Identifying Number	Amount Expended	Amounts Provided to Subrecipients	
U.S. Department of Agriculture	10.223		Hispanic Serving Institutions Education Grants	Direct Award		\$ 126,272	\$ —	
	10.558		Child and Adult Care Food Program	Pass-through California Department of Education	04346-CACFP-12-HU-CS	31,450	—	
	10.561	SNAP CLUSTER	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	Pass-through CSU Chico Research Foundation	A22-0055-S007	9,664	—	
					Sub A22-055-S018	129,139	—	
					A22-0055-S014	17,144	—	
					A21-0034-S012	920	—	
					A22-0055-S036	152,364	—	
<b>10.561 Total</b>						<b>309,231</b>	<b>—</b>	
<b>U.S. Department of Agriculture Total</b>						<b>466,953</b>	<b>—</b>	
U.S. Department of Commerce	11.028		Connecting Minority Communities Pilot Program	Direct Award		246,902	246,902	
	11.419		Coastal Zone Management Administration Awards	Pass-through The Regents of the University of Michigan	SUBK00014140	15,042	10,194	
	11.419	Total		Pass-through Chico State Enterprises	A22-0055-S042	16,578	—	
						31,620	10,194	
11.429		Marine Sanctuary Program	Direct Award		22,203	—		
<b>U.S. Department of Commerce Total</b>						<b>300,726</b>	<b>257,096</b>	
U.S. Department of Defense	12.550		The Language Flagship Grants to Institutions of Higher Education	Pass-through Institute of International Education	0054-SFSU-8-SSC-280-PO10	15,000	—	
					BOR21-SFSU-7-AM-PO2	120,645	—	
					BOR21-SFSU-7-CHN-PO1	268,627	—	
					BOR21-SFSU-7-SSC-PO3	25,030	—	
	<b>12.550 Total</b>						<b>429,303</b>	<b>—</b>
12.630		Basic, Applied, and Advanced Research in Science and Engineering	Pass-through National Science Teaching Association	22-871-038	19,477	—		
12.900		Language Grant Program	Direct Award		302,020	—		
<b>U.S. Department of Defense Total</b>						<b>750,800</b>	<b>—</b>	
U.S. Department of Defense [not classified elsewhere]	12.U01		U.S. Department of Defense [not classified elsewhere]	Pass-through Chico State Enterprises	SUB18-046	176,287	—	
<b>U.S. Department of Defense [not classified elsewhere] Total</b>						<b>176,287</b>	<b>—</b>	
U.S. Department of the Interior	15.224		Cultural and Paleontological Resources Management	Pass-through San Francisco State University	S22-0002	9,845	—	
	15.904		Historic Preservation Fund Grants-In-Aid	Direct Award		1,000	—	
	15.945		Cooperative Research and Training Programs – Resources of the National Park System	Direct Award		58,973	—	
<b>U.S. Department of the Interior Total</b>						<b>69,818</b>	<b>—</b>	
U.S. Department of Justice	16.525		Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus	Pass-through Historic Preservation, Office of (OHP)	C8965531	88,777	—	
	16.575		Crime Victim Assistance	Direct Award		310,867	—	
	16.922		Equitable Sharing Program	Pass-through Orange County Sheriff's Department - Regional Narcotics Suppression Program	RSNP 07252013	129,962	—	
<b>U.S. Department of Justice Total</b>						<b>529,606</b>	<b>—</b>	
U.S. Department of Transportation	20.819		Ballast Water Treatment Technologies	Direct Award		7,283	—	
<b>U.S. Department of Transportation Total</b>						<b>7,283</b>	<b>—</b>	
U.S. Department of the Treasury	21.027		Coronavirus State And Local Fiscal Recovery Funds	Pass-through California Volunteers, Office of the Governor	CCSFRF011	551,312	—	
<b>U.S. Department of the Treasury Total</b>						<b>551,312</b>	<b>—</b>	
National Endowment for the Humanities	45.129		Promotion of the Humanities Federal/State Partnership	Pass-through California Humanities	HFAP20-83	18,881	—	
					RP-3019	7,834	—	
					Pass-through Western States Arts Federation	TW20200170	4,052	—
	<b>45.129 Total</b>						<b>30,768</b>	<b>—</b>
	45.160		Promotion of the Humanities Fellowships and Stipends	Direct Award		29,934	—	
<b>45.160 Total</b>						<b>15,493</b>	<b>—</b>	
<b>45.160 Total</b>						<b>45,427</b>	<b>—</b>	

CALIFORNIA STATE UNIVERSITY  
 Schedule of Expenditures of Federal Awards  
 Year ended of June 30, 2023

Federal Grantor Agency	ALN	Cluster Name	Federal Program Name	Direct Award or Pass-through Entity	Pass-through Entity Identifying Number	Amount Expended	Amounts Provided to Subrecipients
	45.163		Promotion of the Humanities Professional Development	Pass-through California Humanities	RP-2052	200,179	—
	45.164		Promotion of the Humanities Public Programs	Pass-through Association of Tribal Archives, Libraries & Museums	27	1,231	—
<b>National Endowment for the Humanities Total</b>						<b>277,604</b>	<b>—</b>
National Endowment for the Arts	45.024		Promotion of the Arts Grants to Organizations and Individuals	Direct Award		10,891	—
	45.025		Promotion of the Arts Partnership Agreements	Pass-through County Of Sonoma (Non-SCOE)	AGREEMENT 6.8.2021	4,000	—
<b>National Endowment for the Arts Total</b>						<b>14,891</b>	<b>—</b>
National Science Foundation	47.076		STEM Education (formerly Education and Human Resources)	Pass-through CSU - Sacramento University Enterprise	533004	10,000	—
					533005-A5	9,190	—
	<b>47.076 Total</b>					<b>19,190</b>	<b>—</b>
<b>National Science Foundation Total</b>						<b>19,190</b>	<b>—</b>
Small Business Administration	59.075		Shuttered Venue Operators Grant Program	Direct Award		55,367	—
<b>Small Business Administration Total</b>						<b>55,367</b>	<b>—</b>
U.S. Department of Veterans Affairs	64.204		Veterans Legacy Grants Program	Direct Award		408,877	—
<b>U.S. Department of Veterans Affairs Total</b>						<b>408,877</b>	<b>—</b>
U.S. Department of Environment Protection Agency	66.461		Regional Wetland Program Development Grants	Direct Award		54,893	—
				Pass-through Association of Bay Area Governments	CD 99T93501	10,872	—
	<b>66.461 Total</b>					<b>65,765</b>	<b>—</b>
<b>U.S. Department of Environment Protection Agency Total</b>						<b>65,765</b>	<b>—</b>
U.S. Department of Energy	81.117		Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	Direct Award		320,082	—
<b>U.S. Department of Energy Total</b>						<b>320,082</b>	<b>—</b>
U.S. Department of Education	84.031		Higher Education Institutional Aid	Direct Award		3,878,075	—
				Pass-through Ventura County Community College District	OC2122-13-S01	9,119	—
				Pass-through San Mateo County Community College District	681233	61,107	—
					P031S160245	38,349	—
	<b>84.031 Total</b>					<b>3,986,651</b>	<b>—</b>
	84.042	TRIO CLUSTER	TRIO Student Support Services	Direct Award		1,011,292	—
				Pass-through Missouri State University	16043-007	761,445	—
	<b>84.042 Total</b>					<b>1,772,738</b>	<b>—</b>
	84.044	TRIO CLUSTER	TRIO Talent Search	Direct Award		868,343	—
	84.047	TRIO CLUSTER	TRIO Upward Bound	Direct Award		2,680,538	—
	84.103		TRIO Staff Training Program	Direct Award		722,228	—
	84.129		Rehabilitation Long-Term Training	Direct Award		441,149	—
	84.217	TRIO CLUSTER	TRIO McNair Post-Baccalaureate Achievement	Direct Award		438,338	—
	84.235		Rehabilitation Services Demonstration and Training Programs	Direct Award		239,009	—
	84.325		Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	Direct Award		431,626	—
	84.326		Special Education Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	Direct Award		592,993	—
	84.335		Child Care Access Means Parents in School	Direct Award		593,389	—
	84.365		English Language Acquisition State Grants	Direct Award		1,067,213	—
	84.367		Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	Direct Award		25,731	—
				Pass-through Regents of the University of California	ESSA18-CMP-STANISLAUS	1,687	—
					ESSA21-CGEP-STANISLAUS	227	—
					ESSA21-CMP-STANISLAUS	3,924	—
					ESSA22-CMP-STANISLAUS	24,223	—
					ESSA22-CWP-STANISLAUS	38,141	—
	<b>84.367 Total</b>					<b>93,933</b>	<b>—</b>
	84.382		Strengthening Minority-Serving Institutions	Direct Award		40,829	—
	84.411		Education Innovation and Research (formerly Investing in Innovation (I3) Fund)	Direct Award		581,258	321,250
				Pass-through National Writing Project	92-CA10-20213WNTS	2,256	—
	<b>84.411 Total</b>					<b>583,514</b>	<b>321,250</b>
	84.425E		COVID-19 Higher Education Emergency Relief Fund-Student Aid Portion	Direct Award		12,579,884	—
				Pass-through Regents of the University of California	0070-S-ZB859	11,315	—
	<b>84.425E Total</b>					<b>12,591,199</b>	<b>—</b>
	84.425F		COVID-19 Higher Education Emergency Relief Fund-Institutional Portion	Direct Award		213,948,922	—
				Pass-through Regents of the University of California	ESSA20-CMP-SONOMA	2,410,077	—
	<b>84.425F Total</b>					<b>216,358,999</b>	<b>—</b>
	84.425L		COVID-19 Higher Education Emergency Relief Fund-Minority Serving Institutions	Direct Award		26,787,723	—
	84.425T		COVID-19 Higher Education Emergency Relief Fund-Supplemental Support under American Rescue Plan (SSARP)	Direct Award		1,716,136	—
<b>U.S. Department of Education Total</b>						<b>272,006,548</b>	<b>321,250</b>

CALIFORNIA STATE UNIVERSITY  
Schedule of Expenditures of Federal Awards  
Year ended of June 30, 2023

Federal Grantor Agency	ALN	Cluster Name	Federal Program Name	Direct Award or Pass-through Entity	Pass-through Entity Identifying Number	Amount Expended	Amounts Provided to Subrecipients
U.S. Department of Health and Human Services	93.157		Centers of Excellence	Pass-through The Regents of The University of California, San Francisco	11245sc	9,371	—
	93.391		Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	Pass-through The Regents of The University of California, San Francisco	13665sc	51,172	—
	93.575		Child Care and Development Block Grant	Pass-through California Department of Education	CCTR-2051	8,392	—
	93.600		Head Start	Pass-through California Department of Education	15291, 15292	116,936	—
	93.658		Foster Care Title IV-E	Pass-through The Regents of The University of California, Berkeley	11216	1,133,132	—
				Pass-through Regents of the University of California	20-3019 22-3033	8,973 1,231,229	— —
	<b>93.658 Total</b>					2,373,334	—
	93.732		Mental and Behavioral Health Education and Training Grants	Direct Award		469,597	—
				Pass-through The Regents of The University of California, Berkeley	9668	60,338	—
	<b>93.732 Total</b>					529,934	—
<b>U.S. Department of Health and Human Services Total</b>						<b>3,089,140</b>	<b>—</b>
Corporation for National and Community Service	94.006		AmeriCorps State and National 94.006	Pass-through Jumpstart for Young Children, Inc.	CFDA-94.006-JS-SITE #322	60,124	—
					JS-SITE #322	225,776	—
				Pass-through California Volunteers	20AFHY27-F211	5,804	—
	<b>94.006 Total</b>					291,704	—
94.013		AmeriCorps Volunteers In Service to America 94.013	Direct Award		62,680	—	
<b>Corporation for National and Community Service Total</b>						<b>354,384</b>	<b>—</b>
U.S. Department of Homeland Security	97.036		Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Direct Award		552,386	—
				Pass-through California Governor's Office of Emergency Services	Cal OES ID: 000-92068	82,589	—
					FEMA-4482-DR-CA, Cal OES ID:000-92067	2,033,360	—
					FEMA 4482 DR CA, Cal OES ID:000 92259	316,489	—
					FEMA-4482-DR-CA,CAL OES ID:000-92066	1,371,287	1,371,287
	<b>97.036 Total</b>					4,356,111	1,371,287
97.039		Hazard Mitigation Grant	Pass-through Regents of the University of California	ESSA21-CMP-SONOMA	408,311	—	
97.067		Homeland Security Grant Program	Direct Award		23,560	—	
<b>U.S. Department of Homeland Security Total</b>						<b>4,787,982</b>	<b>1,371,287</b>
<b>Other Programs and Clusters Total</b>						<b>\$ 284,252,615</b>	<b>\$ 1,949,633</b>

Research and Development (R&D) Cluster:

Federal Grantor Agency	ALN	Cluster Name	Federal Program Name	Direct Award or Pass-through Entity	Pass-through Entity Identifying Number	Amount Expended	Amounts Provided to Subrecipients
U.S. Department of Agriculture	10.664	Research and Development	Cooperative Forestry Assistance	Direct Award		\$ 85,771	\$ —
	10.699	Research and Development	Partnership Agreements	Direct Award		1,223	—
<b>U.S. Department of Agriculture Total</b>						<b>86,994</b>	<b>—</b>
U.S. Department of Commerce	11.012	Research and Development	Integrated Ocean Observing System (IOOS)	Pass-through Monterey Bay Aquarium Research Institute	1611290	19,380	—
					2111126	105,776	—
	<b>11.012 Total</b>					125,156	—
	11.417	Research and Development	Sea Grant Support	Pass-through CSU Monterey Bay	22063-Kaner-CASG	111,234	—
				Pass-through Regents of the University of California	A21-1572-S003	70,592	—
				Pass-through The Regents of The University of California, San Diego	115695621 (S9002320)	108	—
				Pass-through University Of California, San Diego	KR 705235	10,000	—
	<b>11.417 Total</b>					191,934	—
	11.419	Research and Development	Coastal Zone Management Administration Awards	Pass-through South Carolina Department of Natural Resources	P24018100321	3,064	—
				Pass-through The Regents of the University of Michigan	SUBK00016848	86,339	18,169
	<b>11.419 Total</b>					89,404	18,169
	11.420	Research and Development	Coastal Zone Management Estuarine Research Reserves	Direct Award		518,147	—
				Pass-through Merkel & Associates, Inc.	3002.19.065658	136,319	—
	<b>11.420 Total</b>					654,466	—
	11.454	Research and Development	Unallied Management Projects	Direct Award		16,712	—
11.469	Research and Development	Congressionally Identified Awards and Projects	Pass-through Greater Farallones Association	AGREEMENT 4.25.23	19,948	—	
11.478	Research and Development	Center for Sponsored Coastal Ocean Research Coastal Ocean Program	Pass-through Northwest Indian College	NWIC-22907SA-SFSU	49,634	—	
11.999	Research and Development	Marine Debris Program	Direct Award		34,553	—	
<b>U.S. Department of Commerce Total</b>						<b>1,181,806</b>	<b>18,169</b>
U.S. Department of Defense	12.006	Research and Development	National Defense Education Program	Direct Award		13,712	—
	12.300	Research and Development	Basic and Applied Scientific Research	Pass-through National Marine Mammal Foundation	2833-1	21,875	—
				Pass-through Regents of the University of California	A23-0203-S001: A18-0896-S001-P06921	11,088	—
<b>12.300 Total</b>					32,963	—	



CALIFORNIA STATE UNIVERSITY  
Schedule of Expenditures of Federal Awards  
Year ended of June 30, 2023

Federal Grantor Agency	ALN	Cluster Name	Federal Program Name	Direct Award or Pass-through Entity	Pass-through Entity Identifying Number	Amount Expended	Amounts Provided to Subrecipients	
	12.431	Research and Development	Basic Scientific Research	Direct Award		51,469	—	
	12.630	Research and Development	Basic, Applied, and Advanced Research in Science and Engineering	Direct Award		478,965	—	
<b>U.S. Department of Defense Total</b>							<b>577,108</b>	<b>—</b>
U.S. Department of the Interior	15.512	Research and Development	Central Valley Improvement Act, Title XXXIV	Direct Award		6,659	—	
	15.564	Research and Development	Central Valley Project Conservation	Direct Award		256,108	—	
	15.608	Research and Development	Fish and Wildlife Management Assistance	Direct Award		1,866	—	
	15.657	Research and Development	Endangered Species Recovery Implementation	Pass-through Fish & Wildlife, Department of (DFW)	F18AC00359	539	—	
	15.664	Research and Development	Fish and Wildlife Coordination and Assistance	Direct Award		9,902	—	
	15.808	Research and Development	U.S. Geological Survey Research and Data Collection	Direct Award		67,207	—	
	15.810	Research and Development	National Cooperative Geologic Mapping	Direct Award		46,547	—	
	15.945	Research and Development	Cooperative Research and Training Programs – Resources of the National Park System	Direct Award		7,424	—	
<b>U.S. Department of the Interior Total</b>							<b>396,251</b>	<b>—</b>
U.S. Department of Justice	16.560	Research and Development	National Institute of Justice Research, Evaluation, and Development Project Grants	Direct Award		49,592	—	
<b>U.S. Department of Justice Total</b>							<b>49,592</b>	<b>—</b>
U.S. Department of Transportation	20.819	Research and Development	Ballast Water Treatment Technologies	Direct Award		2,846	—	
<b>U.S. Department of Transportation Total</b>							<b>2,846</b>	<b>—</b>
U.S. Department of the Treasury	21.017	Research and Development	Social Impact Partnerships to Pay for Results Act (SIPPRA)	Pass-through Univ of CA Los Angeles	1184SLA07000	42,074	—	
<b>U.S. Department of the Treasury Total</b>							<b>42,074</b>	<b>—</b>
National Aeronautics and Space Administration	43.001	Research and Development	Science	Direct Award		1,625,689	651,803	
				Pass-through Secor Strategies, LLC	AWARD LTR 12.12.22	956	—	
				Pass-through Smithsonian Astrophysical Observatory	GO9-20082A	9,610	—	
				Pass-through The Regents of the University Of Colorado	1559320	6,019	—	
				Pass-through The Washington University	WU-21-274	11,393	—	
				Pass-through University Of New Hampshire	L0082	260,143	—	
	<b>43.001 Total</b>					<b>1,913,810</b>	<b>651,803</b>	
	43.008	Research and Development	Office of Stem Engagement (OSTEM)	Pass-through Regents of the University of California	AWARD NOTICE 4.11.22	13,796	—	
<b>National Aeronautics and Space Administration Total</b>							<b>1,927,605</b>	<b>651,803</b>
National Endowment for the Humanities	45.161	Research and Development	Promotion of the Humanities Research	Direct Award		65,770	16,019	
	45.169	Research and Development	Promotion of the Humanities Office of Digital Humanities	Direct Award		16,476	—	
<b>National Endowment for the Humanities Total</b>							<b>82,246</b>	<b>16,019</b>
National Science Foundation	47.041	Research and Development	Engineering	Direct Award		327,073	12,222	
				Pass-through The Regents of The University of California, Berkeley	10631	5,352	—	
				Pass-through The Trustees of Tufts College	104482	10,908	—	
	<b>47.041 Total</b>					<b>343,334</b>	<b>12,222</b>	
	47.049	Research and Development	Mathematical and Physical Sciences	Direct Award		326,008	—	
				Pass-through CSU Cal Poly Corporation - SLO	2218943	30,130	—	
				Pass-through Regents of the University of California	0757 G YA149	218,857	—	
				Pass-through San Jose State University Research Fdn	21-1504-6328-CSUCI	11,757	—	
	<b>47.049 Total</b>					<b>586,753</b>	<b>—</b>	
	47.050	Research and Development	Geosciences	Direct Award		223,376	—	
				Pass-through The Regents of The University of California	10619	19,915	—	
				Pass-through Yale University	GR104085(CON-80001397)	55,742	—	
	<b>47.050 Total</b>					<b>299,033</b>	<b>—</b>	
	47.070	Research and Development	Computer and Information Science and Engineering	Direct Award		379,796	17,230	
				Pass-through Lawrence Livermore National Laboratory	B645313	36,183	—	
	<b>47.070 Total</b>					<b>415,978</b>	<b>17,230</b>	
	47.074	Research and Development	Biological Sciences	Direct Award		2,149,461	37,888	
				Pass-through Carnegie Institute of Washington	11054-1312-06	86,648	—	
				Pass-through The Regents of The University of California, San Francisco	13461sc	460,911	—	
					9807sc	79,485	—	
				Pass-through University of Notre Dame	204386CSUCI	8,155	—	
	<b>47.074 Total</b>					<b>2,784,661</b>	<b>37,888</b>	
	47.075	Research and Development	Social, Behavioral, and Economic Sciences	Direct Award		282,811	3,319	
				Pass-through The Regents of the University of Colorado	1559878	222	—	
	<b>47.075 Total</b>					<b>283,034</b>	<b>3,319</b>	

CALIFORNIA STATE UNIVERSITY  
Schedule of Expenditures of Federal Awards  
Year ended of June 30, 2023

Federal Grantor Agency	ALN	Cluster Name	Federal Program Name	Direct Award or Pass-through Entity	Pass-through Entity Identifying Number	Amount Expended	Amounts Provided to Subrecipients
	47.076	Research and Development	STEM Education (formerly Education and Human Resources)	Direct Award		4,993,548	718,281
				Pass-through California State University Fresno Foundation	SC351056-21-03	1,999	—
					SC351056-21-04	3,001	—
				Pass-through CSU Fresno Foundation	SC351056-21-02	14,466	—
				Pass-through CSU San Marcos Corporation	92453-85295	13,893	—
				Pass-through Smith-Kettlewell Eye Research Institute	8201303-SFSU	24,042	—
				Pass-through The University of Texas at El Paso	226100998E	104,662	—
				Pass-through University Enterprises, Inc. Sacramento State	HRD-1826490	14,110	—
					533041	9,331	—
					532844	1,736	—
					532845-A5	15,000	—
				Pass-through University of Texas at El Paso	1643944	43,899	—
					2221680	78,511	—
				Pass-through University of Texas Rio Grande Valley	1906883(3)	25,982	—
<b>47.076 Total</b>					5,344,179	718,281	
47.079	Research and Development	Office of International Science and Engineering	Direct Award		2,172	—	
			Pass-through Cal Poly Corporation	2023-3-51689	3,294	—	
<b>47.079 Total</b>					5,466	—	
47.084	Research and Development	NSF Technology, Innovation, and Partnerships	Direct Award		2,500	—	
<b>National Science Foundation Total</b>						<b>10,064,937</b>	<b>788,940</b>
U.S. Department of Energy	81.049	Research and Development	Office of Science Financial Assistance Program	Direct Award		295,276	—
	81.123	Research and Development	National Nuclear Security Administration (NNSA) Minority Serving Institutions (MSI) Program	Pass-through Lawrence Livermore National Laboratory	B652704	14,425	—
<b>U.S. Department of Energy Total</b>						<b>309,701</b>	<b>—</b>
U.S. Department of Education	84.031	Research and Development	Higher Education Institutional Aid	Pass-through Cal Poly Pomona Foundation, Inc.	S21-000335-CSUCO	1,599	—
				Pass-through CSU Bakersfield, Auxiliary for Sponsored Programs Administration	GRA10125	1,703	—
				Pass-through CSU Fullerton Auxiliary Services Corporation	S-7709-CO	1,718	—
<b>84.031 Total</b>					5,020	—	
<b>U.S. Department of Education Total</b>						<b>5,020</b>	<b>—</b>
U.S. Department of Health and Human Services	93.084	Research and Development	Prevention of Disease, Disability, and Death by Infectious Diseases	Pass-through The Regents of The University of California, Davis	A23-0750-S001	81,355	—
	93.121	Research and Development	Oral Diseases and Disorders Research	Pass-through University of Maryland	121179-Z0590203	2,573	—
	93.242	Research and Development	Mental Health Research Grants	Pass-through The Regents of The University of California, San Francisco	13294sc	10,377	—
				Pass-through Trustees of Boston University	4500003259	68,959	—
	<b>93.242 Total</b>					79,336	—
	93.273	Research and Development	Alcohol Research Programs	Pass-through Columbia University	1(GG014711-01)	10,792	—
	93.307	Research and Development	Minority Health and Health Disparities Research	Pass-through Drexel University	900242	261,448	—
	93.310	Research and Development	Trans-NIH Research Support	Direct Award		3,794,139	582,232
	93.353	Research and Development	21st Century Cures Act - Beau Biden Cancer Moonshot	Pass-through The Regents of The University of California, San Francisco	12519sc	6,790	—
	93.394	Research and Development	Cancer Detection and Diagnosis Research	Pass-through The Regents of The University of California, San Francisco	13147sc	25,883	—
	93.399	Research and Development	Cancer Control	Pass-through The Regents of The University of California, San Francisco	13951sc	32,179	—
					13952sc	32,179	—
	<b>93.399 Total</b>					64,358	—
	93.837	Research and Development	Cardiovascular Diseases Research	Direct Award		442,995	125,286
				Pass-through Research Foundation for Mental Hygiene, Inc	PO# 152304	43,791	—
	<b>93.837 Total</b>					486,786	125,286
	93.847	Research and Development	Diabetes, Digestive, and Kidney Diseases Extramural Research	Pass-through The Regents of The University of California, San Francisco	12378sc	92,343	—
	93.855	Research and Development	Allergy and Infectious Diseases Research	Direct Award		53,808	705
				Pass-through University of Pittsburgh	CNVA00056912 (131728-1)	48,270	—
	<b>93.855 Total</b>					102,078	705
	93.859	Research and Development	Biomedical Research and Research Training	Direct Award		3,296,720	29,387
				Pass-through St. John's University	35712	50	—
Pass-through The Regents of The University of California, San Francisco				10339sc	86,928	—	
<b>93.859 Total</b>					3,383,699	29,387	
93.865	Research and Development	Child Health and Human Development Extramural Research	Direct Award		58,835	—	
			Pass-through Children's Hospital of Los Angeles	00013656-A	14,883	—	
<b>93.865 Total</b>					73,718	—	
93.866	Research and Development	Aging Research	Pass-through Stanford University	61933281-133224	42,885	—	
			Pass-through The Regents of The University of California, San Francisco	10295sc	30,359	—	
				13029sc	14,684	—	
				13339sc	58,380	—	
			Pass-through University of South Carolina	20-3976	81,537	—	
<b>93.866 Total</b>					227,845	—	

CALIFORNIA STATE UNIVERSITY  
Schedule of Expenditures of Federal Awards  
Year ended of June 30, 2023

Federal Grantor Agency	ALN	Cluster Name	Federal Program Name	Direct Award or Pass-through Entity	Pass-through Entity Identifying Number	Amount Expended	Amounts Provided to Subrecipients
	93.879	Research and Development	Medical Library Assistance	Pass-through The Regents of The University of California, San Francisco	13806sc	13,515	—
				Pass-through University of Washington	168318	24,719	—
	<b>93.879 Total</b>					38,234	—
<b>U.S. Department of Health and Human Services Total</b>						<b>8,731,378</b>	<b>737,610</b>
U.S. Department of Defense [not classified elsewhere]	RD04	Research and Development	U.S. Department of Defense [not classified elsewhere]	Pass-through University Of California, Santa Cruz	A20-0287-S001	82,754	—
<b>U.S. Department of Defense [not classified elsewhere] Total</b>						<b>82,754</b>	<b>—</b>
U.S. Department of Energy [not classified elsewhere]	RD01	Research and Development	SENSEI [not classified elsewhere]	Pass-through The Regents of The University of California, Lawrence Berkeley National Laboratory	7668082	26,641	—
	RD02	Research and Development	Machine Learning Based Model [not classified elsewhere]	Pass-through The Regents of The University of California, Lawrence Berkeley National Laboratory	7667186	76,941	—
<b>U.S. Department of Energy [not classified elsewhere] Total</b>						<b>103,582</b>	<b>—</b>
U.S. Department of Health and Human Services [not classified elsewhere]	RD03	Research and Development	NIH Infant and Toddler Toolbox [not classified elsewhere]	Pass-through Northwestern University	SP0070625 60061130 TO 3 SFSU	27,890	—
					SP0077551 A00- COA TO 4	31,282	—
	<b>RD03 Total</b>					59,172	—
<b>U.S. Department of Health and Human Services [not classified elsewhere] Total</b>						<b>59,172</b>	<b>—</b>
<b>Research and Development (R&amp;D) Cluster Total</b>						<b>\$ 23,703,066</b>	<b>\$ 2,212,541</b>
<b>Total expenditures of federal awards</b>						<b>\$ 2,586,828,232</b>	<b>\$ 4,162,173</b>

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# NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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**CALIFORNIA STATE UNIVERSITY**

Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2023

**(1) General**

The accompanying schedule of expenditures of federal awards (the Schedule) presents the activity of all federal award programs of the California State University (the University). The University does not consider itself a subrecipient of federal funds when those funds are received as payments for services rendered to individual auxiliary organizations mostly foundations, which are discretely presented component units in the basic financial statements of the University. Accordingly, these amounts are not reflected in the accompanying Schedule.

For purposes of the Schedule, federal awards include all grants; and contracts entered into directly between the University and agencies and departments of the federal government and pass-through agencies. The awards are classified into program categories in accordance with the provisions of the Uniform Guidance.

**(2) Basis of Accounting**

The information in the accompanying Schedule is prepared on the accrual basis of accounting and presented in accordance with the requirements of the Uniform Guidance. Some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

**(3) Loan Programs**

Total loans outstanding under the Federal Perkins Loan Program and the Nursing Student Loan Program are \$15,963,985 and \$1,972,338, respectively, at June 30, 2023. The amounts included in the accompanying Schedule consist of the beginning balances of the loans, loans advanced to students during the year and the administrative cost allowance for the year ended June 30, 2023.

**(4) Administrative Cost Allowances**

Administrative cost allowances included in the accompanying Schedule are summarized as follows:

Federal Pell Grant Program	\$	756,425
Federal Perkins Loan Program		77,858
Federal Work-Study Program		1,060,381
Federal Supplemental Educational Opportunity Grant Program		346,245
Total administrative cost allowances	\$	<u>2,240,909</u>

**(5) Indirect Cost Rate**

The University did not elect to use the 10% de minimis indirect cost rate as discussed in the Uniform Guidance Section 200.414. For all sponsored programs where indirect costs are allowed to be claimed, the rates approved by the University's cognizant agency were used.

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# SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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**CALIFORNIA STATE UNIVERSITY**  
 Schedule of Findings and Questioned Costs  
 Year ended June 30, 2023

**(1) Summary of Auditors' Results**

- (a) Type of report issued on whether the financial statements were prepared in accordance with generally accepted accounting principles: **Unmodified**
- (b) Internal control deficiencies over financial reporting disclosed by the audit of the financial statements:
  - Material weaknesses: **No**
  - Significant deficiencies: **No**
- (c) Noncompliance material to the financial statements: **No**
- (d) Internal controls deficiencies over major programs disclosed by the audit:
  - Material weaknesses: **No**
  - Significant deficiencies: **Yes**
- (e) Type of report issued on compliance for major programs: **Unmodified**
- (f) Audit findings that are required to be reported in accordance with 2 CFR 200.516(a): **Yes**
- (g) Major Programs

<u>Federal Assistance Listing Number</u>	<u>Name of federal program or cluster</u>
Various	Student Financial Assistance Cluster
84.031	Higher Education Institutional Aid
84.042, 84.044, 84.047, 84.217	TRIO Cluster
84.425E, 84.425F, 84.425L, 84.425T	COVID-19 - Higher Education Emergency Relief Fund
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)

- (h) Dollar threshold used to distinguish between Type A and Type B programs: **\$3,000,000**
- (i) Auditee qualified as low-risk auditee? **Yes**

**(2) Findings Relating to the Financial Statements Reported in Accordance with Government Auditing Standards**

None.



**CALIFORNIA STATE UNIVERSITY**

Schedule of Findings and Questioned Costs

Year ended June 30, 2023

**(3) Federal Awards Findings and Questioned Costs**

**Finding 2023-001**

**Compliance Requirement:** Enrollment Reporting — Significant Deficiency in Internal Control and Instance of Noncompliance

**Campus:** San Jose

**Cluster name/program:** Student Financial Assistance Cluster

**Federal Assistance Listing Numbers:** 84.063 Federal Pell Grant Program, 84.038 Federal Perkins Loan Program, 84.268 Federal Direct Student Loans, 93.364 Nursing Student Loans

**Federal Agency:** U.S. Department of Education

**Passed through Entity:** None

**Award Year:** July 1, 2022 - June 30, 2023

**Criteria:** The Code of Federal Regulations 34 CFR 690.83(b)(2), 34 CFR 682.610, 34 CFR 685.309, and 34 CFR 674.19 require institutes review, update, and certify student enrollment reporting roster on timely and accurate basis at both the campus and program level. Enrollment roster should be certified every 60 days or every other month.

**Condition and Context:** We reviewed 6 in-scope campuses and a sample of 40 students who graduated, withdrew, or had a change in enrollment during the fiscal year. Of the 40 students tested, 6 students' enrollment were not certified within the required 60 days period.

**Cause and Effect:** The campus experienced major personnel changes in the registrar office and did not have adequate staffing in place to monitor the required procedures.

**Questioned Costs:** None

**Repeat Finding:** No

**Recommendation:** We recommend the University increase its staff to adequate levels and provide training on the application of its existing policies and procedures.

**Views of Responsible Officials:** The University concurs with the recommendation. The University will further review and refine the policies and procedures to strengthen internal controls and to ensure the timely and accurate reporting to NSLDS.

**CALIFORNIA STATE UNIVERSITY**

Schedule of Findings and Questioned Costs

Year ended June 30, 2023

**Finding 2023-002**

**Compliance Requirement:** Reporting — Significant Deficiency in Internal Control and Instance of Noncompliance

**Campus:** San Bernardino

**Cluster name/program:** COVID 19 - Higher Education Emergency Relief Fund (HEERF)

**Federal Assistance Listing Numbers:** 84.425E HEERF Student Aid Portion and 84.425F HEERF Institutional Portion

**Federal Agency:** U.S. Department of Education

**Passed through Entity:** None

**Award Year:** July 1, 2022 - June 30, 2023

**Criteria:** According to 86 FR 26213 (Document Number: 2021-10196), the quarterly report must appear in a format and location that is easily accessible to the public. The information must also be updated no later than 10 days after the end of each calendar quarter (September 30, and December 31, March 31, June 30).

**Condition and Context:** During the single audit, two reports were untimely reported in accordance with the HEERF reporting requirements. CSU San Bernardino failed to report the required information within the 10 days required period for the quarters ending December 31, 2022 and June 30, 2023; information on the student reports was accurate but not reported on a timely basis, per the requirement.

**Cause and Effect:** Management failed to report in a timely manner.

**Questioned Costs:** None

**Repeat Finding:** Yes

**Recommendation:** We recommend the University enhance its internal controls so that appropriate controls are in place to ensure student and institutional reporting is accurate and timely in accordance with requirements set forth in the HEERF grant agreements.

**Views of Responsible Officials:** The University concurs with the recommendation. The University will review and enhance its procedures and internal controls to ensure reporting requirements related to the HEERF grants are met and information is reported timely and accurately.



**CSU** The California State University

*401 Golden Shore, Long Beach, CA 90802*

[www.calstate.edu](http://www.calstate.edu)

## AGENDA

### COMMITTEE ON GOVERNMENTAL RELATIONS

**Meeting:** 2:00 p.m., Tuesday, May 21, 2024  
Glenn S. Dumke Auditorium

Jack B. Clarke, Jr., Chair  
Yammilette Rodriguez, Vice Chair  
Diana Aguilar-Cruz  
Diego Arambula  
Raji Kaur Brar  
Lillian Kimbell  
Julia I. Lopez  
Jack McGrory  
Jose Antonio Vargas

- Consent** 1. Approval of Minutes, *Action*
- Discussion** 2. Update on NAGPRA and CalNAGPRA Compliance, *Information*  
3. State Legislative Update, *Information*

**MINUTES OF THE MEETING OF THE  
COMMITTEE ON GOVERNMENTAL RELATIONS**

**Trustees of the California State University  
Office of the Chancellor  
Glenn S. Dumke Auditorium  
401 Golden Shore  
Long Beach, California**

**March 26, 2024**

**Members Present**

Jack B. Clarke, Jr., Chair  
Lillian Kimbell  
Jose Antonio Vargas

Wenda Fong, Chair of the Board  
Mildred García, Chancellor

Trustee Clarke called the meeting to order.

**Approval of the Minutes**

The minutes of the January 30, 2024, meeting were approved as submitted.

**Update on NAGPRA and CalNAGPRA Compliance**

Greg Saks, vice chancellor, external relations and communications expressed that it is imperative that the CSU fulfill its moral and legal obligation to Native American Tribes and descendants and repatriate all ancestors and cultural items that are in the universities' collections.

Nathan Dietrich, assistant vice chancellor for advocacy and state relations, provided an update on the most critical items that the CSU is working on to meet the recommendations, requirements and deadlines shared at the last board meeting. The first is the need to create a systemwide policy that will provide guidance and oversight to each of the universities. A draft is due to the California Native American Heritage Commission (NAHC) in July 2024. Per state law, input from and consultation with Tribes is of the utmost importance in the development of the systemwide policy; therefore, nine listening sessions have been scheduled for Tribal leaders, and a working group that includes Tribal voices has started to draft an outline of the systemwide policy for discussion. In addition to the formal listening sessions, the CSU will also be offering one-on-one consultation.



Assistant Vice Chancellor Dietrich shared additional updates and priorities:

- There is a standing NAGPRA update at every Executive Leadership Team meeting. At the February meeting, they were joined by Executive Secretary Raymond Hitchcock and a lawyer from the NAHC.
- Hiring qualified coordinators remains a top priority for each university. Coordinators must be hired by July 2024.
- State law and federal regulations prohibit the use of collections for teaching, research and display. This month, Chancellor García sent a memo to each president reminding them of these new legal responsibilities.
- The new state law requires the creation of systemwide and campus-based NAGPRA Committees. In consultation with the NAHC, the priority deadline for applicants was extended to February 2 to give Tribes and universities additional time to nominate members.
- A two-day training is planned for April in San Bernardino that will explore in greater detail the repatriation process, consultation requirements, and other items that are critical for university staff to know.
- Chico State's Director of Tribal Relations Rachel McBride-Praetorius is providing some of her time and support to the Chancellor's Office; a new administrative assistant has been hired to support CalNAGPRA Project Manager Adriane Tafoya; and the CSU is executing a legal support contract.

President Tomás Morales shared recent examples of the progress being made by the CSU. Sonoma State repatriated more than 5,000 cultural items to the United Auburn Indian Community of the Auburn Rancheria, facilitated 16 consultation meetings with various Tribes and participated in more than 30 consultation meetings with government agencies. Coordinators have been hired or positions have been posted at Channel Islands, Fresno, Long Beach, Los Angeles, Northridge and San Bernardino. Sacramento State opened a new Native American Student Success Center and Cal State San Bernardino has posted a position for a full-time director of tribal relations. In March, Cal State San Bernardino worked with the California Indians Nations College to support and host the White House Initiative Summit to advocate for Native American student access and success.

Chancellor García congratulated President Morales on the White House Initiative Summit. Chair Fong thanked Assistant Vice Chancellor Dietrich for the update, President Morales for his leadership, and the other CSU presidents for working so hard to meet these goals. She also reminded the trustees that there will be a NAGPRA update at every board meeting.

### **State Legislative Update**

Vice Chancellor Saks shared that staff met with the chair and vice chair of the Governmental Relations Committee to present the recommended bill positions and supporting analysis. More

than 2,200 bills were introduced in the legislature this year. The Advocacy and State Relations team has worked to review these bills, engaging colleagues at the universities and the Chancellor's Office to produce this initial report with special attention on legislation that directly impacts the CSU.

Assistant Vice Chancellor Dietrich provided an update on the three sponsored bills. Assemblymember Chris Ward introduced AB 2005, which would authorize universities to utilize the Low-Income Housing Tax Credit for the purpose of developing affordable housing for CSU faculty, staff and students on CSU-owned land. Last week, the bill had its first committee hearing and passed 7-0 and will next be heard in the Assembly Higher Education Committee on April 9. Assemblywoman Sharon Quirk-Silva introduced AB 2395, which would provide CSU universities flexibility in the use of professional and continuing education funds so they can be used to develop and expand innovative academic programs that improve student access and workforce preparation. This bill will be heard in committee in mid-April. The third sponsored bill was incorporated into the Higher Education Omnibus bill, which was introduced last week. This bill would provide an exemption from out-of-state tuition fees for members of the Armed Forces of the United States who are stationed in California for the purpose of pursuing educational goals at state-supported institutions of higher education.

He highlighted a few trends that have emerged this legislative year, including competing statewide educational facilities bond proposals; a continued focus on Title IX; a number of bills pertaining to nursing programs; and bills regarding CSU governance, which include the addition of two new trustees to the board, an external financial audit of the 23 universities, and a requirement to post additional financial information on the CSU website.

He also gave a recap on recent advocacy activities:

- Chancellor García joined separate Assembly and Senate Budget Committee hearings in February and March.
- CSU Advocacy Day was on February 21. He thanked the California State Student Association, the Alumni Association, Academic Senate, and the California State University Employee Union for their partnership. He gave special thanks to the Alumni Council for hosting an alumni reception the night before, with approximately 400 alumni in attendance, including key staffers and about a dozen legislators.
- The Chancellor spent almost a full week in Sacramento earlier this month meeting with legislators, hosting a roundtable and speaking with the key members of the press.
- Last week, a dozen CSU universities took part in a nursing advocacy day to communicate the importance of the CSU's nursing programs and offer solutions on how to grow the state's nursing workforce.
- He thanked the ten trustees who traveled to Sacramento on March 20. The trustees had a dozen meetings with members and shared the importance of a variety of budget and policy issues from a systemwide perspective.

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Trustee Adamson had questions about pending positions on a number of bills. Trustee Gilbert-Lurie thanked the staff for Trustee Advocacy Day. Trustee Ghilarducci suggested that the board receive an update on Title IX at each meeting. Trustee Faigin asked that staff continue to send out the legislative report a few weeks before the board meeting so they can review ahead of the meeting. Chair Fong thanked Vice Chancellor Saks, Assistant Vice Chancellor Dietrich and the Advocacy and State Relations team for their efforts to engage the board.

Trustee Clarke adjourned the meeting.

## **COMMITTEE ON GOVERNMENTAL RELATIONS**

### **Update on NAGPRA and CalNAGPRA Compliance**

#### **Presentation By**

Greg Saks  
Vice Chancellor  
External Relations and Communications

Nathan Dietrich  
Assistant Vice Chancellor  
Advocacy and State Relations

#### **Summary**

This agenda item provides an update on systemwide compliance in relation to federal and state laws that require the repatriation of Native American ancestral remains and cultural items that are in a university's possession.

#### **Background**

The January 2024 Board of Trustees meeting included a discussion on systemwide and university compliance in relation to the federal Native American Graves Protection and Repatriation Act (NAGPRA), the California Native American Graves Protection and Repatriation Act (CalNAGPRA), AB 389, and the 2023 state audit. The Board of Trustees has requested updates at future meetings on progress made towards meeting our responsibilities under state and federal law. The next update to the State Auditor on progress made implementing their recommendations is due in June 2024. Chancellor García met with Assemblymember James Ramos in April to discuss AB 389 implementation and the university's efforts to improve NAGPRA/CalNAGPRA compliance.

#### *Systemwide Policy Development and Listening Sessions*

AB 389 requires, and the 2023 state audit recommends, that the Chancellor's Office adopt systemwide policies and procedures related to NAGPRA/CalNAGPRA, consultation, and repatriation. AB 389 requires that this policy must be done in consultation with Tribes and the Native American Heritage Commission (NAHC). A draft is due to the NAHC by July 1, 2024, and the systemwide policy must be implemented by July 2025. AB 389 requires the CSU to "make best efforts to adopt the commission's recommendations."

The Chancellor’s Office has established a working group that includes university officials, Tribal voices, and those with NAGPRA/CalNAGPRA expertise. Nine listening sessions have been scheduled between April and June for Tribes to share with the Chancellor’s Office what they believe should be in the systemwide policy. Formal Tribal consultation opportunities have also been ensured throughout the policy development process.

While details of the future systemwide policy will be determined in consultation with Tribes and the NAHC, it will likely include a variety of topics, including:

- Culturally appropriate treatment of Native American ancestral remains and cultural items;
- Culturally appropriate best practices and training concerning repatriation;
- Protocol for processing and implementing claims for repatriation and dispute resolutions;
- Tribal research and testing requests;
- Prohibition on the use of Native American remains or cultural items for the purposes of teaching or research;
- Campus reporting requirements to the Chancellor’s Office, the NAHC, and/or the legislature;
- Roles and terms of systemwide and campus committees;
- Request by Tribes for a campus to hold their ancestral or cultural items until they are prepared to accept them;
- Best practices on collection storage and access;
- Campus NAGPRA coordinator roles and responsibilities.

Systemwide policy listening sessions have been and will be held on the following dates:

<b><u>Location</u></b>	<b><u>Date</u></b>
Long Beach	April 3
Sonoma	April 11
San Diego	April 17
Bakersfield	May 2
Sacramento	May 9
East Bay	May 15
Chico (Paskenta-Rolling Hills, with SHPO/THPO conference)	May 21
Humboldt	May 30
Inland Empire	June 18

Chancellor García attended the first listening session at Cal State Long Beach. To date, attendees have stressed the need for campuses to continue to search for items not accounted for in prior inventories, build trust with Tribes, and compensate Tribal representatives for their time, among

other items. CSU appreciates and acknowledges these comments and continues to work thoughtfully and diligently to meaningfully consult with Tribes to develop the systemwide policy.

#### *Campus Coordinators*

Hiring qualified coordinators must remain a top priority for each university. AB 389 states that “on or before July 1, 2024, to ensure that campuses pursue timely repatriation, require campuses with Native American remains and cultural items to have full-time, experienced repatriation coordinators.” The state audit also recommends having full-time coordinators hired by June 2024.

As of May 2, 2024, 16 of 21 universities have hired or posted their full-time experienced coordinator positions. Chancellor’s Office staff are working with the remaining universities to ensure they have the right personnel in place by July 2024.

#### *Systemwide Committee and Campus Committees*

AB 389 requires the creation of systemwide and campus-based NAGPRA committees and the state audit also recommends it. The law requires the NAHC to review applicants and nominate them to the chancellor for appointment. Each systemwide and campus-based committee will include at least four voting Tribal representatives and three university voting members. At their May 3 commission meeting, the NAHC formally voted to nominate a number of individuals to serve on campus committees. The NAHC will continue to take nominations for committee members throughout the year. We will continue to encourage qualified applicants to apply for committee positions and the NAHC will continue to review and nominate committee members.

#### *Prohibition on Teaching, Research, and Display*

AB 389 and the new federal regulations place an additional emphasis on prohibiting the use of ancestral remains or cultural items that are in a university’s collection in teaching, research or on display. On March 18, 2024, Chancellor García issued a memorandum directing university presidents to ensure the prohibition of the use of any ancestral remains or cultural items that are in the university’s collection in teaching, research or on display as required by state law and federal regulations. Each university must adhere to these laws and regulations, which disallow the continued use and display of ancestral remains or cultural items subject to NAGPRA and CalNAGPRA that have not processed through the legal repatriation requirements. This includes a prohibition on using ancestral remains or cultural items that have yet to be repatriated in teaching and research. The memorandum reinforced that the best practice is not to make assumptions and consult with the associated Tribe(s) if there are questions about any material. This topic was

featured prominently at the April training workshop at Cal State San Bernardino discussed in more detail below.

### *Status of Inventories*

AB 389 requires the CSU to report to the legislature the progress each campus has had in reviewing its collections of Native American ancestors and cultural items by December 31, 2024. To ensure that campuses assess all campus areas, campuses must conduct campuswide assessments of departments and storage facilities including off-site or satellite locations. Progress on campuses' review and inventories was part of the Campus Repatriation Implementation Plans that were due to the Chancellor's Office in December 2023. Some universities have sent out additional surveys to all staff and faculty this spring, asking them to continue to make an effort to search for any items that should be accounted for. In response to feedback received at the systemwide policy listening sessions, the Chancellor's Office will consider ways to ensure campuses continue to conduct additional searches of all campus facilities to ensure that all ancestral remains or cultural items subject to NAGPRA/CalNAGPRA are discovered and included in repatriation efforts.

### *Fiscal Planning*

The CSU 2024-2025 operating budget request includes \$4.25 million for NAGPRA/CalNAGPRA compliance. Funds have been requested to create 30 university and three systemwide positions, as well as for operational costs. Desired campus budgets have been submitted to the Chancellor's Office and are under review. Specific budgeting decisions and guidance will be made later this spring when the state's budget becomes clearer.

AB 389 also requires each campus to identify and estimate the funding needed to complete repatriations in a timely manner by January 2025 and report this information to the NAHC and legislature. The campus budgets that were included in the Campus Repatriation Implementation Plans provided to the Chancellor's Office in December 2023 will help inform this estimate.

### *NAGPRA Training*

CSU hosted a two-day training at Cal State San Bernardino on April 24 and 25, 2024. Campus NAGPRA/CalNAGPRA coordinators and presidential designees were strongly encouraged to attend. The in-person training was live streamed and accessed by more than 200 individuals from the CSU, UC, community colleges, Tribes, as well as state and federal agencies attended the training. The training was recorded and will be posted to the CSU CalNAGPRA/NAGPRA website. Presenters included Mario Pallari, legal counsel for the NAHC, Melaine O'Brien, the U.S. Department of Interior's National NAGPRA Program Manager and Tribal leaders and experts

concerning NAGPRA/CalNAGPRA. Topics included the prohibition on teaching and research, Tribal requests for research/analysis, examples of collaborations, and a session on CalNAGPRA and the new federal regulations.

*Chancellor's Office Support*

The state audit recommended that the Chancellor's Office formalize its administrative structure in relation to NAGPRA and CalNAGPRA. Recognizing the unique government to government role, duties were assigned to the Office of Advocacy and State Relations in the fall of 2023, and the Chancellor's Office continues to build out its administrative structure and support for campuses.

Outside legal counsel has been retained to aid campuses in their repatriation efforts. Adriane Tafoya, CalNAGPRA Project Manager and Assistant Vice Chancellor, Advocacy and State Relations, Nathan Dietrich regularly meet with the presidential designee and NAGPRA/CalNAGPRA coordinator at each campus to monitor campus progress and understand the challenges faced by universities. These meetings have raised important issues that have been or will be addressed systemwide.



## **COMMITTEE ON GOVERNMENTAL RELATIONS**

### **State Legislative Update**

#### **Presentation By**

Greg Saks  
Vice Chancellor  
External Relations and Communications

Nathan Dietrich  
Assistant Vice Chancellor  
Advocacy and State Relations

#### **Summary**

The first major legislative deadline was on April 26, by which the Assembly and Senate policy committees needed to act on bills to advance to their respective fiscal committee. Any bills that failed to meet the policy deadline are not eligible to advance forward this legislative year. The next deadline is May 27 and bills must pass out of their house of introduction to continue to be active moving forward. This presentation highlights bills of interest to the CSU community.

This report is organized as follows:

- Board of Trustees sponsored legislation
- Active bills
  - Senate Bills
  - Assembly Bills
- Failed to Meet Policy Committee Deadline
  - Senate Bills
  - Assembly Bills
- Governor's Actions

All bill summaries and positions are accurate as of May 2, 2024. The Board will be provided with the fiscal impacts of legislation in early June.

### **SPONSORED LEGISLATION**

#### **AB 2005 (Ward) – California State University: Faculty and Employee Housing**

This bill would allow the California State University (CSU) residential development partners to utilize Low-Income Housing Tax Credits to develop affordable housing for faculty and staff on university-owned land.

- **CSU Position:** Sponsor
- **Status:** This bill is on the Assembly Appropriations Suspense File.

#### **AB 2395 (Quirk-Silva) – California State University: Extension Programs, Special Session, and Self-Supporting Instructional Programs**

This bill would provide CSU campuses flexibility in the use of professional and continuing education funds so they can be used to develop and expand innovative academic programs to improve student access and workforce preparation.

- **CSU Position:** Sponsor
- **Status:** This bill is on the Assembly Appropriations Suspense File.

### **ACTIVE BILLS**

#### **Senate Bills**

#### **SB 28 (Glazer) – Education Finance: School Facilities: Public Preschool, K–12, and College Health and Safety Bond Act of 2024**

This bill would place a \$15.5 billion facilities bond on the March 2024 ballot for K-16, that if approved by the voters, would allocate \$2 billion for the CSU.

- **CSU Position:** Support
- **Status:** This bill is awaiting a hearing in the Assembly Appropriation Committee.

#### **SB 59 (Skinner) – Menstrual Product Accessibility Act**

This bill increases the number of bathrooms in state-owned buildings that must be stocked with menstrual products, which are to be provided to members of the public free of charge.

- **CSU Position:** Tracking
- **Status:** This bill is awaiting referral in the Assembly Rules Committee.

**SB 295 (Dodd) – Vehicles: Regulations on Public Property**

This bill would authorize public agencies, including the UC and the CSU, to restrict the use of certain electronically powered modes of transportation including scooters, pocket bicycles, low speed vehicles and utility terrain vehicles under their jurisdiction.

- **CSU Position:** Support
- **Status:** This bill is awaiting hearing in the Assembly Transportation Committee.

**SB 895 (Roth) – Community Colleges: Baccalaureate Degree in Nursing Pilot Program**

This bill would require the Chancellor of the California Community Colleges (CCC) to develop a Baccalaureate Degree in Nursing Pilot Program that authorizes 15 select community college districts to offer a Bachelor of Science in Nursing degree.

- **CSU Position:** Oppose
- **Status:** This bill is awaiting a hearing in the Senate Appropriations Committee.

**SB 906 (Skinner) – Collegiate Athletics: Student Athlete Compensation**

This bill would require specified reporting including a report by an entity that provides compensation to a student athlete, or the student athlete's family, to report such compensation to the student athlete's postsecondary educational institution.

- **CSU Position:** Pending
- **Status:** This bill is set for hearing in the Senate Appropriations Committee on May 6.

**SB 916 (Seyarto) – Waiver of Tuition and Fees: Veterans: Extended Education Courses**

This bill would prohibit campuses of the three segments of public postsecondary education from charging tuition or fees for students who are veterans, along with their dependents, who choose to enroll in an extended education course if certain requirements are satisfied and the extended education course is being used to meet the requirements of undergraduate degree program.

- **CSU Position:** Pending
- **Status:** This bill is on the Senate Appropriations Suspense File.

**SB 984 (Wahab) – Public Agencies: Project Labor Agreements**

This bill would require specified state agencies, including the CSU, to select three projects prior to January 2027 that would be managed under a Project Labor Agreement (PLA) for a public works projects in excess of \$35 million.

- **CSU Position:** Oppose Unless Amended
- **Status:** This bill is set for hearing in the Senate Appropriations Committee on May 6.

**SB 995 (Padilla) – CSU: Teacher Recruitment and Retention**

This bill requires the CSU Chancellor in consultation with the California Community College Chancellor to create a five-year pilot program starting with the 2025-2026 school year for students to complete a baccalaureate degree in teacher credentialing in four years.

- **CSU Position:** Pending
- **Status:** This bill is on the Senate Appropriations Suspense File.

**SB 1015 (Cortese) – Nursing Schools and Programs**

This bill would require the Nursing Education and Workforce Advisory Committee, within the Board of Registered Nursing, to study and recommend to the legislature how schools of nursing can coordinate clinical placements.

- **CSU Position:** Support
- **Status:** This bill is on the Senate Appropriations Suspense File.

**SB 1023 (Wilk) – CSU: Antelope Valley or Victor Valley Campus**

This bill would authorize the CSU Chancellor’s Office to conduct and submit to the Board of Trustees (BOT) a study on the feasibility of an independent CSU campus in the Antelope Valley or Victor Valley.

- **CSU Position:** Tracking
- **Status:** This bill is on the Senate Appropriations Suspense File.

**SB 1042 (Roth) – General Acute Care Hospitals: Clinical Placements: Nursing**

This bill would require health care facilities to meet with public and private schools who provide nursing education to annually discuss their clinical placement needs and impose specified reporting requirements, which in turn should be used to help prioritize the clinical placement needs of approved schools of nursing, including the CSU.

- **CSU Position:** Pending
- **Status:** This bill is set for hearing in the Senate Appropriations Committee on May 6.

**SB 1166 (Dodd) – Annual Report: Sex Discrimination**

This bill requires the CSU and CCC, and requests the UC, to report annually to the legislature with a summary of the activities undertaken by each campus and by the systemwide Title IX office to ensure campus programs and activities are free from sex discrimination.

- **CSU Position:** Pending
- **Status:** This bill is on the Senate Appropriations Suspense File.

**SB 1200 (Glazer) – CSU: California Promise: Finish in Four and Through in Two**

This bill changes the name of the California Promise Program to ‘Finish in Four and Through in Two’, eliminates the 2026 sunset of the program, and requires annual reporting to the legislature on program participation.

- **CSU Position:** Pending
- **Status:** This bill is on the Senate Appropriations Suspense File.

**SB 1287 (Glazer) – Equity in Higher Education Act: Prohibition on Harassment, Intimidation, and Discrimination**

This bill requires the CSU, UC, and CCC to adopt a policy within their student code of conduct that prohibits violence, harassment, intimidation, and discrimination that are intended to interfere with free speech, or calls for or supports genocide, and develop mandatory training programs to educate students on how to exchange views in an atmosphere of mutual respect and civility, among other requirements.

- **CSU Position:** Pending
- **Status:** This bill is awaiting a hearing in the Senate Appropriations Committee.

**SB 1348 (Bradford) – California Seal of Excellence in Serving Black and African American Postsecondary Students**

This bill would establish the California Seal of Excellence in Serving Black and African American Postsecondary Students to recognize campuses of these segments that excel at providing academic resources to Black and African American students.

- **CSU Position:** Support
- **Status:** This bill is awaiting a Senate floor vote.

**SB 1378 (Min) – Pupil and Student Safety: Identification Cards: Federal Title IX Assistance Telephone Number**

This bill requires all schools that serve pupils in grade 7 through 12 as well as all higher education institutions to list contact information for their school’s Title IX Coordinator and the U.S. Department of Education Office for Civil Rights on their student identification cards.

- **CSU Position:** Pending
- **Status:** This bill is on the Senate Appropriations Suspense File.

**SB 1411 (Ochoa Bogh) – Instructional Quality Commission: Membership: Appointments by the Intersegmental Committee of the Academic Senates**

This bill would add six public members to the Instructional Quality Commission, which would be appointed by the Intersegmental Committee of the Academic Senates with each segment appointing two members.

- **CSU Position:** Pending
- **Status:** This bill is on the Senate Appropriations Suspense File.

**SB 1491 (Eggman) – Postsecondary Education: Equity in Higher Education Act**

This bill requires the CSU and CCC to designate a confidential employee at each campus to be a point of contact for the needs of lesbian, gay, bisexual, asexual, pansexual, transgender, gender-nonconforming, intersex and two-spirit faculty, staff, and students. This bill also requires the LAO to conduct an assessment of the quality of life at these institutions for the populations above.

- **CSU Position:** Pending
- **Status:** This bill is set for hearing in the Senate Appropriations Committee on May 6.

**Assembly Bills**

**AB 25 (McCarty) – Student Financial Aid: Middle Class Scholarship Program**

This bill amends the rules of the Middle-Class Scholarship Program to remove basic needs emergency aid from consideration in the awarding or adjusting of scholarship amounts. It also requires the Department of Finance to fully fund the program over five years, provided general fund revenues increase for two consecutive years.

- **CSU Position:** Tracking
- **Status:** This bill is awaiting a hearing in the Senate Appropriation Committee.

**AB 252 (Holden) – The College Athlete Protection Act**

This bill establishes the College Athlete Protection (CAP) Act, for the purpose of providing various rights, benefits and protections to college athletes. The bill creates a 21-member panel to promulgate various regulations and requires National Collegiate Athletic Association Division I schools to provide degree completion fund payments to student athletes that receive athletic grants.

- **CSU Position:** Oppose
- **Status:** This bill is awaiting a hearing in the Senate Education Committee.

**AB 456 (Maienschein) – Public Postsecondary Education: Campus Mental Health Hotlines**

This bill would require the Chancellor of the California Community Colleges and the Chancellor of the California State University, on or before January 1, 2026, to develop a plan to make a campus mental health hotline that is operated by an organization with expertise in student mental health available to students on their respective campuses, and to report to the legislature on this plan by January 1, 2026.

- **CSU Position:** Tracking
- **Status:** This bill is awaiting a referral in the Senate Rules Committee.

**AB 506 (Fong, Mike) – CSU: Ethnic Studies Course Approvals**

This bill requires the CSU to collaborate with the ASCSU, the CCC Ethnic Studies Faculty Council, and the CSU Council on Ethnic Studies to develop a process for CSU to approve CCC ethnic studies courses. It also suspends the current approval by one year and states that courses approved through 2023 will no longer satisfy the requirement.

- **CSU Position:** Oppose
- **Status:** This bill was held under submission in the Senate Appropriations Committee.

**AB 810 (Friedman) – Athletics Department: Misconduct Database**

This bill requires the CSU, UC, and CCC to require applicants for an academic, athletic, or administrative position to disclose any administrative or judicial finding that the applicant committed sexual harassment. The applicant would also be required to sign a release form that authorizes their former employer to release information regarding any substantiated allegations of misconduct.

- **CSU Position:** Tracking
- **Status:** This bill is awaiting a referral in the Senate Rules Committee.

**AB 1142 (Fong, Mike) – Postsecondary Education: Coordinating Commission for Postsecondary Education in California**

This bill would establish the Coordinating Commission for Postsecondary Education in California as an independent state agency with the authority to provide statewide postsecondary education oversight, coordination and planning.

- **CSU Position:** Pending
- **Status:** This bill is awaiting a referral in the Senate Rules Committee.

**AB 1160 (Pacheco) - Postsecondary Education: Debt Collection**

This bill expands the Educational Debt Collection Practices Act to prohibit tax offset for debts owed to postsecondary institutions, creates new regulations for institutions utilizing third-party debt collection agencies, prohibits the withholding of a diploma or certificate or placing holds on a student's registration or reenrollment because of institutional debts, and requires biennial reporting to the legislature on the amounts and types of debts owed by students to each institution.

- **CSU Position:** Oppose
- **Status:** This bill is awaiting a referral in the Senate Rules Committee.

**AB 1393 (Calderon) – Student Aid Commission: California Dream Act: Food Support Pilot Program**

This bill would establish the Food Support Pilot Program within the Student Aid Commission, which would provide food support grants to qualifying students who complete a California Dream Act application and receive financial assistance under the California Dream Act.

- **CSU Position:** Tracking
- **Status:** This bill was held under submission in the Senate Appropriations Committee.

**AB 1524 (Lowenthal) - Postsecondary Education: On-Campus Access to Drug Testing Devices and Antitampering Devices**

This bill requires the CSU and CCC, and requests the UC, to stock devices that detect the presence of drugs such in a central and accessible location on campus and offer them free of charge.

- **CSU Position:** Tracking
- **Status:** This bill is on the Senate Inactive File.

**AB 1575 (Irwin) – Postsecondary Education: Designated Advocates: Notification**

This bill requires public postsecondary institutions to advise students involved in disciplinary procedures that they are allowed to select a respondent adviser to assist them in navigating the adjudication procedures.

- **CSU Position:** Pending
- **Status:** This bill is awaiting a hearing in the Senate Education Committee.



**AB 1577 (Low) – General Acute Care Hospitals: Clinical Placements: Nursing**

This bill requires hospitals to report clinical placement data for nursing students and requires community college nursing programs to report clinical placement needs. Requires hospitals to offer pre-licensure clinical training slots to CCC.

- **CSU Position:** Oppose unless amended
- **Status:** This bill is awaiting a hearing in the Senate Health Committee.

**AB 1790 (Connolly) – CSU: Sexual Harassment: Implementing California State Auditor Recommendations**

This bill would require the CSU to implement the recommendations of the 2023 state audit on Title IX and report to the Legislature on the status of implementation.

- **CSU Position:** Tracking
- **Status:** This bill is set for hearing in the Assembly Appropriations Committee on May 8.

**AB 1818 (Jackson) – Public Postsecondary Education: Homeless Students: Parking**

This bill would require the CSU, and CCC to develop a pilot program to allow overnight parking by students who use their vehicles as housing provided that they have a valid parking permit and are parked in a campus owned parking facility. By July 1, 2025 the CSU shall select 10 campuses to participate in until January 1, 2029. It would further prohibit the segments from penalizing or citing the students for doing so.

- **CSU Position:** Pending
- **Status:** This bill is set for hearing in the Assembly Appropriations Committee on May 8.

**AB 1841 (Weber) – Student Safety: Opioid Overdose Reversal Medication: Student Housing Facilities**

This bill would require the CSU and the CCC to require each university or college-affiliated student housing facility to stock federally approved opioid overdose reversal medication, to train all residential staff members at each student housing facility on the administration of the opioid overdose reversal medication, and to distribute the opioid overdose reversal medication to all university or college-affiliated Greek-life housing facilities.

- **CSU Position:** Pending
- **Status:** This bill is awaiting a hearing in the Senate Education Committee.

**AB 1905 (Addis) – Employment: Settlements, Informal Resolutions, and Retreat Rights**

This bill prohibits an employee of a public postsecondary educational institution from being eligible for retreat rights and from receiving a letter of recommendation if the employee is determined in a final administrative decision to have committed sexual harassment.

- **CSU Position:** Pending
- **Status:** This bill is set for hearing in the Assembly Appropriations Committee on May 8.

**AB 2015 (Schiavo) – Nursing Schools and Programs: Faculty Members, Directors, and Assistant Directors**

This bill would authorize the Board of Registered Nursing (BRN) to approve an individual to serve as a member of the faculty, director, or assistant director of an approved school of nursing program as well as several other regulatory changes.

- **CSU Position:** Pending
- **Status:** This bill is set for hearing in the Assembly Appropriations Committee on May 8.

**AB 2033 (Reyes) – Electronic Benefits Transfer Cards: Basic Needs Services and Resources**

This bill would require the CSU and request the UC to establish a Basic Needs Center and employ a Basic Needs Coordinator at every campus who would perform specified duties.

- **CSU Position:** Pending
- **Status:** This bill is set for hearing in the Assembly Appropriations Committee on May 8.

**AB 2047 (Fong, Mike) – Discrimination Prevention: Systemwide Offices of Civil Rights**

This bill requires the CSU, UC, and CCC to establish a systemwide Office of Civil Rights to be led by a systemwide Title IX Coordinator who will perform specified duties.

- **CSU Position:** Pending
- **Status:** This bill is set for hearing in the Assembly Appropriations Committee on May 8.

**AB 2048 (Fong, Mike) – Discrimination Prevention: Campus-Based Title IX Offices**

This bill would require each campus of the CSU and UC, and each district of the CCC, to establish a Title IX office under the administration of a Title IX Coordinator who will perform specified duties.

- **CSU Position:** Pending
- **Status:** This bill is set for hearing in the Assembly Appropriations Committee on May 8.

**AB 2070 (Cervantes) – Trustees of the CSU: Faculty Appointees**

This bill would add an additional faculty member to the Board of Trustees to be appointed by the governor, and also require the Academic Senate to provide four names, rather than two, to the governor for consideration.

- **CSU Position:** Oppose
- **Status:** This bill is awaiting an Assembly floor vote.

**AB 2076 (McCarty) – California Student Housing Revolving Loan Fund Act of 2022: State Fund Loan**

This bill requests \$200 million be transferred to the California Student Housing Revolving Loan Program from the Surplus Money Investment Fund and other funds in the Pooled Money Investment Account to fund the program in the 2024-2025 fiscal year.

- **CSU Position:** Support
- **Status:** This bill is set for hearing in the Assembly Appropriations Committee on May 8.

**AB 2104 (Soria) – Community Colleges: Baccalaureate Degree in Nursing Pilot Program**

This bill would require the CCC to develop a Baccalaureate Degree in Nursing Pilot Program that authorizes 15 select community college districts to offer a Bachelor of Science in Nursing degree.

- **CSU Position:** Oppose
- **Status:** This bill is set for hearing in the Assembly Appropriations Committee on May 8.

**AB 2116 (Grayson) – Road Maintenance and Rehabilitation Account: UC & CSU: Reports**

This bill would require the CSU and UC, on or before January 1 of each year, to each submit a report to the Transportation Agency and specified legislative committees detailing its expenditures of moneys from the Road Maintenance and Rehabilitation Account for the previous fiscal year, including, but not limited to, research activities and administration.

- **CSU Position:** Pending
- **Status:** This bill is on the Assembly Appropriations Suspense File.

**AB 2150 (Arambula) – Public Social Services: Higher Education**

This bill requires a county human services agency to receive input from campus basic needs directors when developing protocols for engagement between the agency and institutions of higher education located within the county. This bill also requires the Department of Social Services to consult with staff liaisons and basic needs directors to develop training related to determining student eligibility for public social services and to convene a workgroup to identify barriers to enrollment in public social services.

- **CSU Position:** Support
- **Status:** This bill is on the Assembly Appropriations Suspense File.

**AB 2152 (McCarty) – CSU & UC: Graduation Requirements: Service-Learning Pilot Program**

This bill requires that commencing with students graduating in the 2033-2034 academic year, the CSU and the UC, for at least three campuses each, shall, as a pilot program, adopt the completion of a service-learning program as an undergraduate graduation requirement. This bill also requires the CSU and requests the UC, commencing with the 2026-2027 academic year, to provide information on service-learning programs and opportunities for undergraduate students on campus websites.

- **CSU Position:** Oppose unless amended
- **Status:** This bill is on the Assembly Appropriations Suspense File.

**AB 2193 (Holden) – Hazing: Educational Institutions: Civil Liability**

This bill establishes civil liability for an education institution, which includes the CSU, if the institution had direct involvement in or knew of dangerous hazing practices and failed to take reasonable steps to stop the hazing practices of the organization.

- **CSU Position:** Oppose unless amended
- **Status:** This bill is set for hearing in the Assembly Appropriations Committee on May 8.

**AB 2275 (Fong, Mike) – Trustees of the CSU: Appointees**

This bill would require that members selected to serve on the CSU Board of Trustees should be inclusive and representative of the demographic groups of California and that the board reflect diversity of race, gender, and among other things disabled persons and veterans.

- **CSU Position:** Tracking
- **Status:** This bill is awaiting referral in the Senate Rules Committee.

**AB 2305 (Fong, Mike) – Public Postsecondary Education: Community Colleges: Statewide Baccalaureate Degree Program**

This bill makes changes to the timeline requirements for community colleges to apply for a baccalaureate degree program and for applications to be approved.

- **CSU Position:** Support
- **Status:** This bill is awaiting referral in the Senate Rules Committee.

**AB 2326 (Alvarez) – Equity in Higher Education Act: Discrimination, Compliance, Regulations, and Reports**

This bill states that the leader of the system shall have responsibility for monitoring the compliance of each campus in ensuring that programs are free from discrimination. The Chancellor's Office shall annually submit a report to the Board of Trustees and to the legislature detailing efforts to prevent and respond to discrimination, and the Chancellor shall testify annually before the legislative budget subcommittees on the state of the system in responding to all forms of discrimination.

- **CSU Position:** Pending
- **Status:** This bill is set for hearing in the Assembly Appropriations Committee on May 8.

**AB 2398 (Kalra) – CSU: Audits**

This bill would require an external financial audit of each campus of the CSU to be conducted once every three years and the results of those audits to be made available to the public.

- **CSU Position:** Pending
- **Status:** This bill is on the Assembly Appropriations Suspense File.

**AB 2404 (Lee) – State and Local Public Employees: Labor Relations: Disputes**

This bill allows public employees to strike in solidarity with other employee groups.

- **CSU Position:** Pending
- **Status:** This bill is on the Assembly Appropriations Suspense File.

**AB 2407 (Hart) – Sexual Harassment Complaints: State Audits**

This bill requires the California State Auditor to, on or before January 1, 2026, and every three years thereafter, conduct an audit of the CSU, CCC and UC regarding their respective handling and investigation of sexual harassment complaints, and would require the findings of those audits to be reported to the legislature.

- **CSU Position:** Pending
- **Status:** This bill is on the Assembly Appropriations Suspense File.

**AB 2447 (Valencia) – Expenditures: Internet Website**

This bill, known as the California State University Transparency Act of 2024, would require the university to report any expenditures of state dollars over \$10,000 on a website available to the public on or before July 2026.

- **CSU Position:** Pending
- **Status:** This bill is set for hearing in the Assembly Appropriations Committee on May 8.

**AB 2458 (Berman) – Public Postsecondary Education: Student Parents**

This bill requires the CSU and CCC, and requests the UC, to post additional information on student parent webpages on campus websites; to develop and implement a campus policy for estimating and adjusting cost of attendance information for student parents; to establish a data field in the campus's data management information system to identify student parents; and to update its campus net price calculator to include a baseline student parent cost estimate.

- **CSU Position:** Pending
- **Status:** This bill is on the Assembly Appropriations Suspense File.

**AB 2492 (Irwin) – Sex Discrimination Complaints: Advocates and Coordinators**

This bill requires the CSU, CCC, and requests the UC, to designate at each campus a confidential student advocate, a confidential staff and faculty advocate, and confidential respondent services coordinator to assist students, faculty, or staff who have experienced or are accused of sex discrimination.

- **CSU Position:** Support
- **Status:** This bill is set for hearing in the Assembly Appropriations Committee on May 8.

**AB 2516 (Santiago) – Trustees of the CSU: Bargaining Unit Representative**

This bill requires a bargaining unit representative to be added to the Board of Trustees for a two-year term to be selected by the California State University Labor Council.

- **CSU Position:** Oppose
- **Status:** This bill is awaiting an Assembly floor vote.

**AB 2586 (Alvarez) – Public Postsecondary Education: Undocumented Student Employment**

This bill prohibits the CSU, CCC and UC from disqualifying a student for employment at a campus due to failure to provide proof of federal work authorization, except where proof is required by federal law or when proof is required as a condition of a grant that funds the work position for which the student has applied.

- **CSU Position:** Pending
- **Status:** This bill is on the Assembly Appropriations Suspense File.

**AB 2608 (Gabriel) – Sexual Violence and Sexual Harassment: Training**

This bill requires public and private postsecondary institutions to update their annual sexual violence and sexual harassment training to include additional topics, such as how to recognize if someone is at risk of drug-facilitated sexual assault and where to access additional confidential resources on- and off-campus.

- **CSU Position:** Pending
- **Status:** This bill is set for hearing in the Assembly Appropriations Committee on May 8.

**AB 2633 (Alvarez) – Joint Degrees: International Institutions of Higher Education**

The bill would authorize the CSU to award undergraduate, graduate, and doctoral degrees jointly with international institutions of higher education.

- **CSU Position:** Pending
- **Status:** This bill is awaiting a hearing in the Assembly Appropriations Committee.

**AB 2821 (Grayson) – Postsecondary Education: Students with Disabilities**

This bill requires public postsecondary institutions to provide training with information regarding disability access and compliance to all personnel during onboarding. It would also require the CSU, UC and CCC to report program cost and budget breakdowns for disabled student programs at each campus every five years.

- **CSU Position:** Pending
- **Status:** This bill is set for hearing in the Assembly Appropriations Committee on May 8.

**AB 2834 (Rendon) – Part Time Faculty**

This bill would require, when possible, that the names of part-time community college faculty should be listed in the class schedule and bulletin once they are assigned to a class and extend the same preferences to part-time faculty at California State University campuses, including other specified requirements.

- **CSU Position:** Pending
- **Status:** This bill is on the Assembly Appropriations Suspense File.

**AB 2852 (Gracia) – Public Postsecondary Education: California-Mexico Higher Education Development and Academic Exchange Program**

This bill would establish an exchange program of 400 students who attend a CSU, UC or CCC to attend universities in Mexico, and 400 students who attend a university in Mexico to attend a CSU, UC or CCC each year. This bill would also establish a fund in the State Treasury for the purpose of funding this program.

- **CSU Position:** Pending
- **Status:** This bill is on the Assembly Appropriations Suspense File.

**AB 2883 (Low) – Lunar New Year Holiday**

This bill would require each university of the CSU, and would request each campus of the UC, to observe Lunar New Year as a paid holiday.

- **CSU Position:** Pending
- **Status:** This bill is set for hearing in the Assembly Appropriations Committee on May 8.

**AB 2925 (Friedman) Equity in Higher Education Act: Prohibition on Discrimination: Training and Notice**

This bill specifies that California’s postsecondary educational institutions have an obligation to combat hate-based discrimination and requires that universities annually inform students of how to file a complaint with the U.S. Department of Education if the student is subjected to discrimination, including anti-Semitic behavior.

- **CSU Position:** Pending
- **Status:** This bill is set for hearing in the Assembly Appropriations Committee on May 8.

**AB 2936 (Jackson) – Higher Education Reconciliation Act**

This bill would require the CSU and CCC, and request the UC, to each develop a reconciliation master plan to address cultural and political conflicts that arise on campus, which will include a forum for the purpose of students’ voices being heard while feeling safe.

- **CSU Position:** Pending
- **Status:** This bill is set for hearing in the Assembly Appropriations Committee on May 8.

**AB 2953 (Alvarez) – UC And CSU: First-Generation Students: Outreach and Admission**

This bill would require the CSU, and request the UC, to develop and implement a 4-year accountability plan for outreach to, and admission of, first-generation students.

- **CSU Position:** Pending
- **Status:** This bill is set on the Assembly Appropriations Suspense File.



**AB 2987 (Ortega) – Sex Discrimination Complaints: Status Updates and Notices**

This bill requires the CSU and CCC, and requests the UC, to provide updates to parties involved with a Title IX case every thirty days and to provide notice of disciplinary action to the respondent in a complaint of sex discrimination with three days of a decision being made.

- **CSU Position:** Pending
- **Status:** This bill is set for hearing in the Assembly Appropriations Committee on May 8.

**AB 3015 (Ramos) – Public Postsecondary Education: Exemption from Nonresident Tuition and Fees: Federally Recognized Indian Tribes**

This bill entitles a student to resident classification for the purpose of determining tuition and fees if the student is a member of a federally recognized Indian tribe whose tribal land lies across the state border of California and Arizona, Nevada or Oregon, and the student has a residence in the bordering state.

- **CSU Position:** Support
- **Status:** This bill on the Assembly Appropriations Suspense File.

**AB 3034 (Low) – Waiver of Tuition and Fees: California Conservation Corps**

This bill would prohibit the CSU and UC, if adopted by resolution, from charging tuition or fees for students who meet certain requirements, including having completed one year in the California Conservation Corps.

- **CSU Position:** Pending
- **Status:** This bill is set for hearing in the Assembly Appropriations Committee on May 8.

**AB 3290 (Committee on Higher Education) Postsecondary Education: Omnibus Bill**

This bill will be used to provide clarifying and confirming changes to various provisions of the Education Code affecting higher education.

- **CSU Position:** Support
- **Status:** This bill is set for hearing in the Assembly Appropriations Committee on May 8.

## **FAILED TO PASS POLICY COMMITTEE DEADLINE**

### **Senate Bills**

#### **SB 1235 (Gonzalez) – Artificial Intelligence and Deepfake Working Group**

This bill would require Cal State Long Beach to establish the Artificial Intelligence and Deepfake Working Group and develop a scoping plan to establish topics that may be addressed by the working group.

- **CSU Position:** Tracking
- **Status:** This bill failed to pass the policy committee deadline on April 26.

### **Assembly Bills**

#### **AB 1942 (Cervantes) – Students: Paid Opportunities**

This bill would require all students attending the CSU or CCC, regardless of immigration status, to be eligible to apply for and accept paid opportunities at the CSU or CCC, including, but not limited to, employment, fellowships, residencies, apprenticeships, and contract work.

- **CSU Position:** Pending
- **Status:** This bill failed to pass the policy committee deadline on April 26.

#### **AB 3112 (Essayli) – Tuition Increases: Consumer Price Index**

This bill would prohibit all segments of public and private postsecondary education in the state, commencing with the 2029-2030 academic year, from increasing their tuition by an amount greater than the percentage increase in the United States Consumer Price Index.

- **CSU Position:** Oppose
- **Status:** This bill failed to pass the policy committee deadline on April 26.

## **GOVERNOR'S ACTIONS**

### **Assembly Bills**

#### **AB 1887 (Cervantes) – Student Financial Aid: Application Deadlines: Extension**

This bill moves the deadline for students to apply for state financial aid from April 2, 2024, to May 2, 2024.

- **CSU Position:** Support
- **Status:** Chaptered by Secretary of State - Chapter 5, Statutes of 2024.

## AGENDA

### COMMITTEE ON COLLECTIVE BARGAINING

**Meeting:**     **8:30 a.m., Tuesday, May 21, 2024**  
                  **Munitz Conference Room—Closed Session**  
                  **Government Code §3596(d)**

**2:45 p.m., Tuesday, May 21, 2024**  
**Glenn S. Dumke Auditorium—Open Session**

Christopher Steinhauser, Chair  
Jack Clarke, Jr., Vice Chair  
Larry L. Adamson  
Julia I. Lopez

#### **Open Session—Glenn S. Dumke Auditorium**

- Consent**
1. Approval of Minutes, *Action*
  2. Adoption of Initial Proposals for a New Collective Bargaining Agreement with Bargaining Unit 15 (Student Assistants), California State University Employees Union (CSUEU), *Action*

**MINUTES OF THE MEETING OF THE  
COMMITTEE ON COLLECTIVE BARGAINING**

**Trustees of the California State University  
Office of the Chancellor  
Glenn S. Dumke Auditorium  
401 Golden Shore  
Long Beach, California**

**March 26, 2024**

**Members Present**

Christopher Steinhauser, Chair  
Jack Clarke, Jr., Vice Chair  
Larry L. Adamson  
Julia I. Lopez

Wenda Fong, Chair of the Board  
Mildred García, Chancellor

**Public Speakers**

Public comment took place at the beginning of the meeting's open session, prior to all committees.

Chair Steinhauser called the Committee on Collective Bargaining to order.

**Approval of the Consent Agenda**

The minutes of the January 30, 2024 meeting were approved as submitted.

The minutes of the March 4, 2024 meeting were approved as submitted.

Agenda Item 3, Adoption of Initial Proposals for a Successor Collective Bargaining Agreement with Bargaining Unit 4, Academic Professionals of California (APC), was approved as submitted.

CB

Agenda Item 1

May 19-22, 2024

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Agenda Item 4, Adoption of Initial Proposals for a Successor Collective Bargaining Agreement with Bargaining Unit 10, International Union of Operating Engineers (IUOE), was approved as submitted.

Chair Steinhauser adjourned the meeting of the Committee on Collective Bargaining.

**COMMITTEE ON COLLECTIVE BARGAINING**

**Adoption of Initial Proposals for a New Collective Bargaining Agreement with Bargaining Unit 15 (Student Assistants), California State University Employees Union (CSUEU)**

**Presentation By**

Leora D. Freedman  
Vice Chancellor  
Human Resources

**Summary**

The initial proposals for a new collective bargaining agreement between the California State University and Bargaining Unit 15 (Student Assistants), California State University Employees Union (CSUEU) will be presented to the Board of Trustees for adoption.

**The California State University's  
Initial Collective Bargaining  
Proposals**

**Between**

**The Board of Trustees  
Of  
The California State University**

**And**

**Bargaining Unit 15 (Student Assistants)  
California State University Employees Union**

**May 2024**

**Bargaining Unit 15 - Student Assistants  
2024 Initial Agreement Negotiations  
California State University Bargaining Proposals**

In accordance with the Higher Education Employer-Employee Relations Act, the California State University (CSU) hereby provides notice of its intent to make initial proposals on the following matters within the scope of representation:

**Recognition:** The CSU intends to propose a description of the bargaining unit as set forth in the Public Employment Relations Board's March 5, 2024 Certification of Representation.

**Definitions:** The CSU intends to propose contractual definitions to apply to common terms throughout the agreement.

**Management Rights:** The CSU intends to propose contractual provisions detailing the rights and responsibilities that remain vested with the California State University.

**Appointment Notification:** The CSU intends to propose a process for notification of appointment to a student assistant position.

**Discipline:** The CSU intends to propose a process for issuing discipline.

**Employment Evaluation:** The CSU intends to propose contractual provisions for providing performance reviews.

**Leaves of Absence:** The CSU intends to propose contractual provisions setting forth the types of leaves available.

**Non-Discrimination:** The CSU intends to propose a statement of non-discrimination.

**Pay:** The CSU intends to propose contractual provisions related to employee pay.



**Hours of Work:** The CSU intends to propose contractual provisions related to work schedules.

**Concerted Activities:** The CSU intends to propose contractual provisions prohibiting the union and union-represented employees from calling for, participating in, or condoning certain strike or picketing activity.

**Grievance Procedure:** The CSU intends to propose contractual provisions related to the handling of alleged contractual violations.

**Union Access and Rights:** The CSU intends to propose contract provisions defining union access to campus, employee orientation meetings and student assistant data, as well as the process for union release time.

**Severability:** The CSU intends to propose contractual provisions outlining what would happen if a contract, or parts of a contract, is found to be invalid or unenforceable.

**Effect of Agreement:** The CSU intends to propose a zipper clause.

**Duration:** The CSU intends to propose a contract duration.

**The University reserves the right to add, modify, or delete proposals for any/all Articles during the course of negotiations, in accordance with applicable laws.**



## CSUEU's Unit 15 Sunshine Proposal CSUEU-CSU 2024 First Contract Bargaining

Pursuant to HEERA, CSUEU presents this initial proposal to open the bargaining. CSUEU reserves the right to add to, modify or delete these proposals and to introduce new proposals during the course of negotiations. CSUEU will be making proposals on the following topics.

The following video presentation is a part of our proposal and is incorporated by reference:

<https://youtu.be/WJy4hKS3NhM>

- 1. Student workers are demanding higher wages that reflect the value of their work and the cost of living, ensuring they are fairly compensated for their contributions and can better achieve financial stability while pursuing their educational goals.**

CSU Student Workers have expressed profound dissatisfaction with their current wage levels, which they find insufficient to meet their basic needs and expenses. The struggle to make ends meet on these wages adds stress and financial instability to their lives, making it difficult to focus on their studies or career development.

- 2. Our members are demanding an end to unpaid labor and that they be paid for every hour worked.**

A significant number of our members have reported that they have worked for no pay at the request of their supervisor. Many do not feel comfortable saying no to such requests, given the power imbalances inherent in the any workplace, which are combined with the concerns that the employer in this case is also their education provider.

- 3. We are demanding the implementation of a comprehensive sick pay policy that ensures they are financially supported when they need to take time off due to illness, recognizing the importance of health and well-being in maintaining a productive and balanced life.**

CSU Student Workers have raised concerns about the lack of sick pay. Many find themselves in situations where they are unable to take time off due to illness without facing financial repercussions, creating a difficult choice between their health and financial stability.

- 4. Our members are demanding the introduction of holiday pay to ensure that they are compensated fairly for their losses during campus holidays.**

Our members have no holiday pay to cover them for campus holidays when they lose work hours through no fault of their own. This can lead to a significant loss of income during holiday weeks.

- 5. Unit 15 workers are demanding a reduction or elimination of parking fees to ensure that everyone has equal access to work without facing financial hardships.**

Student Workers are operating under the financial burden of onerous parking fees. Many members have expressed that these costs add a significant strain on their monthly budgets.



- 6. Student workers are demanding that CSU follow all State labor protections, including health and safety regulations, paid training hours, overtime and paid travel time.**
- 7. We will be making proposals that will cover the basic human needs of our members, including meal plan and housing support.**
- 8. Student workers will be making proposals to reform schedules and hours.**
- 9. In addition to the above, the Union will be making proposals on the following:**
  - a. A Recognition Clause confirming our status as exclusive representative
  - b. The Preservation of Existing Standards
  - c. No Strike/Lockout
  - d. Prohibition Against Discrimination
  - e. Written Authorization, Dues, Union Security, Check off, Maintenance of Check off
  - f. E-Mail and Online Communications (Union Access)
  - g. Orientation Access and Member Lists
  - h. PAC/COPE Checkoff
  - i. Any Release of Bargaining Unit Members' Information to Third Party Organizations
  - j. Release Time
  - k. Grievance Procedure
  - l. Work Uniforms
  - m. Separability
  - n. Termination and Renewal

## AGENDA

### JOINT COMMITTEE ON FINANCE AND CAMPUS PLANNING, BUILDINGS AND GROUNDS

**Meeting:** 2:50 p.m. Tuesday, May 21, 2024  
Glenn S. Dumke Auditorium

#### Committee on Finance

Julia I. Lopez, Chair  
Jack McGrory, Vice Chair  
Larry L. Adamson  
Douglas Faigin  
Mark Ghilarducci  
Leslie Gilbert-Lurie  
Anna Ortiz-Morfit  
Jose Antonio Vargas  
Darlene Yee-Melichar

#### Committee on Campus Planning, Buildings and Grounds

Jack McGrory, Chair  
Diana Aguilar-Cruz, Vice Chair  
Larry L. Adamson  
Raji Kaur Brar  
Mark Ghilarducci  
Leslie Gilbert-Lurie  
Anna Ortiz-Morfit  
Darlene Yee-Melichar

- Consent** 1. Approval of Minutes, *Action*
- Discussion** 2. California State University, Fullerton Student Housing, Phase 5 Schematic Design and Debt Issuance Approval, *Action*

**MINUTES OF THE MEETING OF THE  
JOINT COMMITTEE ON FINANCE AND  
CAMPUS PLANNING, BUILDINGS AND GROUNDS**

**Trustees of the California State University  
Office of the Chancellor  
Glenn S. Dumke Auditorium  
401 Golden Shore  
Long Beach, California**

**January 31, 2024**

**Committee on Finance**

Julia I. Lopez, Chair  
Jack McGrory, Vice Chair  
Larry L. Adamson  
Douglas Faigin  
Mark Ghilarducci  
Leslie Gilbert-Lurie  
Anna Ortiz-Morfit  
Jose Antonio Vargas  
Darlene Yee-Melichar

**Committee on Campus Planning Building  
and Grounds**

Jack McGrory, Chair  
Diana Aguilar-Cruz, Vice Chair  
Larry L. Adamson  
Raji Kaur Brar  
Mark Ghilarducci  
Leslie Gilbert-Lurie  
Anna Ortiz-Morfit  
Darlene Yee-Melichar

Wenda Fong, Chair of the Board  
Mildred García, Chancellor

Trustee Jack McGrory called the meeting to order.

**Public Comment**

Public comment took place at the beginning of the meeting's open session, prior to all committees. No public comments were made pertaining to the joint committee agenda items.

**Approval of the Consent Agenda**

The minutes of the November 2023 joint meeting of the Committees on Finance and Campus Planning, Buildings and Grounds were approved as submitted.

Because the meeting was behind schedule, the presentation was abbreviated.

**California State University, Sacramento Placer Center Master Plan, Environmental Impact Report and Partnership Approval**

This agenda item requested the following actions by the California State University Board of

Trustees for the proposed Sacramento State – Placer Center Master Plan and public-public partnership development at Placer Center:

- Certification of the Final Environmental Impact Report (FEIR) dated January 2024
- Adoption of the Findings of Fact and Statement of Overriding Considerations dated January 2024
- Adoption of the Mitigation Monitoring and Reporting Program dated January 2024
- Approval of the Placer Center Master Plan (Master Plan), including the enrollment projection to 12,000 FTES

Following the abbreviated presentation, it was asked if the donor set time requirements to build the new campus, and it was explained that the first threshold was to have the master plan approved within three years which has been met.

The committee recommended approval of the proposed resolution (RFIN/CPBG 01-24-01).

Trustee McGrory adjourned the joint meeting of the Committees on Finance and Campus Planning, Buildings and Grounds.

**JOINT COMMITTEE ON  
FINANCE AND CAMPUS PLANNING, BUILDINGS AND GROUNDS**

**California State University, Fullerton Student Housing, Phase 5 Schematic Design and Debt Issuance Approval**

**Presentation By**

Steve Relyea  
Executive Vice Chancellor and Chief Financial Officer

Alexander Porter  
Vice President, Administration and Finance and Chief Financial Officer  
California State University, Fullerton

Paul Gannoe  
Assistant Vice Chancellor  
Capital Planning, Design and Construction

Robert Eaton  
Assistant Vice Chancellor  
Financing, Treasury, and Risk Management

**Summary**

This agenda item requests the following actions by the California State University (CSU) Board of Trustees with regard to the California State University, Fullerton (Cal State Fullerton) Student Housing, Phase 5 project:

- Approval of the Schematic Design for the project
- Approval to Issue Trustees of the California State University Systemwide Revenue Bonds (SRB) and related debt instruments for the project

**Schematic Design – Student Housing, Phase 5**

*Collaborative Design-Build Contractor: SUNDT Construction*

*Project Architect: HMC Architects*

**Background and Scope**

California State University, Fullerton proposes to design and construct a six-story, 98,883 assignable square feet (ASF)/154,710 gross square feet (GSF) Student Housing, Phase 5

building (#54<sup>1</sup>) (the “Project”) on the site of to-be-demolished Jewel Plummer Cobb Residence Halls (#24A-#24C), located at the northeast corner of the campus and south of the Arboretum. This Project was approved for funding in 2022-2023 through the State’s Higher Education Student Housing Grant Program (HESHGP) to provide affordable student housing. As part of the 2023-2024 state budget, the Higher Education Student Housing Grant will be replaced with CSU Systemwide Revenue Bonds supported by ongoing state appropriation and as approved by the Board of Trustees at the July 2023 meeting. The grant program allows affordable beds to be located across the university inventory of new beds and the existing student housing inventory.

Cal State Fullerton is a vibrant, diverse university community with nearly 42,000 students with an existing on-campus housing capacity of 2,196 beds or approximately 5 percent of the student population, leaving more than 1,500 students on the housing waitlist. As one of the largest CSU universities and the only campus in Orange County, Cal State Fullerton is a primary driver of workforce and economic development in the region. Cal State Fullerton is recognized as a national model for supporting student success, especially for its success in supporting first-generation and underrepresented students and preparing all students to become leaders in the global marketplace. The majority of students at Cal State Fullerton receive financial aid. Fifty-five percent of students are underrepresented, and 32.3 percent of undergraduate students are first-generation college students.

The university’s vision is to provide access to affordable housing for students to improve graduation rates and support student success. This proposed project is aligned with the university’s Strategic Plan goals of Enhancing Support for Student Access, Learning, and Academic Success and Fostering Student Engagement and Well-Being, and will provide much-needed affordable housing to designated low-income students, reducing the total cost of attendance, bolstering direct access to affordable student housing for those students in the most need, and improving student retention and graduation rates.

The Project will construct 510 apartment-style beds, including 390 affordable and 120 standard rate beds, allowing the housing program to accommodate approximately 30 percent of the students on the current waitlist. The first floor will provide study spaces, staff offices, a staff apartment, a grab-and-go marketplace, mailroom, and laundry facilities. The five upper residence floors are identical and include student housing units, shared study area, and space for a resident advisor. Shared common spaces on each floor will foster student engagement and a sense of community. Outdoor hardscape and landscape areas will provide additional space for studying, outdoor student life programs, and recreation.

The new student housing building is a six-story reinforced concrete building currently designed to meet the CSU’s Sustainability Policy requirements. Notable sustainability features include low-flow plumbing fixtures, high quality air filtration, high insulation values for walls and roofs, double-glazed windows, sun shading fins, drought-tolerant landscaping, efficient irrigation systems, and groundwater retention and infiltration elements.

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<sup>1</sup> The facility number is shown on the master plan map and recorded in the Space and Facilities Database.



Jewel Plummer Cobb Residence Halls (#24A-#24C) are the original student housing built in 1979. All three buildings currently have a combined over \$32 million in deferred maintenance and capital renewal needs. In addition, these buildings have significant deficiencies in fire/life safety, critical building infrastructure, ADA compliance, energy efficiency, and general code compliance. Jewel Plummer Cobb Residence Halls will be demolished as part of this project to provide the site for the new Project. Utilities infrastructure will be modified and upgraded to separate the Jewel Plummer Cobb Residence Halls from other student residence halls on campus and allow those buildings to be fully operational.

**Timing (Estimated)**

Preliminary Plans Completed	July 2024
Working Drawings Completed	August 2024
Construction Start	December 2024
Occupancy	August 2026

**Basic Statistics**

***New Construction:***

Gross Building Area	154,710 square feet
Assignable Building Area (CSU <sup>2</sup> )	98,883 square feet
Net Useable Building Area (FICM <sup>3</sup> )	149,375 square feet
Efficiency (CSU)	64 percent
Efficiency (FICM)	96 percent

***Demolition:***

Gross Building Area	107,320 square feet
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**Cost Estimate – California Construction Cost Index (CCCI) 8287<sup>4</sup>**

New Building Cost (\$665 per GSF)		\$102,887,000
<i>Systems Breakdown</i>	<i>(\$ per GSF)</i>	
a. Substructure (Foundation)	\$ 38.08	
b. Shell (Structure and Enclosure)	\$ 190.74	

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<sup>2</sup> Assignable building area is based on CSU policy.

<sup>3</sup> Net usable building area is greater than assignable building area by including corridors, restrooms, mechanical rooms, etc., based on the definitions of the Postsecondary Education Facilities Inventory & Classification Manual (FICM).

<sup>4</sup> The July 2022 *Engineering News-Record* California Construction Cost Index (CCCI). The CCCI is the average Building Cost Index for Los Angeles and San Francisco.

c. Interiors (Partitions and Finishes)	\$ 106.47	
d. Services (HVAC, Plumbing, Electrical, Fire)	\$ 194.51	
e. Built-in Equipment and Furnishings	\$ 11.84	
f. General Requirements/Conditions and Insurance	\$ 123.40	
Demolition Building Cost (\$60 per GSF)		\$6,519,000
<i>Systems Breakdown</i>	<i>(\$ per GSF)</i>	
a. Special Construction & Demolition	\$ 51.28	
b. General Requirements/Conditions and Insurance	\$ 9.47	
Site Development (New Building)		\$12,071,000
Site Development (Demolition)		<u>4,731,000</u>
Construction Cost		\$126,208,000
Fees, Contingency, Services		<u>27,840,000</u>
Total Project Cost		\$154,048,000
Fixtures, Furniture & Movable Equipment		<u>\$3,900,000</u>
Grand Total		<u>\$157,948,000</u>

**Cost Comparison**

The student housing building’s cost of \$665 per GSF is lower than the \$760 per GSF for the West Campus Green Student Housing and Health Center at San Francisco State approved in January 2023, and the \$689 per GSF for the Affordable Student Housing Buildings #22 and #23 at CSUN approved in July 2022, and the \$685 per GSF for the Hillside North Student Housing project at Cal State Long Beach approved in September 2023, all adjusted to CCCI 8287.

During the value engineering process, Cal State Fullerton saved approximately \$5 million in direct construction costs through several revisions, including an efficient stacked design with the same size and type of apartments throughout the entire building and utilizing the campus centralized chilled and heating water systems for the building HVAC needs in lieu of installing stand-alone equipment.

**California Environmental Quality Act (CEQA) Action**

The proposed Project is consistent with the 2020 Master Plan and parameters considered in the Master Plan Update Final Environmental Impact Report (EIR) that was certified by the Board of Trustees in July 2020. In addition, the proposed project would have no new significant

environmental effects beyond those identified in the Master Plan Update Final EIR. No additional environmental documentation is required under CEQA.

**Project Funding and Financing**

This affordable student housing Project was approved for funding of \$88,900,000 in fiscal year 2022-2023 from the State’s Higher Education Student Housing Grant Program (HESHGP). The funding from the HESHGP was initially expected to be in the form of a one-time cash grant. However, the fiscal year 2023-2024 state budget for the CSU clawed back the cash grants for all previously awarded CSU projects in the HESHGP and replaced them with an increase in CSU’s annual ongoing appropriation in an amount sufficient to support the issuance of CSU SRB debt that will generate proceeds to replace the cash grants. This SRB funding in the amount of \$88.9 million for the Project was approved by the Board of Trustees during its July 2023 meeting and will be repaid from the additional support appropriation from the state (rather than campus resources).

In addition to the HESHGP component of funding, the Project will also be funded with CSU SRB debt supported by ongoing campus housing revenues, as well as campus housing program reserves. The financing action requested in this agenda item is for the SRB debt to be supported by ongoing campus housing revenues.

The not-to-exceed principal amount of the proposed bonds to be supported by ongoing campus housing revenues is \$63,705,000, based on a total project budget of \$157,948,000 with funding of \$88.9 million from the HESHGP and \$12.45 million from housing program reserves. Additional net financing costs, such as capitalized interest and cost of issuance (estimated at \$7,107,000), are expected to be funded from bond proceeds. The Project is scheduled to start construction in December 2024 with completion expected in August 2026.

The following table summarizes key information about this financing transaction.

Not-to-exceed principal amount	\$63,705,000
Amortization	Approximately level debt service over 30 years
Projected maximum annual debt service	\$4,392,050
Projected debt service coverage ratio including the new project:	
Net revenue – Fullerton pledged programs: *	1.20
Net revenue – Projected campus housing program:	1.22

\*Combines projected 2027-28 information for all campus pledged revenue programs with 2027-28 information for the project.

The not-to-exceed principal amount for the Project, the maximum annual debt service, and the financial ratios above are based on an estimated all-in true interest cost of 5.71 percent, which includes a cushion for changing financial market conditions that could occur before the permanent financing bonds are sold. The financial plan assumes level amortization of debt service, which is the CSU program standard. The campus financial plan projects a housing program debt service coverage of 1.22 in fiscal year 2027-2028, the first full year of operations of the Project, which is better than the CSU benchmark of 1.10 for the program. When combining the project financial forecast with information for all campus pledged revenue programs, the campus's overall debt service coverage for the first full year of operations is projected to be 1.20, which is below than the CSU benchmark of 1.35 for a campus. However, the campus financial plan forecasts that the campus debt service coverage will improve and exceed the benchmark after five years. Given the importance of the Project to the campus and the availability funding from the HESHGP, staff recommends approval of the financing.

### **Recommendation**

The following resolution is presented for approval:

**RESOLVED**, by the Board of Trustees of the California State University, that:

1. The California State University, Fullerton Student Housing, Phase 5 project will benefit the California State University.
2. Applicable mitigation measures adopted in conjunction with Campus Master Plan Update approval and EIR certification in 2020 shall be implemented, monitored, and reported in accordance with the requirements of CEQA (Cal. Pub. Res. Code § 21081.6).
3. The schematic plans for the California State University, Fullerton Student Housing, Phase 5 project are approved at a project cost of \$157,948,000 at CCCI 8287.
4. The financing resolutions for the California State University, Fullerton Student Housing, Phase 5 project as described in this Agenda Item 2 of the Joint Committees on Finance and Campus Planning, Buildings and Grounds at the May 19-22, 2024, meeting of the CSU Board of Trustees are approved. In coordination with CSU's Office of General Counsel, Orrick, Herrington & Sutcliffe LLP, as outside bond counsel, has prepared resolutions to be distributed to the Board prior to this meeting that authorize interim and permanent financing for the project described in this agenda. The proposed resolutions will achieve the following:
  - a) Authorize the sale and issuance of the Trustees of the California State University Systemwide Revenue Bonds, and/or the sale and issuance of

related Systemwide Revenue Bond Anticipation Notes, and/or the issuance of related debt instruments, including shorter term debt, variable rate debt, floating rate loans placed directly with banks, or fixed rate loans placed directly with banks, in an aggregate principal amount not-to-exceed \$63,705,000 and certain actions relating thereto.

- b) Provide a delegation to the chancellor; the executive vice chancellor and chief financial officer; the assistant vice chancellor, Financial Services; and the assistant vice chancellor, Financing, Treasury, and Risk Management; and their designees to take any and all necessary actions to execute documents for the sale and issuance of the bond anticipation notes, the revenue bonds, and the related debt instruments.

## AGENDA

### COMMITTEE ON FINANCE

**Meeting:** 3:20 p.m., Tuesday, May 21, 2024  
Glenn S. Dumke Auditorium

Julia I. Lopez, Chair  
Jack McGrory, Vice Chair  
Larry L. Adamson  
Douglas Faigin  
Mark Ghilarducci  
Leslie Gilbert-Lurie  
Anna Ortiz-Morfit  
Jose Antonio Vargas  
Darlene Yee-Melichar

- Consent**
1. Approval of Minutes, *Action*
  2. Approval to Issue Debt for the California Polytechnic State University, San Luis Obispo Football Center, *Action*
- Discussion**
3. California State University Quarterly Investment Report, *Information*
  4. 2024-2025 Operating Budget Update, *Information*

**MINUTES OF THE MEETING OF THE  
COMMITTEE ON FINANCE**

**Trustees of the California State University  
Office of the Chancellor  
Glenn S. Dumke Auditorium  
401 Golden Shore  
Long Beach, California**

**March 26, 2024**

**Members Present**

Julia I. Lopez, Chair  
Larry L. Adamson  
Douglas Faigin  
Mark Ghilarducci  
Leslie Gilbert-Lurie  
Anna Ortiz-Morfit  
Jose Antonio Vargas  
Darlene Yee-Melichar

Wenda Fong, Chair of the Board  
Mildred García, Chancellor

Trustee Adamson chaired and called the meeting to order.

**Public Comment**

Public comment occurred at the beginning of the meeting's open session before all committees.

**Approval of the Consent Agenda**

The minutes of the January 31, 2024, meeting of the Committee on Finance were approved as submitted.

Item 2, California State University Annual Debt Report was an information item.

Item 3, California State University Quarterly Investment Report was an information item.

Item 4, Approval to Issue Debt for a Capital Project at California State University, Dominguez Hills was approved as submitted (RFIN 03-24-03).

## **Discussion Agenda**

The committee had two items on the discussion agenda.

### **Item 5, EAB's 2024 Higher Education State of the Sector, Information**

This information item provided an overview of EAB's State of the Sector, emphasizing the critical moment higher education is facing. The presentation revolved around the reevaluation of its purpose and value by students, faculty, staff, and society at large. Key concerns include challenges to the relevance of colleges and universities, manifested in critiques from mainstream media, concerns about "down-credentialing" from employers, and record-low trust in institutions according to public perception polls. Additionally, demographic declines, decreasing college-going rates, and rising student mental health issues pose significant threats to the mission and business model of higher education. EAB presented four key trends shaping the strategic and operational directions of institutions:

- Public perception of higher education value
- Enrollment and demographics
- Student readiness and well-being
- Sustainable business models

These trends highlight the immediate challenges and longer-term threats that require strategic planning and decisive actions from colleges and universities.

During the discussion, Sally Amoruso, Chief Partner Officer at EAB emphasized the CSU's unique opportunity for collaboration among universities to enhance service to the state and individual regions, urging a focus on changing local narratives and emphasizing the need for strategic planning at both individual university and system levels.

Trustee Brar and Trustee Vargas expressed interest in hearing about the Artificial Intelligence and Hybrid Campus key trends in EAB's State of the Sector report.

### **Item 6, Multi-University Collaboration and Cost Reduction Initiatives, Information**

This item provided an overview of cost reduction strategies the CSU system and its universities have put in place or plan to implement, as well as ways universities are collaborating to streamline activities and be even more effective in delivering on the mission to provide students with a quality education into the future.

Trustee Faigin suggested providing periodic updates on major adjustments, quantified savings, and any increased costs to understand the full picture of the cost-saving efforts.

Trustee Gilbert-Lurie emphasized the importance of cost-effectiveness without compromising the system's infrastructure. Trustee Gilbert-Lurie recommended adding "non-essential" to the wording when talking about deferring maintenance projects.

Trustee Adamson concluded the business of the Committee on Finance.



## **COMMITTEE ON FINANCE**

### **Approval to Issue Debt for the California Polytechnic State University, San Luis Obispo Football Center**

#### **Presentation By**

Steve Relyea  
Executive Vice Chancellor and Chief Financial Officer

Robert Eaton  
Assistant Vice Chancellor  
Financing, Treasury and Risk Management

#### **Summary**

This item requests that the California State University Board of Trustees authorize the issuance of long-term Systemwide Revenue Bond (SRB) financing and related debt instruments, including shorter term and variable rate debt, floating and fixed rate loans placed directly with banks, and bond anticipation notes (BANs) to support interim financing under the CSU commercial paper (CP) program, in an aggregate principal amount not-to-exceed \$31,595,000 to provide financing for the California Polytechnic State University, San Luis Obispo Football Center.

#### **Background**

The SRB program provides capital financing for projects of the CSU – student housing, parking, student unions, health centers, continuing education facilities, certain auxiliary projects, and other projects, including academic facilities, approved by the Board of Trustees. Revenues from these programs and other revenues approved by the Board of Trustees, including CSU operating funds, are used to meet operational requirements for the projects and pay debt service on the bonds issued to finance the projects. The consolidated pledge of gross revenues to the bondholders strengthens the SRB program and has resulted in strong credit ratings and low borrowing costs for the CSU. Prior to issuance of bonds, some projects are funded through BANs issued by the CSU in support of its CP program. The BANs are provided to the CSU Institute, a recognized systemwide auxiliary organization, to secure the CSU Institute’s issuance of CP used to finance the projects. CP notes provide greater financing flexibility and lower short-term borrowing costs during project construction than long-term bond financing. Proceeds from the issuance of bonds are then used to retire outstanding CP and finance any additional costs not previously covered by CP.

#### **California Polytechnic State University, San Luis Obispo Football Center**

The California Polytechnic State University, San Luis Obispo Football Center (the “Project”) was presented to the Board of Trustees Committee on Campus Planning, Buildings and Grounds for the amendment of the 2023-2024 Capital Outlay Program and schematic approval during its March 2024

meeting. The Project will construct a two-story, 33,000 gross square foot facility dedicated to Cal Poly football student athletes. Utilizing Mustang Memorial Plaza as its primary entrance, the first-floor entrance will lead to a reception area that includes a collection of wall treatments and exhibits celebrating John Madden and more than 100 years of Cal Poly Mustang football.

The Project will include a player's lounge, locker room, shower and restroom facilities; a sports medicine center; a detached weight training facility; a changing room and showers for game officials; coaches' facilities including offices, meeting and conference rooms, lockers, and showers; and a team room configured with comprehensive multi-media functionality and tiered seating for approximately 130 occupants. A distinctive feature of the center's second-floor layout will be a viewing deck overlooking the stadium's south end zone.

The not-to-exceed principal amount of the proposed bonds is \$31,595,000, based on a total project budget of \$45,000,000 with funding of approximately \$15.6 million from donations. The campus will continue fundraising to help offset debt service costs. The campus has allocated \$3.2 million in recurring base budget operating funds to pay for debt service and provide a cushion to meet the 1.10 debt service coverage benchmark. Additional net financing costs, such as capitalized interest and cost of issuance (estimated at about \$2.2 million) are expected to be funded from bond proceeds. The Project is scheduled to start construction in August 2024 with completion expected in September 2025.

The following table summarizes key information about this financing transaction.

Not-to-exceed principal amount	\$31,595,000
Amortization	Approximately level debt service over 30 years
Projected maximum annual debt service	\$2,963,450
Projected debt service coverage ratio including the new project:	
Net revenue – All campus pledged revenue programs*:	1.31
Net revenue – Campus operating budget:	1.10

\*Combines projected 2026-27 information for all campus pledged revenue programs with 2026-27 information for the project.

The not-to-exceed principal amount for the Project, the maximum annual debt service, and the financial ratios above are based on an estimated all-in true interest cost of 5.60 percent, which includes a cushion for changing financial market conditions that could occur before the permanent financing bonds are sold. The financial plan assumes level amortization of debt service, which is the CSU program standard. The campus financial plan projects a campus operating budget debt service coverage of 1.10 in fiscal year 2026-27, the first full year of operations, which meets the CSU benchmark of 1.10 for the program. Combining the Project projections with all other campus pledge revenue program projections yields a campus debt service coverage for the first full year of operations of 1.31, which is slightly below the CSU benchmark of 1.35 for a campus. The

campus projects the campus debt service coverage will improve and exceed the benchmark in two years, therefore staff recommends approval of the project.

In coordination with CSU's Office of General Counsel, Orrick, Herrington & Sutcliffe LLP, as outside bond counsel, is preparing resolutions to be distributed to the Board prior to this meeting that authorize interim and permanent financing for the Project described in this agenda. The proposed resolutions will achieve the following:

1. Authorize the sale and issuance of the Trustees of the California State University Systemwide Revenue Bonds, and/or the sale and issuance of related Systemwide Revenue Bond Anticipation Notes, and/or the issuance of related debt instruments, including shorter term debt, variable rate debt, floating rate loans placed directly with banks, or fixed rate loans placed directly with banks, in an aggregate principal amount not-to-exceed \$31,595,000 and certain actions relating thereto.
2. Provide a delegation to the chancellor; the executive vice chancellor and chief financial officer; the assistant vice chancellor, Financial Services; and the assistant vice chancellor, Financing, Treasury, and Risk Management; and their designees to take any and all necessary actions to execute documents for the sale and issuance of the bond anticipation notes, the revenue bonds, and the related debt instruments.

Approval of the financing resolutions for this project as described in this Agenda Item 2 of the Committee on Finance at the May 19-22, 2024, meeting of the CSU Board of Trustees is recommended for:

**California Polytechnic State University, San Luis Obispo Football Center**

## **COMMITTEE ON FINANCE**

### **California State University Quarterly Investment Report**

#### **Presentation By**

Steve Relyea  
Executive Vice Chancellor and Chief Financial Officer

Robert Eaton  
Assistant Vice Chancellor  
Financing, Treasury, and Risk Management

#### **Summary**

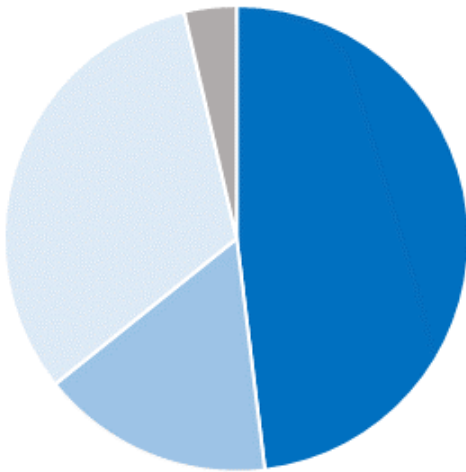
This item provides the quarterly investment report to the California State University Board of Trustees for the quarter ended December 31, 2023. The information in Attachment A provides the entire quarterly investment report regarding CSU investments as required by Education Code § 89726.

#### **Background**

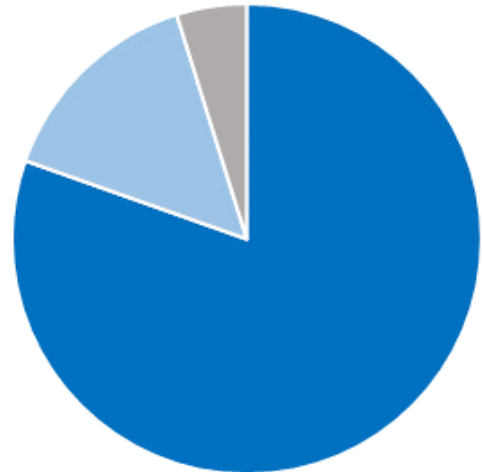
The California State University Master Investment Policy is posted publicly to: <https://calstate.policystat.com/policy/11691689/latest>. Pursuant to the CSU Master Investment Policy, CSU investments as of December 31, 2023, consisted of investments in the Liquidity Portfolio (LP), the Intermediate Duration Portfolio (IDP), the Total Return Portfolio (TRP), and the State of California Surplus Money Investment Fund (SMIF). Except for amounts held at the state in SMIF, all CSU investments are held by US Bank, the custodian bank for the CSU. Neither state general fund nor CSU auxiliary funds are included in CSU investments. In addition, this report does not include approximately \$1.52 billion in bond proceeds, which by state law are required to be held by the state and are invested in SMIF.

**CSU Investments – Balances, Allocations, and Returns  
 December 31, 2023**

	<u>Balance</u>	<u>% of CSU Investments</u>	<u>Twelve Month Returns</u>
Liquidity Portfolio (LP)	\$3.867 billion	48.1%	4.98%
Intermediate Duration Portfolio (IDP)	\$1.303 billion	16.2%	5.91%
<u>Total Return Portfolio (TRP)</u>	<u>\$2.584 billion</u>	32.1%	14.18%
<b>CSU Investment Portfolios</b>	<b>\$7.75 billion</b>		
Surplus Money Investment Fund (SMIF)	\$0.292 billion	3.6%	3.12%
<b>Total CSU Investments</b>	<b>\$8.05 billion</b>	<b>100%</b>	



- Liquidity Portfolio (LP) - 48.1%
- Intermediate Duration Portfolio (IDP) - 16.2%
- Total Return Portfolio (TRP) - 32.1%
- Surplus Money Investment Fund (SMIF) - 3.6%



- Fixed Income - 80.4%
- Equity - 14.8%
- Real Assets - 4.8%

**CSU Investment Performance**

For detailed information on the investment performance and characteristics of the CSU investment portfolios and funds invested in SMIF please see Attachment A.

### **CSU Liquidity Portfolio (LP)**

The purpose of the LP is to provide sufficient and immediate liquidity to meet the operating needs of the CSU. The investment objectives are safety of principal and liquidity.

The LP is managed through contracts with two investment management firms, BlackRock Financial Management and Payden & Rygel, each of whom provides investment management services for the program. While the custodian, US Bank, holds the funds invested in the LP for investment management purposes, additions to the portfolio are split evenly between the investment managers and invested according to permitted investments outlined in the Government Code of the state and the LP investment policy. Consistent with state law, the LP is restricted to high quality, fixed income securities.

### **CSU Intermediate Duration Portfolio (IDP)**

The purpose of the IDP is to provide opportunity for modest, additional risk adjusted returns on CSU funds not needed for immediate liquidity. The investment objectives are safety of principal, liquidity, and return. The IDP is managed through contracts with three investment management firms, Western Asset Management Company, PGIM Fixed Income, and Income Research & Management, each of whom provides investment management services for the program. While the custodian, US Bank, holds the funds invested in the IDP, for investment management purposes, additions to the portfolio are split evenly between the investment managers and invested according to permitted investments outlined in the Government Code of the state and the IDP investment policy. Consistent with state law, the IDP is restricted to high quality, fixed income securities.

### **CSU Total Return Portfolio (TRP)**

The purpose of the TRP is to provide the opportunity for additional risk adjusted returns on CSU funds over a full market cycle. The investment objective is to achieve a prudent return within a moderate risk level.

Under State law, investment of funds in the TRP is subject to the CSU meeting certain conditions regarding investment oversight, reporting, and use of earnings, and may not be more than sixty-five percent of eligible CSU investments. The CSU Investment Advisory Committee (IAC), established by the Board of Trustees in September 2017, oversees the TRP and focuses on key issues such as investment policy, asset allocation, investment manager oversight, and investment performance.

The TRP investment policy provides a framework for the investment of portfolio funds in the TRP and includes the following key elements as further described in the TRP Investment Policy:

Investment Objectives	Investment Manager Selection
Spending Policy	Roles & Responsibilities
Time and Investment Horizon	Environmental, Social and Governance Framework
Risk Tolerance	Risk Management
Expected Return	Monitoring and Control Procedures
Asset Allocation	
Benchmarks	

With the passage of AB 2422, effective January 1, 2023, up to sixty-five percent of CSU investments may be invested in the TRP and the TRP may additionally invest in commingled funds and exchange-traded funds. Considering these legislative changes, in January of 2023 the IAC took two actions and in March of 2023 the Board of Trustees took one action. First, the IAC approved a recommendation to the Board of Trustees to revise the California State University Master Investment Policy. These recommended revisions were presented to and approved by the Board of Trustees at the March 2023 meeting. The IAC also approved a revised funding schedule for the TRP calling for an additional \$1.25 billion to be invested in the TRP from January of 2023 to December of 2024. At present, \$778 million of the additional \$1.25 billion has been invested in the TRP. The investment schedule may also be adjusted by the IAC at any time depending on market conditions and staff will ensure the TRP does not exceed its statutory limit as a percent of CSU investments.

Since the TRP Inception date<sup>1</sup> through December 31, 2023, the TRP investment earnings were approximately \$438.5 million. During this period, the TRP total return exceeded the LP total return by 4.47% annualized (net of fees) or a cumulative \$316.8 million, which was about 3.6 times higher than LP investment earnings.

In October 2023, the IAC approved the fifth annual TRP distribution to the system of approximately \$56 million, bringing total TRP distributions to the system since inception to \$218 million. TRP distributions are allocated to the campuses annually for capital outlay or maintenance. Consistent with state law, specifically Education Code § 89726, additional earnings from the TRP shall be used only for capital outlay or maintenance and shall not be used for ongoing operations.

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<sup>1</sup> The TRP Inception Date was April 1, 2018.

### **Surplus Money Investment Fund (SMIF)**

The State Treasurer also provides investment vehicles that may be used for CSU funds. The Surplus Money Investment Fund (SMIF) is used by the State Treasurer to invest state funds, or funds held by the state on behalf of state agencies, in a short-term pool. To facilitate certain expenditures, the CSU maintains modest amounts of funds with the state. Consistent with state law, the portfolio is restricted to high quality, fixed income securities.

### **Reporting Requirements**

California Education Code § 89726 requires quarterly investment reports to the Board of Trustees and an annual report to the State Legislature and the Department of Finance.

### **Recent Actions/Next Steps**

The next investment report to the Board of Trustees is scheduled for the September 2024 meeting and will provide information on the CSU Quarterly Investment Report for the fiscal quarter ending March 31, 2024.

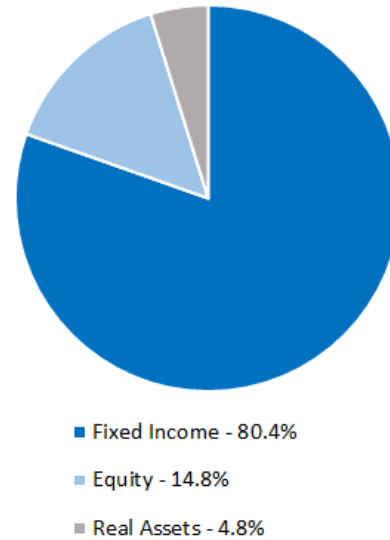
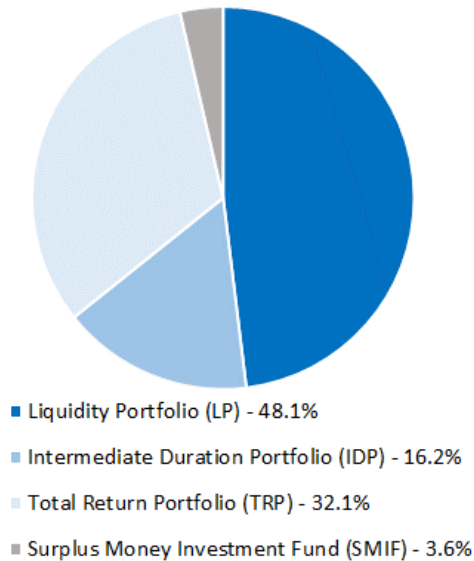


**CSU Quarterly Investment Report  
 For the Fiscal Quarter Ended December 31, 2023**

CSU investments as of December 31, 2023, consisted of investments in the CSU Liquidity Portfolio (LP), the Intermediate Duration Portfolio (IDP), the Total Return Portfolio (TRP), and the State of California Surplus Money Investment Fund (SMIF). All CSU investments (except for funds invested in SMIF) are held by US Bank, the custodian bank for the CSU. Neither state general fund nor CSU auxiliary funds are included in CSU investments. In addition, this report does not include approximately \$1.52 billion in bond proceeds, which by state law are required to be held by the state and are invested in SMIF.

**Balances and Allocations as of December 31, 2023**

	<u>Balance</u>	<u>% of CSU Investments</u>
Liquidity Portfolio (LP)	\$3.867 billion	48.1%
Intermediate Duration Portfolio (IDP)	\$1.303 billion	16.2%
Total Return Portfolio (TRP)	\$2.584 billion	32.1%
Surplus Money Investment Fund (SMIF)	\$0.292 billion	3.6%
<b>CSU Investments</b>	<b>\$8.05 billion</b>	<b>100%</b>



For the six months ending December 31, 2023, direct investment management fees<sup>1</sup>, advisory, and custodial fees totaled just under \$2.1 million, or about 0.027 percent on CSU investments' average balance for the six months ending December 31, 2023.

<sup>1</sup> Direct investment management fees exclude TRP mutual fund investment management fees. TRP mutual fund investment management fees are included as mutual fund expenses and reported as a percent of total fund assets. See TRP Fund Expense Ratio (Fee) in the table on page 6.

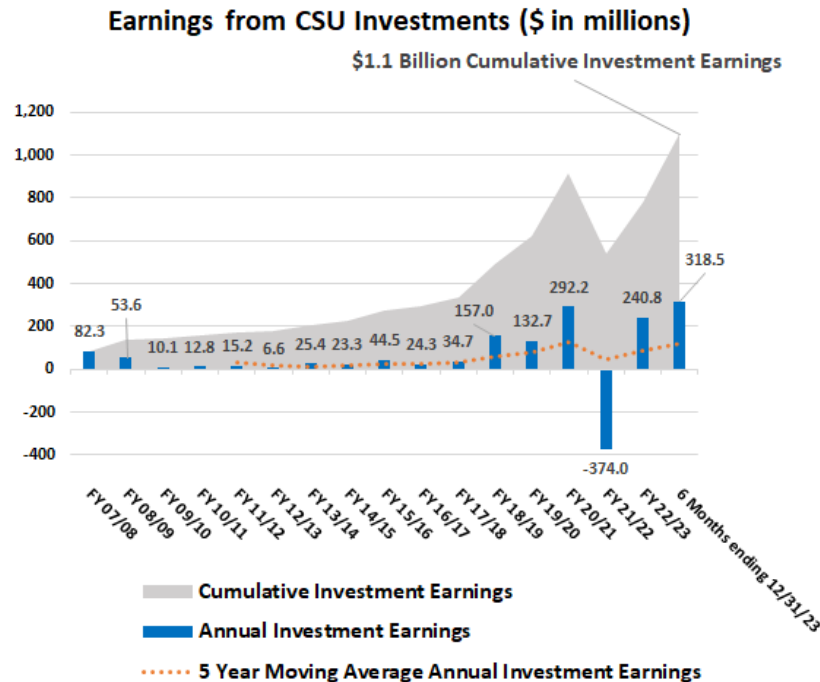
**CSU Consolidated Investment Portfolio**

The following table displays performance returns for the CSU Consolidated Investment Portfolio which includes the LP, IDP, and TRP.<sup>2</sup>

	<b>CSU Consolidated Investment Portfolio</b>	<b>CSU Total Return Portfolio (TRP)</b>	<b>CSU Intermediate Duration Portfolio (IDP)</b>	<b>CSU Liquidity Portfolio (LP)</b>
1 Year Return	8.00%	14.18%	5.91%	4.98%
3 Year Annualized Return	1.52%	2.89%	N/A	1.02%
5 Year Annualized Return	2.93%	7.72%	N/A	1.69%
10 Year Annualized Return	1.90%	N/A	N/A	1.33%
Since Inception Return <sup>3</sup>	1.75%	6.19%	-2.29%	1.41%

As of December 31, 2023, the TRP since inception investment earnings were approximately \$438.5 million. During this period, the TRP total return exceeded the LP total return by 4.47 percent annualized (net of fees) or a cumulative \$316.8 million, which was about 3.6 times higher than LP investment earnings.

***Investment Earnings from CSU Investments Support Campus Operations and Student Experience***



<sup>2</sup> CSU Consolidated Investment Portfolio returns exclude SMIF.

<sup>3</sup> Inception Dates for the CSU portfolios were: Consolidated Investment Portfolio, July 1, 2007; LP, July 1, 2007; IDP, October 1, 2021; and TRP, April 1, 2018. CSU Consolidated Investment Portfolio, LP, and IDP returns reported gross of fees and as total return, including income and gains (realized and unrealized).

**CSU Liquidity Portfolio (LP)**

The purpose of the LP is to provide sufficient and immediate liquidity to meet the operating needs of the CSU. The investment objectives are safety of principal and liquidity. Consistent with state law, the portfolio is restricted to high quality, fixed income securities.

	<u>CSU Liquidity Portfolio</u>	<u>Benchmark<sup>4</sup></u>
1 Year Return <sup>5</sup>	4.98%	4.54%
3 Year Annualized Return	1.02%	0.59%
5 Year Annualized Return	1.69%	1.50%
10 Year Annualized Return	1.33%	1.14%
Annualized Since Inception Return <sup>6</sup>	1.41%	1.53%
Yield	4.07%	4.60%
Duration (Years)	0.94	1.37
Average Credit Rating	AA-	AA+

**Holdings by Asset Type (% of CSU Liquidity Portfolio):**

Treasuries	59.67%	Agency MBS	1.92%
U.S. Corporate Bonds	25.77%	Cash Equivalents	0.99%
Commercial Paper	8.75%	CA Municipal Obligations	0.06%
U.S. Government Agencies	2.84%		

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<sup>4</sup> Benchmark for the LP is the Bank of America Merrill Lynch 0-3 Year Treasury Index.

<sup>5</sup> LP Returns reported gross of fees and as total return, including income and gains (realized and unrealized).

<sup>6</sup> Inception Date for the LP was July 1, 2007.

**CSU Intermediate Duration Portfolio (IDP)**

The purpose of the IDP is to provide opportunity for modest, additional risk adjusted returns on CSU funds not needed for immediate liquidity. The investment objectives are safety of principal, liquidity, and return. Consistent with state law, the portfolio is restricted to high quality, fixed income securities.

	<b>CSU Intermediate Duration Portfolio</b>	<b>Benchmark<sup>7</sup></b>
3 Months Return <sup>8</sup>	5.80%	5.86%
1 Year Return	5.91%	5.65%
Annualized Since Inception Return <sup>9</sup>	-2.29%	-2.28%
Yield	4.78%	4.60%
Duration (Years)	4.73	4.53
Average Credit Rating	A+	AA-

**Holdings by Asset Type (% of CSU Intermediate Duration Portfolio):**

U.S. Corporate Bonds	54.4%	U.S. Government Agencies	1.4%
Agency MBS	29.6%	CA Municipal Obligations	1.2%
Treasuries	10.6%	Cash Equivalents	0.6%
Asset-Backed Securities	2.1%	Supranationals	0.1%

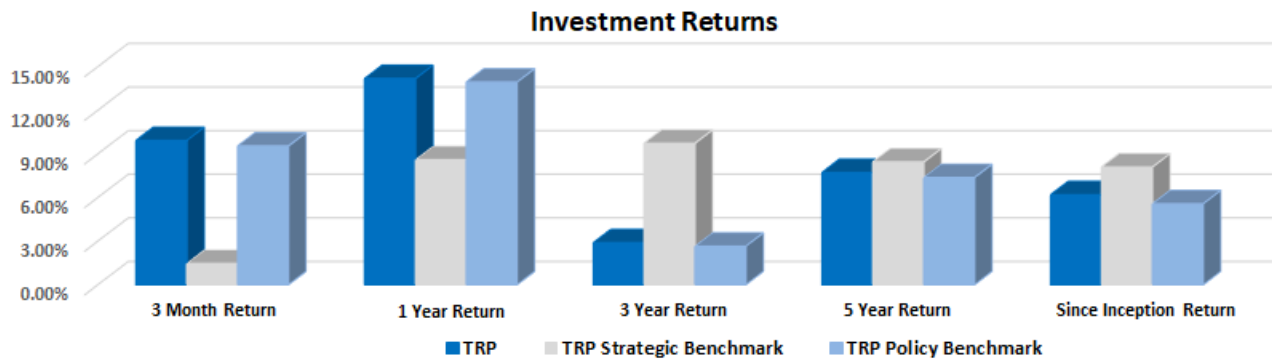
<sup>7</sup> Benchmark for the IDP is 50% Bloomberg Barclays US Corporate 1-10 Year A or Better Ex-Yankee / 30% Bloomberg Barclays US MBS / 20% Bloomberg Barclays US Intermediate Treasury Index.

<sup>8</sup> IDP Returns reported gross of fees and as total return, including income and gains (realized and unrealized).

<sup>9</sup> Inception Date for the IDP was October 1, 2021.

**CSU Total Return Portfolio (TRP)**

The purpose of the TRP is to provide opportunity for additional risk adjusted returns on CSU funds over a full market cycle. The investment objective is to achieve a prudent return within a moderate risk level. Consistent with state law, the TRP is invested in mutual funds subject to registration by, and under the regulatory authority of, the United States Securities and Exchange Commission or in United States registered real estate investment trusts.



	<b>CSU Total Return Portfolio</b>	<b>Strategic Benchmark<sup>10</sup></b>	<b>Policy Benchmark<sup>11</sup></b>
3 Months Return	9.92%	1.46%	9.54%
1 Year Return	14.18%	8.59%	13.94%
3 Year Annualized Return	2.89%	9.73%	2.65%
5 Year Annualized Return	7.72%	8.44%	7.37%
Annualized Since Inception Return <sup>12</sup>	6.19%	8.09%	5.57%

In October 2023, the CSU Investment Advisory Committee approved the fifth annual TRP distribution to the system of approximately \$56 million, bringing total TRP distributions to the system since inception to \$218 million. TRP distributions are allocated to the campuses annually for capital outlay or maintenance. Consistent with Education Code Section § 89726, additional moneys earned through investments in the TRP shall be used only for capital outlay or maintenance and shall not be used for ongoing operations.

<sup>10</sup> The TRP Strategic Benchmark is inflation (Core Consumer Price Index) plus 4.5% per annum. The long-term rate of inflation is assumed at 2.6% per annum.

<sup>11</sup> The TRP Policy Benchmark is a blend of passive indices whose weights match the TRP target asset allocation.

<sup>12</sup> TRP Inception Date was April 1, 2018.

**Holdings by Asset Type (% of CSU Total Return Portfolio):**

Equity Mutual Funds	46.0%	Passive Index Mutual Funds	74%
Fixed Income Mutual Funds	39.0%	Actively Managed Mutual Funds	26% <sup>13</sup>
Real Asset Mutual Funds	15.0%		

**Values, Holdings & Fees (CSU Total Return Portfolio)**

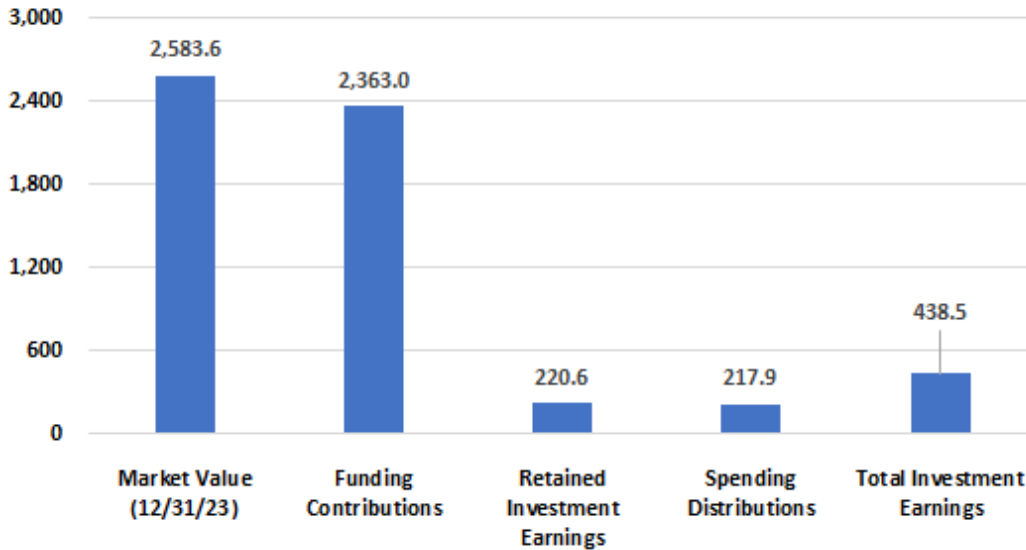
Asset Class	Strategy Name	Ticker	Value (millions)	% of Total Return Portfolio	TRP Fund Expense Ratio (Fee)	Median Fee Per Asset Class
<b>Fixed Income</b>						
	Vanguard Total Bond Market Index Fund	VBMPX	567.3	21.96%	0.03%	0.44%
	Vanguard Inflation-Protected Securities Fd	VIPIX	128.7	4.98%	0.07%	0.44%
	Lord Abbett High Yield Fund	LHYOX	0.0	0.00%	0.60%	0.78%
	American Century High Income Fund	NPHIX	140.1	5.42%	0.58%	0.78%
	Polen Opportunistic High Yield	DDJIX	15.6	0.60%	0.79%	0.78%
	Aristotle Floating Rate Income Fund	PLFRX	77.8	3.01%	0.70%	0.76%
	Payden Emerging Markets Bond Fund	PYEIX	38.8	1.50%	0.69%	0.80%
	T. Rowe Emerging Markets Bond Fund	TREBX	38.8	1.50%	0.70%	0.80%
<b>Equity</b>						
	Vanguard Total Stock Market Index Fund	VSMPX	620.1	24.00%	0.02%	0.75%
	Vanguard Developed Markets Index Fund	VDIPX	310.0	12.00%	0.04%	0.89%
	Driehaus Emerging Markets Growth Fund	DIEMX	154.4	5.98%	1.13%	1.01%
	DFA Emerging Markets Value Fund	DFEVX	77.7	3.01%	0.44%	1.01%
	Redwheel Global Emerging Equity Fund	RWCEX	25.8	1.00%	1.20%	1.01%
<b>Real Assets</b>						
	Vanguard Real Estate Index Fund	VGSNX	182.1	7.05%	0.10%	0.87%
	Vanguard Materials Index Fund	VMIAX	102.8	3.98%	0.10%	0.92%
	First Sentier Global Listed Infrastructure Fd	FLIIX	103.5	4.01%	0.95%	0.97%
<b>Cash</b>						
			0.0	0.00%	NA	NA
<b>Total</b>			<b>2,583.6</b>	<b>100%</b>	<b>0.24%</b>	<b>0.74%</b>

<sup>13</sup> The percent of Actively Managed Mutual Funds is likely to increase in the future while the percent of Passive Index Mutual Funds would decrease consistent with the TRP implementation plan. The total TRP Fund Expense Ratio and total Median Fee Per Asset Class are weighted averages using the percent of the TRP shown in the table for each fund and their respective asset class.

***TRP Annual Spending Distributions Assist Campuses to Meet Deferred Maintenance & Capital Outlay Needs***

The following chart shows the TRP market value, total funded contributions, total retained investment earnings, total spending distributions, and total investment earnings since inception as of December 31, 2023. Total TRP investment earnings equal total TRP spending distributions plus total TRP retained investment earnings.

**TRP Market Value, Funding Contributions, Retained Investment Earnings, and Spending Distributions Since Inception as of December 31, 2023 (\$ in Millions)**



**Surplus Money Investment Fund (SMIF)**

The Surplus Money Investment Fund (SMIF) is managed by the State Treasurer to invest State funds, or funds held by the State on behalf of State agencies, in a short-term pool. The portfolio includes Certificates of Deposit, Treasuries, Commercial Paper, Corporate Bonds, and U.S. Government Agencies.

**Apportionment Annual Yield<sup>14</sup>**

Trailing 12 month as of 12/31/23	3.12%
Average (FYE 06/30/07 – 12/31/23)	1.19%

<sup>14</sup> Annual Yield calculated by CSU Treasury Operations based on the quarterly apportionment yield rates published by the State Controller’s Office.

## **COMMITTEE ON FINANCE**

### **2024-25 Operating Budget Update**

#### **Presentation By**

Steve Relyea  
Executive Vice Chancellor and Chief Financial Officer

Ryan Storm  
Assistant Vice Chancellor  
Budget

#### **Summary**

The purpose of this item and subsequent presentation is to provide the California State University (CSU) Board of Trustees with the latest developments on the CSU budget plan for 2024-25. Additionally, the presentation will provide information to the Board of Trustees on tools and strategies universities are using to address fiscal challenges.

#### **State Budget**

Informational budget hearings on CSU-related topics were held by the state senate and assembly from February through May. The topics discussed were the governor's proposed deferral of the CSU's compact funding, CSU designated balances and reserves, student enrollment, financial aid, student housing, student basic needs, and Graduation Initiative 2025. Due to the state's substantial budget deficit estimated between \$38 billion and \$73 billion, the legislative budget committees did not focus on the CSU's operating budget plan and instead focused on the potential effects the state's deficit would have on CSU's overall operations.

The governor, senate pro tempore, and the assembly speaker developed an early action budget package in March and April 2024 to partially address the state's substantial budget deficit. The package included a consensus to defer the CSU compact funding to the 2025-26 budget year. As of the date of this writing, the state's plan is to statutorily enact the deferral this summer in the Budget Act of 2024.

Additional budget proposals and actions affecting the CSU could be forthcoming; the next opportunity would be mid-May 2024. The governor's May Revision proposal is expected to reflect changes to the governor's January proposed budget for 2024-25 including the latest economic forecasts and revisions to state budget expenditure priorities, including the CSU. It is anticipated that the governor will release the May Revision on or before May 14, 2024, which is after this item



is published. Therefore, details of the May Revision will be shared with the Board of Trustees at the May 2024 meeting during the budget presentation.

Final state budget decisions by the governor, assembly, and senate typically occur in the first two weeks of June of each year.

### **Addressing Fiscal Challenges**

Currently, the CSU is encountering many fiscal challenges. The state's budget deficit limits or prevents the prospective delivery of new resources to the university to address the CSU's many budget priorities. The CSU is pleased to see consensus on the \$240.2 million deferral in the early action plan by the governor, senate, and assembly. However, no statute has been enacted to-date to appropriate one-time or ongoing \$240.2 million in 2025-26, which continues the concern and risk noted in the January 2024 Board of Trustees meeting agenda, presentation, and discussion. Additionally, staff and faculty compensation costs are significant in the current and budget years. As previously described, state funding and tuition revenue will not be sufficient to fully cover those costs, which will require universities to absorb approximately \$138 million in 2023-24 and between \$110 million and \$345 million in 2024-25 depending on the whether the compact deferral is enacted or not. Also, resident student enrollment across the system dipped in 2021-22 and 2022-23 due to COVID-19 circumstances and enrollment improved in 2023-24 by approximately 7,500 full-time equivalent students. Despite the 2023-24 enrollment growth, the CSU remains approximately four percent below target with several universities experiencing significant enrollment decline. Less tuition revenue from a smaller student population contributes to the fiscal challenge, but even more acutely on universities with significantly smaller student populations. These are only three of the many fiscal challenges that universities face today. Each university leadership team faces its own set of unique fiscal challenges as well as its own university-specific aspirational goals that require regular planning and adjusting.

As mentioned in the January 2024 Board of Trustees meeting agenda, the CSU has several tools to help address fiscal challenges. The most significant tool is time. Of the three challenges mentioned above—state budget deficit, compensation, and enrollment—system and university leaders have learned of the specific challenge and have been provided many months to develop and implement programmatic and financial mitigation plans. As an example, the CSU Enrollment Target and Budget Reallocation Plan provided universities eighteen months of lead time before any actions to realign funding among universities that reflect enrollment adjustments. Other examples are the availability of one-time reserves for unexpected developments and economic uncertainties as provided in the CSU reserves policy; governance structures that equip university leaders with the flexibility to make difficult decisions in the areas of course offerings, student services, hiring freezes, employee workload, and workforce levels; an effort with Deloitte Consulting to identify shared services opportunities among universities; and, in some cases

funding, such as systemwide funding, to supplement campus new student recruitment and retention efforts to help strengthen enrollment.

To provide the Board of Trustees a greater understanding of the tools and strategies with greater specificity in addressing the CSU fiscal challenges, the Chancellor's Office sought the assistance of the 23 universities in April 2024 in preparing a systemwide financial forecast for the CSU. The purpose is to quantify the scale of potential budget actions and possible effects for planning purposes. A summary of the results will be provided at the May 2024 Board of Trustees meeting.

## AGENDA

### COMMITTEE ON CAMPUS PLANNING, BUILDINGS AND GROUNDS

**Meeting:**      **4:05 p.m., Tuesday, May 21, 2024**  
**Glenn S. Dumke Auditorium**

Jack McGrory, Chair  
Diana Aguilar-Cruz, Vice Chair  
Larry L. Adamson  
Raji Kaur Brar  
Mark Ghilarducci  
Leslie Gilbert-Lurie  
Anna Ortiz-Morfit  
Darlene Yee-Melichar

- Consent**
1. Approval of Minutes, *Action*
  2. San José State University Speed City & Spirit of '68 Track Facility Development Project and Grant Assignment, *Action*

**MINUTES OF THE MEETING OF THE  
COMMITTEE ON CAMPUS PLANNING, BUILDINGS AND GROUNDS**

**Trustees of the California State University  
Office of the Chancellor  
Glenn S. Dumke Auditorium  
401 Golden Shore  
Long Beach, California**

**March 26, 2024**

**Members Present**

Larry L. Adamson, Acting Chair  
Mark Ghilarducci  
Leslie Gilbert-Lurie  
Anna Ortiz-Morfit  
Darlene Yee-Melichar

Wenda Fong, Chair of the Board  
Mildred García, Chancellor

Trustee Adamson called the meeting to order.

**Public Comment**

Public comment occurred at the beginning of the meeting's open session prior to all committees. No public comments were made pertaining to committee agenda items.

**Consent Agenda**

The minutes of the January 2024 meeting of the Committee on Campus Planning, Buildings and Grounds were approved as submitted.

**California Polytechnic State University, San Luis Obispo Football Center Capital Outlay Amendment and Schematic Design Approval**

This item requested approval to amend the 2023-2024 Capital Outlay Program and approve schematic plans for the Football Center for California Polytechnic State University, San Luis Obispo.

Following the presentation, Trustee Faigin asked if the project had received any pushback from the community, and it was explained that community feedback has been very positive so far.

Trustee Faigin asked about revenue potential from this project, President Armstrong explained that while the football program does generate some revenue, the university is looking to build additional revenue in the future to support some level of future maintenance requirements. It was noted that current revenue is not sufficient to impact the funding of this project. Trustee Faigin also asked how future projects will be viewed in the context of the state of higher education which was presented earlier in the day. Steve Relyea explained that all projects and priorities are reviewed taking relevant factors into consideration, including growth forecasts, to ensure resources are deployed in the most strategic and optimal manner.

Trustee Yee-Melichar noted that the project appears to be well-designed and consistent with the needs and priorities of the university and asked how the project location and design integrate with the existing campus infrastructure and the surrounding environment, including the nearby agricultural fields. Paul Gannoe explained that the stadium is well positioned in relation to the facility, with pedestrian circulation adjacent to the football center, and the weight training facility will provide connectivity between the buildings and the rest of campus. The project is scheduled to start in May 2024 and occupancy is to begin in fall of 2025, Trustee Yee-Melichar asked how the university can manage any potential delays given the construction timeline. Paul Gannoe explained that the project team at the university is very strong and experienced in managing weather and other challenges, and they are already taking steps to mitigate any potential delays including ordering long lead time items.

The committee recommended approval of the proposed resolution (RCPBG 03-24-04).

Trustee Adamson adjourned the Committee on Campus Planning, Buildings and Grounds.

**COMMITTEE ON CAMPUS PLANNING, BUILDINGS AND GROUNDS**

**San José State University Speed City & Spirit of '68 Track Facility Development Project  
and Grant Assignment**

**Presentation By**

Steve Relyea  
Executive Vice Chancellor and Chief Financial Officer

Charlie Faas  
Vice President and Chief Financial Officer  
San José State University

Paul Gannoe  
Assistant Vice Chancellor  
Capital Planning, Design and Construction

**Summary**

This agenda item requests that the Board of Trustees approve a resolution to accept the assignment of \$9 million in grant funding and the associated grant contract from the County of Santa Clara. The grant funding is being provided initially to the County of Santa Clara by the California Department of Parks and Recreation for the development of a track facility and associated improvements at the Santa Clara County Fairgrounds which will benefit San José State University (San José State) and the surrounding community. The California Department of Parks and Recreation requires the form of resolution set forth in this item before they approve the assignment of funds and the assignment of the terms and conditions of the grant contract from the county to the university.

**Background and Scope**

AB 103, chaptered on June 30, 2023, allocated funding in the amount of \$9 million for the development of the Speed City & Spirit of '68 Track Facility (the "Project") at the Santa Clara County Fairgrounds. The funding is part of an appropriation to the Department of Parks and Recreation.

San José State proposes that an approximately 9-acre area of the Santa Clara County Fairgrounds property, only a few blocks from the university's South Campus, be set aside and ground leased to the university to develop the Project in honor of the legacy of the university's Speed City and the Olympic Project for Human Rights. San José State proposes to use the \$9 million grant funds

together with university-raised funds to develop the first phase of a track and field facility with related amenities (Phase 1 of the Project).

As the owner of the land, the County of Santa Clara will be the initial grantee under the grant agreement with the California Department of Parks and Recreation. A Memorandum of Understanding (MOU) (Attachment A) was executed between the County of Santa Clara and San José State on April 19, 2024. The purpose of the MOU is to set forth the terms and conditions of the grant assignment between the university and the county, as well as the County of Santa Clara's agreement to submit the necessary grant application to and seek grant payments from the California Department of Parks and Recreation for San José State to develop the Project.

Phase 1 of the Project is comprised of the following scope of work:

- NCAA Division 1 nine-lane competitive track
- NCAA Division 1 field events, constructed primarily within the track interior, and inclusive of discus, shot put, javelin, hammer, steeplechase, pole vault, high jump, long jump, and triple jump
- Placement of temporary restroom facilities
- Placement of temporary track and field equipment storage facilities
- Parking at minimum as required for ADA access, loading/unloading, and service vehicles
- Speed City/Spirit of '68 signage and university branding within the design of the improvements
- Utility infrastructure pathways for future phases of the project as related to common trenches or should future infrastructure needs pass below improvements to be constructed

Future phases of the project will be constructed upon securing additional necessary funding resources.

### **Educational and Community Benefits**

The Project will provide the primary track and field facility for San José State as well as allow for its use as a teaching and recreational sport facility by other university programs and for the community. Public access will be afforded through a variety of mechanisms that will be further defined in the future ground lease to be negotiated with the County of Santa Clara.

### **Fiscal Impact / Funding**

The total budget for Phase 1 of the Project is currently estimated at \$10.5 million. The grant funding of \$9 million will be supplemented with previously committed donor funding provided by San José State in the amount of \$1.5 million. San José State will provide all additional funding necessary to complete Phase 1 of the Project.

### **California Environmental Quality Act (CEQA)**

The resolution addressed in the item does not constitute a Project under CEQA and no CEQA action is necessary at this time. For future CEQA actions related to the development of the Project, the Board of Trustees of the California State University will act as Lead Agency and coordinate closely with the County of Santa Clara as a Responsible Agency.

### **Recommendation**

The following resolution, which reflects commitments and wording required by the California State Department of Parks and Recreation in the 2022-23 Procedural Guide for Local Assistance Specified Grants – Capital (September 2022) (the “Procedural Guide”) as a condition of the grant, is recommended for approval:

**RESOLVED**, by the Board of Trustees of the California State University, that the university, as a grant applicant for the California Department of Recreation and Parks grant described above, will accept the assignment of the associated grant funds and grant contract from the County of Santa Clara, and that it:

1. Approves the filing of project application(s) for specified grant project(s); and
2. Certifies that said applicant has or will have available, prior to commencement of project work utilizing specified grant funds, sufficient funds, including those provided by this grant, to complete the project; and
3. Certifies that the applicant has or will provide sufficient funds to operate and maintain the project(s); and
4. Certifies that the applicant has reviewed, understands, and agrees to the Provisions contained in the contract in the Procedural Guide; and
5. Delegates the authority to the president of San José State University, or designee to conduct all negotiations, sign and submit all documents, including, but not limited to applications, agreements, amendments, and payment requests, which may be necessary for the completion of the project scope(s); and
6. Agrees to comply with all applicable federal, state, and local laws, ordinances, rules, regulations, and guidelines.



## MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (“**MOU**”), dated for reference purposes only as of April 19, 2024, is between the County of Santa Clara, a political subdivision of the State of California (“**County**”) and THE BOARD OF TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY, which is the State of California acting in its higher education capacity, on behalf of San José State University, one of 23 universities in the California State University system (“**CSU**”). The County and CSU are referred to herein individually as a “**Party**” and collectively as the “**Parties.**”

A. The County is owner of real property referred to as the Santa Clara County Fairgrounds, located in the unincorporated area of San José, Santa Clara County, California, known as assessor’s parcel number 497-38-016, and as shown in the map attached as Exhibit A (the “**Property**”).

B. The County holds and, through the Santa Clara County Fairgrounds Management Corporation (“**FMC**”), manages the Property primarily to (i) host an annual County fair pursuant to Government Code Section 25906 (the “**County Fair**”) and (ii) use and develop the Property in ways that support and complement the County Fair by generating revenue and/or making the Property a regional destination for high-quality recreation and entertainment.

C. San José State University (“**SJSU**”) proposes that an approximately 9-acre area of the Fairgrounds Property be set aside to develop a commemorative track and field facility, referred to as the “Speed City and Spirit of ‘68 Track and Field Project” (the “**Speed City Development**”). The project is in honor of the legacy of Speed City and the Olympic Project for Human Rights. The proposed development program for the Speed City Development is attached hereto as Exhibit B (the “**Development Program**”). The Development Program contemplates multi-phased development of the Speed City Development. Phase 1 of the Development Program, which includes a track and field facility with related amenities, is referred to herein as the “**Track Facility.**”

D. In its 2022 budget, the California State Legislature allocated a \$9 million grant to the County of Santa Clara for the Speed City Legacy Project (See California State Budget, Section 19.56 (b)(1)(BI) (the “**Speed City Grant**”).

E. CSU proposes to use the Speed City Grant together with SJSU-raised funds to develop the Track Facility.

F. While the County is the designated grantee of the Speed City Grant, CSU would be the Track Facility proponent and developer.

G. The terms of the Speed City Grant require that the County, as grantee, adopt a resolution approving the grant application, a draft of which is attached hereto as Exhibit C (“**Grant Application**”) and execute a grant contract with the California Department of Parks and Recreation (“**DPR**”), in the form attached hereto as Exhibit D, with certain terms and conditions

related to administration of the Speed City Grant, and development, operation, maintenance, and use of the Track Facility (“**Grant Contract**”). DPR further requires that the Grant Contract must be executed on or before April 19, 2024, to avoid potential reappropriation of the Speed City Grant.

H. The purpose of this MOU is to set forth the terms and conditions upon which the County is willing to approve and submit the Grant Application, enter into the Grant Contract, and seek grant payments for CSU to develop the Speed City Track Facility project.

NOW, THEREFORE, in consideration of the mutual obligations of the parties hereto, the Parties hereby agree to the following:

1. Covenants of County. County hereby agrees to the following:
  - 1.1. County shall timely submit the Grant Application and execute the Grant Contract.
  - 1.2. County shall comply with the Grant Contract and shall not modify or amend the Grant Application or Grant Contract without CSU’s prior written consent.
  - 1.3. County shall cooperate with CSU to obtain DPR’s written consent to assign the Grant Contract, or delegate the rights and obligations thereunder, to CSU on terms that are mutually agreeable to County and CSU.
  - 1.4. County shall promptly provide CSU with a copy of all notices from DPR that County receives relating to the Grant Application and Grant Contract.
2. Grant Contract. In exchange for County’s agreement to execute the Grant Contract and submit it to DPR, CSU hereby agrees as follows:
  - 2.1. To be solely responsible for all costs related to the Grant Contract.
  - 2.2. Represents and warrants that it has reviewed the Grant Contract and the documents expressly incorporated into its terms including the Grant Application and the 2022-23 Procedural Guide for Local Specified Grants – Capital, September 2022, a copy of which is attached hereto as Exhibit E (“**Grant Guide**”).
  - 2.3. Provided DPR consents to such assumption as contemplated under Section 1.3, expressly assumes all duties and obligations required of County, as grantee, under the Grant Contract. CSU must prepare and certify the accuracy of all information provided on grant forms required by the County.
  - 2.4. Represents and warrants that CSU will negotiate diligently and good faith with the intent of entering into Development Agreements consistent with Paragraph 4 below.

3. Grant Disbursements. The Parties shall comply with the process set forth in the Grant Guide for making payment requests from the Speed City Grant.
4. Negotiation of Definitive Agreements. The Parties shall negotiate diligently and in good faith regarding the terms of future definitive agreements related to development, construction, and operation of the potential Track Facility (the “**Development Agreements**”). The Development Agreements shall include, without limitation, a right of entry or access agreement for CSU to conduct due diligence on the Project Site and a ground lease providing for development, operation, and maintenance of the Project. The ground lease, if executed, shall provide, among other things: (i) a clause providing for the County’s lease to CSU on an “AS-IS” basis; (ii) that the lease term shall be limited to the expected useful life of the improvements outlined in Phase I of the Development Program; (iii) in addition to SJSU’s academic, athletic, and recreational uses, shall provide for robust public community benefits and free public access, including but not limited to dedicated access specifically for the Tully Clinic and Franklin Elementary School, the terms and details of which shall be further negotiated and defined in the ground lease; and (iv) for an agreed-upon mechanism that honors the legacy of Speed City in a manner that reflects consultation with community stakeholders. The obligations in this paragraph shall survive termination of this agreement if the Grant Contract is assigned to CSU but shall otherwise terminate as set forth in Section 6(i-iii), or upon execution of a mutually agreeable Property ground lease or June 30, 2026, whichever is earlier.
5. Indemnity and Hold Harmless.
  - 5.1. Notwithstanding any other provision of this MOU, CSU shall indemnify, release, hold harmless, and defend, with legal counsel proposed by CSU and approved by County (which approval shall not be unreasonably withheld, conditioned, or delayed), County and its officers, agents, and employees from any claim, demand, suit, judgment, liability, loss, injury, damage, or expense of any kind (including reasonable attorneys’ fees and costs) to the extent arising out of, or in connection with, performance or breach of this MOU by CSU and/or its officers, agents, employees, or representatives, including, but not limited to CSU’s failure to comply with the Grant Contract, excepting only loss, injury, or damage to the extent caused by the sole negligence, willful misconduct, or breach of County’s payment request obligations under the Grant Contract by County or its officers, employees, agents, and representatives.
  - 5.2. CSU acknowledges that it is solely responsible for confirming information provided to the County for documents required by the Speed City Grant. County is required to certify information contained in documents required under the Grant Application, Grant Contract, and documents submitted pursuant to the Grant Guide. CSU obligations in paragraph 5.1 shall include all claims, demands, costs, expenses or liability costs arising out of legal actions pursuant to information to which the State requested County to certify as required by the Grant Contract and related documents if that information was provided by CSU.
6. Term. The term of this MOU shall commence upon the Effective Date, and unless the Parties agree to extend the term, shall terminate on the earlier of (i) December 31, 2026; (ii) written notice from a Party following the other Party’s breach of this MOU beyond any

applicable notice and cure period, (iii) DPR's election to rescind the Speed City Grant, (iv) termination of the Grant Contract, or (v) assignment of the Grant Contract from County to CSU.

7. General Provisions.

- 7.1. Conditional Commitment. The Parties acknowledge and agree that nothing in this MOU shall be construed to compel the County or CSU to approve or make any particular findings with respect to any environmental documentation that is prepared, pursuant to the California Environmental Quality Act (Cal. Pub. Res. section 21000, et seq., Title 14, Cal. Code Regs. section 15000 et seq.) ("CEQA") for the Track Facility. The Parties shall comply with CEQA. Any obligation to approve or construct the Track Facility is irrevocably conditioned upon compliance with CEQA and obtaining all necessary and applicable permits and approvals pursuant to any applicable laws. It is currently anticipated that CSU will serve as "lead agency" (and the project applicant) and the County as a "responsible agency" for purposes of CEQA compliance for the Track Facility. CEQA compliance for the Track Facility and issuance of permits and approvals for the Track Facility shall be subject to the independent judgment and discretion of the lead agency and responsible agency(ies), and in the exercise of such discretion, the lead agency retains the right to approve, deny or require modifications to the Track Facility. Nothing in this Agreement shall commit or be interpreted to commit either Party to a definite course of action with respect to the Track Facility, preclude the consideration of feasible mitigation measures and, if applicable, alternatives, or limit denial of the Track Facility, prior to the certification, approval, or consideration of a CEQA compliance document for the Track Facility. This Agreement does not require either Party to approve or carry out the Track Facility project. The Parties acknowledge that the County Board of Supervisors and the CSU Board of Trustees, or their respective delegees, each retain full discretion to determine whether to approve and carry out the Track Facility project.
- 7.2. Further Assurances. The Parties each agree to take all such actions and to make, execute and deliver such other documents and instruments as reasonably requested to carry out the provisions, intent, and purpose of this MOU.
- 7.3. Amendments. This MOU may not be changed, modified, or rescinded except in writing, signed by the Parties, and any attempt at oral modification of this MOU shall be void and of no effect.
- 7.4. Notices. All required or permitted reports, demands and notices may be sent to the Parties at the addresses set forth below or such other address as a Party may specify in writing to the other Party by overnight delivery service, in which case notice is effective upon delivery if delivery is confirmed by the delivery service, or by electronic mail, in which case notices shall be deemed delivered upon the sender's receipt of an acknowledgement from the intended recipient provided that, if such notice is not sent during the normal business hours of the recipient, such notice shall be deemed to have been sent at the opening of business on the next business day of the recipient.

**CSU:** The Board of Trustees of the California State University  
401 Golden Shore, 4th Floor  
Long Beach, CA 90802-4210  
Attn: Assistant Vice Chancellor, Capital Planning, Design & Construction

**with a copy to:** The Board of Trustees of the California State University  
Office of General Counsel  
401 Golden Shore  
Long Beach, California 90802-42  
Attention: Executive Vice Chancellor and General Counsel

**and to:** San José State University  
One Washington Square  
San José, CA 95192  
Attn: Office of the President

**County:** County of Santa Clara  
70 West Hedding Street, 11th Floor  
San José, California 95110  
Attention: County Executive

**with a copy to:** County of Santa Clara  
70 West Hedding Street, 9th Floor  
San José, California 95110  
Attention: County Counsel

7.5 No Third-Party Beneficiaries. Nothing contained in this MOU is intended to or shall be deemed to confer upon any person, other than the Parties and their respective permitted successors and assigns, any rights, or remedies hereunder.

7.6 Authority; Authorized Signatories. Each Party represents and warrants that it is authorized to execute and perform this MOU, and that the persons executing this Agreement on such Party’s behalf have been duly authorized to do so.

7.7 Counterparts. This MOU may be executed in counterparts, each of which shall be an original, and all of which taken together shall constitute one and the same instrument. Unless otherwise prohibited by law, the Parties agree that an electronic copy of this agreement, or an electronically signed agreement, has the same force and legal effect as the agreement executed with an original ink signature. The term “electronic copy of this agreement” refers to a transmission by facsimile, electronic mail, or other electronic means of a copy of the original signed agreement in a portable document format. The term “electronically signed agreement” means the agreement that is executed by applying an electronic signature using technology approved by the County and CSU. The County and CSU both agree that for purposes of this MOU, DocuSign is an approved technology for execution.

- 7.8 Consents. Wherever this MOU provides that the consent of a Party is required, such consent may be withheld in such Party's sole and absolute discretion.
- 7.9 Assignment; Successors and Assigns. Neither Party shall assign this MOU without the prior written consent of the other Party. All terms, conditions, and provisions of this MOU shall benefit, and bind, the Parties and their respective heirs, executors, administrators, successors, and permitted assigns.
- 7.10 Breach; Remedies. In the event of a Material Breach of this MOU, either Party shall have any remedies available at law or in equity. This Agreement may be terminated by either Party upon material breach by the other Party. As used in this MOU, a "**Material Breach**" means a Party fails to perform any of such Party's obligations under this Agreement, and this circumstance continues for thirty (30) days after the Party in breach of its contractual obligation receives written notice from the other Party identifying the nature of the breach; provided, however, that the Party in breach will be entitled to a time extension of up to one hundred eighty (180) days to cure the breach if: (i) the Party in breach delivers written notice to the other Party within the initial 30-day cure period confirming (with supporting evidence) that the Party in breach cannot reasonably cure the breach within the initial cure period and stating that the Party in breach intends to cure the breach as expeditiously as possible; and (ii) the Party in breach diligently prosecutes the cure of the breach to completion within the 180-day extension period. Notwithstanding anything to the contrary contained in this MOU, in no event shall either Party be liable for any consequential damages, lost profits, lost revenues, lost opportunities, or similar damages in connection with the subject matter of this MOU.
- 7.11 Excuse of Performance. Neither Party shall be responsible for any failure or delay in its performance under this MOU due to causes beyond its reasonable control, including, without limitation, governmental action, a communicable disease outbreak, epidemic or pandemic, an act of God, fire, riot, civil commotion, terrorist act, terrorist threat, hostilities or war, labor disputes, labor shortages or supply chain disruptions, or due to unreasonable delay of the other Party or such Party's breach of this MOU.

*SIGNATURES ON FOLLOWING PAGE.*

IN WITNESS WHEREOF, the Parties have executed this MOU as of the dates set forth below (the latest of the dates set forth below the “**Effective Date**”).

**CSU:**

BOARD OF TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY, which is the State of California acting in its higher education capacity, on behalf of San José State University

*Cynthia Teniente-Matson*

**DR. CYNTHIA TENIENTE-MATSON,**  
President, San José State University

Date: Apr 19, 2024

**COUNTY:**

COUNTY OF SANTA CLARA, a political subdivision of the State of California

DocuSigned by:  
*James R. Williams*  
74FCE0CB79FA478...

**JAMES R. WILLIAMS,** County Executive

4/19/2024

Date: \_\_\_\_\_

APPROVED AS TO FORM AND LEGALITY:

DocuSigned by:  
*Kimberly Kernan*  
EDE3116CE3A0448...

**KIMBERLY J. KERNAN**  
Deputy County Counsel

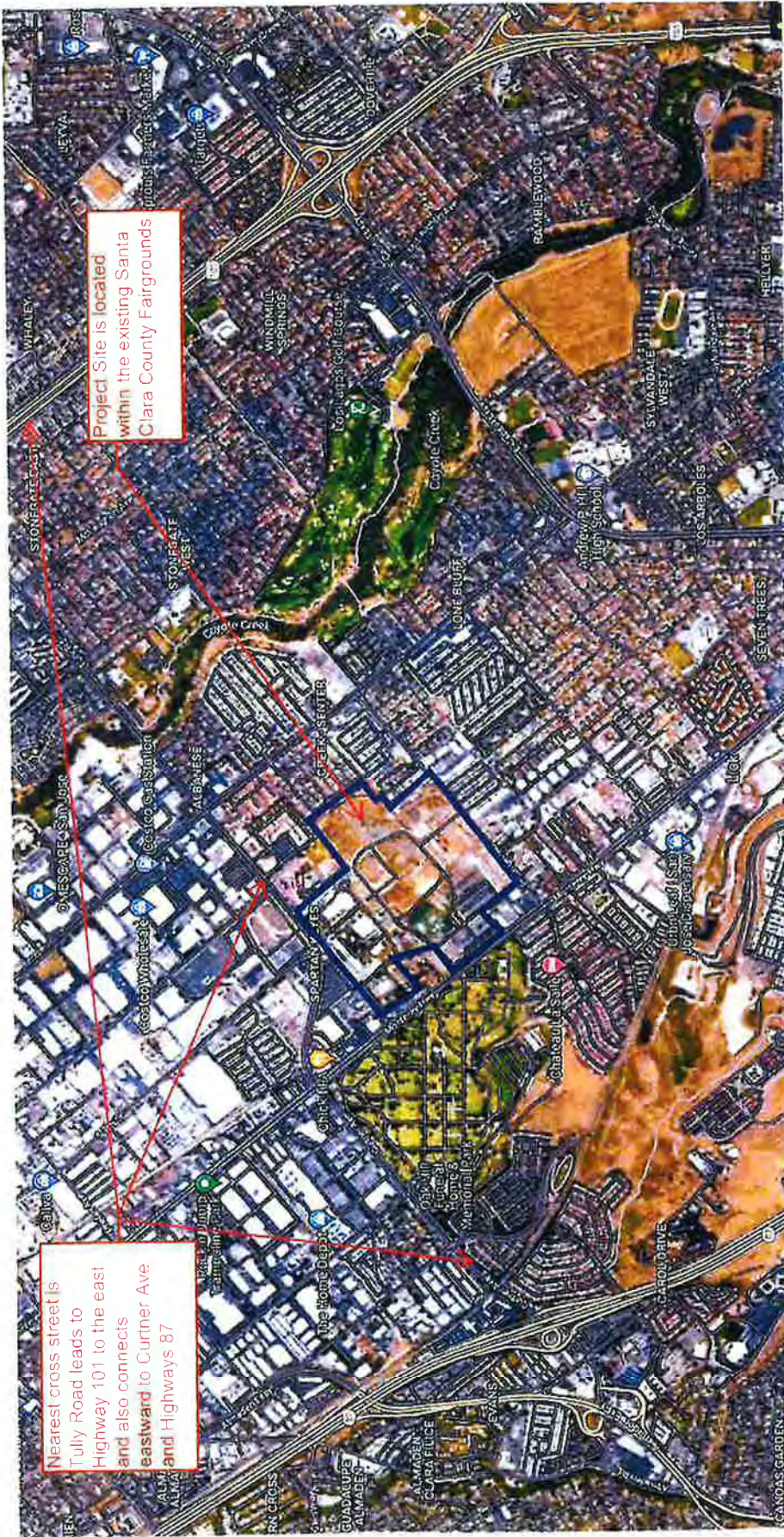
List of Exhibits

- Exhibit A – The Property
- Exhibit B – Development Program
- Exhibit C - Grant Application
- Exhibit D – Grant Contract
- Exhibit E – Grant Guide

**EXHIBIT A TO THE MOU**

**THE PROPERTY**





**EXHIBIT B TO THE MOU  
DEVELOPMENT PROGRAM**



## Development Program

**PROJECT TITLE:** Speed City and Spirit of '68 Track and Field Facility  
**PROJECT LOCATION:** County of Santa Clara Fairgrounds (Exhibit A)  
**DEVELOPMENT PARTNERSHIP:** County of Santa Clara/San José State University

### Summary of the Proposed Project

San José State University will construct a new Speed City and Spirit of '68 Track and Field Facility at the Santa Clara County Fairgrounds. Phase 1 of the project, to be constructed with State of California earmark funds (\$9,000,000) and University fundraising commitments (\$1,500,000) is designed to deliver the track and field facility with necessary base amenities while future phases will construct other amenities and improvements required for a state of the art facility for the University and community to enjoy.

### Purpose of the Project

Located in the heart of Silicon Valley, the global center of technology and innovation, San José State University also has a strong racial justice legacy. Throughout the 1960s and 70s, the University's track team was known as "Speed City." Several of these athletes competed in the 1968 Olympics, during which two athletes famously raised their fists on the medal platform in protest of the racism and human rights violations that were occurring in the United States during that time. Their gesture would become an iconic and historic moment that is now immortalized in a statue on University's campus. The historic moment was part of the larger work of the Olympic Project for Human Rights, a movement created to resist racism and has since become a global symbol for human rights. It is important that we celebrate the heroism of athletes who shined a light on the civil rights movement, while also acknowledging the reality of racism that they faced. Current national and world events demonstrate that this struggle and movement is far from over and there is an unmet need to provide on-going education and activism that celebrates civil rights. Residents of San José and the world over can learn of this legacy and be inspired to carry that legacy in their work and in their lives.

This Project will build a community/university joint-use project that will keep alive the legacy and values of Speed City and the Olympic Project for Human Rights; and create a track and field facility to San José State University (track and field team, teaching, recreational activities, etc.) and which will also be available for public access. It will be located at the current site of the Santa Clara Fairgrounds, only a few blocks from the University's South Campus. The final design and naming will go through a collaborative joint outreach effort, and follow the University's naming guidelines.

### Description of the Proposed Improvements

This project is proposed to be constructed in Phases as the State earmark funds and philanthropic commitments to date align with a multi-phase approach to development.

Phase 1 of the project, to be funded through State earmark funds and existing University philanthropic commitments is comprised of the following scope of work:

- NCAA Division 1 nine lane competitive track
- NCAA Division 1 field events, constructed primarily within the track interior, and inclusive of discus, shot put, javelin, hammer, steeplechase, pole vault, high jump, long jump, and triple jump
- Placement of temporary restroom facilities
- Placement of temporary track and field equipment storage facilities
- Parking at minimum as required for ADA access, loading/unloading, and service vehicles
- Speed City/Spirit of '68 signage and branding within the design of the improvements
- Utility infrastructure pathways for future phases of the project as related to common trenches or should future infrastructure needs pass below improvements to be constructed

Future phases of the project, to be constructed upon securing additional necessary funding resources, is comprised of the following scope of work:

- Operations Building to acknowledge the history of Speed City and past work of these University legends while supporting use of the track and field facility. This building will include meeting rooms, locker rooms, permanent restrooms and equipment storage rooms, mechanical and operation support spaces, and public restrooms accessed from the building's exterior
- Bleachers for up to 1,000 spectators
- Lighting to allow for day and evening activities
- Scoreboard specific to track/field events
- Expansion of parking, including potential use of nearby expanded parking areas for common use by the public.

### **Planned Use**

It is intended that this facility will serve as the primary track and field facility for San José State University as well as allow for its use as a teaching and recreational sport facility by other University programs. Additionally, public access will be afforded through a variety of mechanisms including hosting a variety of track and field meets targeted to a wide variety of groups as well as regional elementary and secondary education institutions and the community at large, and hosting camps and other events designed to promote health and fitness as well as educational opportunities around the importance of the history of Speed City in American culture. Programming that aligns with the social justice legacy of Speed City, such as a youth Speed City Invitational, can be created to educate youth on racial and social justice issues, engage them through athletic opportunities, and inspire the next generation to continue the legacy of Speed City.

### **Development Approach**

The following outlines the project's development approach being pursued by the University, in collaboration with the County:

#### **Planning & Environmental Compliance**

The University will enter into negotiations with the County to confirm the development partnership and requirements of each of the parties; this include but is not limited to a right of entry, pre-development, development, ground lease, and operating agreements. The University will complete planning efforts necessary for the project including development of conceptual plans, cost estimates, and other documentation. The University will partner with the County to conduct due diligence as related to the project's site location within the County Fairgrounds property so as to ensure full knowledge of the existing site and to mitigate for risks related to construction of the project. The University will serve as lead agency with respect to California Environmental Quality Act (CEQA) compliance and will prepare environmental compliance documents which will be reviewed and approved by the Board of Trustees of the California State University or its delegee. The University and County anticipate that any County discretionary approvals would follow the University's CEQA compliance and approval of the project. Should the project require mitigations due to environmental review, such will be accommodated for in the construction of the improvements and/or operation of the project following completion.

#### **Design**

Design consultants will be retained by the University to develop drawings, specifications, and other supporting documents required for permitting and construction of the project. The University will engage the County in its design development efforts to ensure alignment of the project to the intent of the grant as well as to dovetail its design and construction into other planned nearby improvements within the County Fairgrounds location.

#### **Permitting**

It is anticipated that building permits related to construction of the improvements will be issued by San Jose State University's campus deputy building official. It is also anticipated that other related permits will be received from the following authorities having jurisdiction: Division of the State Architect (access

compliance), California State University Office of Fire Safety, and Office of the State Fire Marshal. Other permits, if determined as required during the planning and design phase, will be secured.

#### Procurement

The University will abide by all requirements associated with the grant program as related to procurement of consultant services and contracted services, including those related to public works, for the project.

#### Construction

The University anticipates this project will be delivered utilizing either a design bid build or design build project delivery method. Public solicitation requirements of the State as related to the grant and public works will be adhered to. The University will provide project management and administration of all construction activities, including provision of inspections to support the designated inspector/agency of record.

#### Operation & Maintenance

The University will negotiate, in good faith, a joint operations and maintenance agreement with the County that will detail responsibilities of each party with the University ensuring safe and effective operation of the facility, including its maintenance, for aspects related to use of the facility by the University and its associated programs.

**EXHIBIT C TO THE MOU**  
**GRANT APPLICATION**



State of California – The Resources Agency  
 DEPARTMENT OF PARKS AND RECREATION

**Project Application Form**

PROJECT NAME <b>Speed City &amp; Spirit of '68 Track Facility</b>	REQUESTED GRANT AMOUNT \$ 9,000,000			
PROJECT SITE NAME and PHYSICAL ADDRESS where PROJECT is located (including zip code) (Use latitude and longitude if there is no street address) 344 Tully Road San Jose CA 95111	LAND TENURE ( <input checked="" type="checkbox"/> all that apply)  <input checked="" type="checkbox"/> Owned in fee simple by APPLICANT <input type="checkbox"/> Available (or will be available) under a _____ year lease or easement			
NEAREST CROSS STREET <b>7th Street</b>				
COUNTY OF PROJECT LOCATION <b>Santa Clara County</b>				
APPLICANT NAME AND MAILING ADDRESS				
AUTHORIZED REPRESENTATIVE AS SHOWN IN RESOLUTION				
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-bottom: 1px solid black;">Name (<i>typed or printed</i>) and Title</td> <td style="width: 25%; border-bottom: 1px solid black;">Email address</td> <td style="width: 25%; border-bottom: 1px solid black;">Phone</td> </tr> </table>		Name ( <i>typed or printed</i> ) and Title	Email address	Phone
Name ( <i>typed or printed</i> ) and Title	Email address	Phone		
GRANT CONTACT - For administration of grant ( <i>if different from AUTHORIZED REPRESENTATIVE</i> )				
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-bottom: 1px solid black;">Name (<i>typed or printed</i>) and Title</td> <td style="width: 25%; border-bottom: 1px solid black;">Email address</td> <td style="width: 25%; border-bottom: 1px solid black;">Phone</td> </tr> </table>		Name ( <i>typed or printed</i> ) and Title	Email address	Phone
Name ( <i>typed or printed</i> ) and Title	Email address	Phone		
GRANT SCOPE: I represent and warrant that this APPLICATION PACKET describes the intended use of the requested GRANT to complete the items listed in the attached Project Scope/Cost Estimate Form. I declare under penalty of perjury, under the laws of the State of California, that the information contained in this APPLICATION PACKET, including required attachments, is accurate.				
_____ Signature of AUTHORIZED REPRESENTATIVE as shown in Resolution	_____ Date			
Print Name _____				
Title _____				

**Project Scope/Cost Estimate Form**

GRANTEE: County of Santa Clara	PROJECT Name: Speed City & Spirit of '68 Track Facility
-----------------------------------	--

**Grant Scope (Describe the project in 30 words or less):**

Spirit of '68 Track & Field Facility (Phase 1) at the Santa Clara County Fairgrounds, as described in Attachment A (Development Program).

<b>GRANT SCOPE ITEMS</b>	<b>Estimated Cost</b>
<b>ACQUISITION:</b> List each parcel number, acreage, estimated date of purchase and cost.	
<b>DEVELOPMENT:</b> List each major project element and major support amenity.	
Architectural & Engineering Fees	\$ 458,000
CEQA/Environmental Impact Report (MND)	\$ 141,000
Other Consultants & Project Support	\$ 105,000
Permits & Inspections	\$ 276,000
Construct Track	\$2,530,911
Construct Field Events	\$ 578,194
Construct Artificial Turf Interior	\$1,454,607
Site Preparation	\$ 806,180
Site Grading	\$1,076,304
Site Utilities	\$ 935,522
Landscape, Parking & Pathways, ADA Access & Equipment	\$ 638,282
	\$
	\$
<b>Total GRANT amount:</b>	<b>\$9,000,000</b>
<b>AUTHORIZED REPRESENTATIVE Signature</b>	<b>Date</b>
<b>Print Name and Title</b>	

The APPLICANT understands that this form will be used to establish ELIGIBLE COSTS, and that all of the items listed on this form must be completed before the final PROJECT payment is processed as specified in the Final Payments section of this guide.





State of California – The Natural Resources Agency  
DEPARTMENT OF PARKS AND RECREATION

## Funding Sources

Grantee Name: County of Santa Clara

Project Name: Speed City & Spirit of '68 Track Facility

PROJECTS funded by the program are not complete until all SCOPE items are complete and open to the public.

If Specified GRANT funds will be used as part of the funding for a larger project, briefly describe the scope of that larger project: Funds will be used to partially fund improvements outlined in the 2022/23 State Funding Allocation request and is updated to describe the overall project and its phases as well as address that portion of the overall project which will be addressed with State grant funds in Phase 1 (Attachment A).

The total cost of the larger project that these GRANT funds will contribute to is  
\$ 10,500,000.00 (Phase 1)

Anticipated completion date: December 31, 2025

List all funds that will be used:

Funding source	Date Committed	Amount
State of California 2022-23 Budget Act	July 1, 2022	\$9,000,000
San Jose State University	July 1, 2022	\$1,500,000

I represent and warrant that I have fully authority to execute this Funding Sources Form on behalf of the GRANTEE. I declare under penalty of perjury, under the laws of the State of California, that this Funding Sources Form, and any accompanying documents, for the above-mentioned grant is true and correct to the best of my knowledge.

\_\_\_\_\_  
AUTHORIZED REPRESENTATIVE Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name and Title

NOTE: Submit a revised Funding Sources Form should funding sources be modified.



State of California – The Natural Resources Agency  
 DEPARTMENT OF PARKS AND RECREATION

### CEQA Compliance Certification

**GRANTEE:** County of Santa Clara  
**Project Name:** Speed City & Spirit of '68 Track & Field Facility  
**Project Address:** 304 Tully Rd, San Jose, CA 95111

Is CEQA complete?  Yes  No      Is completing CEQA a PROJECT SCOPE item?  Yes  No

**What document was filed, or is expected to be filed for this project’s CEQA analysis:**

Date complete/expected to be completed

- Notice of Exemption (attach recorded copy if filed)
- Notice of Determination (attach recorded copy if filed)
- Other: TBD

If CEQA is complete, and a Notice of Exemption or Notice of Determination was not filed, attach a letter from the Lead Agency explaining why, certifying the project has complied with CEQA and noting the date that the project was approved by the Lead Agency.

<b>Lead Agency Contact Information</b>	
Agency Name: Trustees of the California State University	
Contact Person: Anne Collins-Doehne	
Mailing Address: 401 Golden Shore, Long Beach, CA 90802	
Phone: ( ) 562-951-4161	Email: acollins-doehne@calstate.edu

**Certification:**  
 I hereby certify that the above referenced Lead Agency has complied or will comply with the California Environmental Quality Act (CEQA) and that the project is described in adequate and sufficient detail to allow the project’s construction or acquisition.

I further certify that the CEQA analysis for this project encompasses all aspects of the work to be completed with grant funds.

AUTHORIZED REPRESENTATIVE Signature	Date
Print Name and Title Anne Collins-Doehne, Director- Land Use Planning & Environmental Review	

FOR OGALS USE ONLY		
CEQA Document	Date Received	PO Initials
<input type="checkbox"/> NOE <input type="checkbox"/> NOD		

**Attachment A: Development Program****PROJECT TITLE:** Speed City and Spirit of '68 Track and Field Facility**PROJECT LOCATION:** County of Santa Clara Fairgrounds (Exhibit A)**DEVELOPMENT PARTNERSHIP:** County of Santa Clara/San José State University**Summary of the Proposed Project**

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Design consultants will be retained by the University to develop drawings, specifications, and other supporting documents required for permitting and construction of the project. The University will engage the County in its design development efforts to ensure alignment of the project to the intent of the grant as well as to dovetail its design and construction into other planned nearby improvements within the County Fairgrounds location.

#### **Permitting**

It is anticipated that building permits related to construction of the improvements will be issued by San Jose State University's campus deputy building official. It is also anticipated that other related permits will be received from the following authorities having jurisdiction: Division of the State Architect (access

compliance), California State University Office of Fire Safety, and Office of the State Fire Marshal. Other permits, if determined as required during the planning and design phase, will be secured.

Procurement

The University will abide by all requirements associated with the grant program as related to procurement of consultant services and contracted services, including those related to public works, for the project.

Construction

The University anticipates this project will be delivered utilizing either a design bid build or design build project delivery method. Public solicitation requirements of the State as related to the grant and public works will be adhered to. The University will provide project management and administration of all construction activities, including provision of inspections to support the designated inspector/agency of record.

Operation & Maintenance

The University will negotiate, in good faith, a joint operations and maintenance agreement with the County that will detail responsibilities of each party with the University ensuring safe and effective operation of the facility, including its maintenance, for aspects related to use of the facility by the University and its associated programs.



Attachment B – Project Location



**EXHIBIT D TO THE MOU**  
**GRANT CONTRACT**



State of California - Natural Resources Agency  
**Department of Parks and Recreation**  
**GRANT CONTRACT**  
**General Fund**  
**Specified Grants**

GRANTEE County of Santa Clara

GRANT PERFORMANCE PERIOD is from July 01, 2022 through June 30, 2026.

CONTRACT PERFORMANCE PERIOD is from July 01, 2022 through June 30, 2026.

The GRANTEE agrees to the terms and conditions of this Contract, and the State of California, acting through its Director of Parks and Recreation, pursuant to the State of California, agrees to fund the total State grant amount indicated below. The GRANTEE agrees to complete the GRANT SCOPE(s) as defined in the GRANT SCOPE /Cost Estimate Form of the application(s) filed with the State of California.

Total State grant amount not to exceed \$9,000,000.00

The General and Special Provisions attached are made a part of and incorporated into the Contract.

County of Santa Clara  
 GRANTEE

STATE OF CALIFORNIA  
 DEPARTMENT OF PARKS AND RECREATION

By James R. Williams  
 Typed or printed name of Authorized Representative  
 \_\_\_\_\_  
 Signature of Authorized Representative

By \_\_\_\_\_

Address 70 W. Hedding St., 70 W Hedding St # 11,  
San Jose, CA 95110  
 Title County Executive  
 Date \_\_\_\_\_

APPROVED AS TO FORM AND LEGALITY:

Date \_\_\_\_\_

\_\_\_\_\_  
 KIMBERLY J. KERNAN  
 Deputy County Counsel

**CERTIFICATION OF FUNDING**  
**(For State Use Only)**

CONTRACT NO C5055064	AMENDMENT NO	FISCAL SUPPLIER I.D. 0000012077		PROJECT NO. SG-43-005
AMOUNT ENCUMBERED BY THIS DOCUMENT \$9,000,000.00		FUND. General Fund		
PRIOR AMOUNT ENCUMBERED FOR THIS CONTRACT		ITEM 3790-101-0001	CHAPTER 43	STATUTE 22
TOTAL AMOUNT ENCUMBERED TO DATE \$ 9,000,000.00		Reporting Structured. 37900091	Account/Alt Account. 5432000- 5432000000	ACTIVITY CODE 60067 PROJECT / WORK PHASE
				FISCAL YEAR 2023/24



## I. RECITALS

This CONTRACT is entered into between the California Department of Parks and Recreation (hereinafter referred to as "GRANTOR," "DEPARTMENT" or "STATE") and County of Santa Clara (hereinafter referred to as "GRANTEE").

The DEPARTMENT hereby grants to GRANTEE a sum (also referred to as "GRANT MONIES") not to exceed \$9,000,000, subject to the terms and conditions of this AGREEMENT and the 2022/23 California State Budget, Chapter 43, statutes of 2022, Item number – 3790-101-0001 (appropriation chapter and budget item number hereinafter referred to as "SPECIFIED GRANT"). These funds shall be used for completion of the GRANT SCOPE(S).

The Grant Performance Period is from July 01, 2022 to June 30, 2026.

## II. GENERAL PROVISIONS

### A. Definitions

As used in this CONTRACT, the following words shall have the following meanings:

1. The term "APPLICATION" means the individual project APPLICATION packet for a project pursuant to the enabling legislation and/or grant program PROCEDURAL GUIDE requirements.
2. The term "CONTRACT PERFORMANCE PERIOD" means the duration of time during which this CONTRACT is in effect.
3. The term "DEPARTMENT" or "STATE" means the California Department of Parks and Recreation.
4. The term "DEVELOPMENT" means capital improvements to real property by means of, but not limited to, construction, expansion, and/or renovation, of permanent or fixed features of the property.
5. The term "GRANTEE" means the party described as the GRANTEE in Section I of this AGREEMENT.
6. The term "GRANT PERFORMANCE PERIOD" means the period of time during which eligible costs may be incurred by the GRANTEE and paid for by the DEPARTMENT, as specified in the fully executed CONTRACT.
7. The term "GRANT PROJECT" means all real estate, leases, subleases, buildings, and other property acquired or developed with GRANT monies.

8. The term "GRANT SCOPE" means the items listed in the GRANT SCOPE/Cost Estimate Form found in each of the APPLICATIONS submitted pursuant to this grant.
9. The term "PROCEDURAL GUIDE" means the document identified as the "Procedural Guide for Local Assistance Specified Grants – Capital, September 2022." The PROCEDURAL GUIDE provides the procedures and policies controlling the administration of the grant.

## **B. Project Execution**

1. Subject to the availability of GRANT MONIES, the STATE hereby grants to the GRANTEE a sum of money not to exceed the amount stated in Section I of this CONTRACT, in consideration of, and on condition that, the sum be expended in carrying out the purposes as set forth in the scope described in the enabling legislation and referenced in the APPLICATION, Section I of this CONTRACT, and under the terms and conditions set forth in this CONTRACT.

The GRANTEE shall assume any obligation to furnish any additional funds that may be necessary to complete the GRANT SCOPE(S).

During the CONTRACT PERFORMANCE PERIOD, the GRANTEE agrees to submit any proposed change or alteration from the original GRANT SCOPE(S) in writing to the STATE for prior approval. This applies to any and all proposed changes that will occur after STATE has approved the APPLICATION. Changes in the GRANT SCOPE(S) must first be approved in writing by the STATE.

2. The GRANTEE shall complete the GRANT SCOPE(S) in accordance with the time of the Performance Period set forth in Section I of this CONTRACT, and under the terms and conditions of this contract.
3. The GRANTEE shall comply with the California Environmental Quality Act (Public Resources Code, Section 21000, et seq., Title 14, California Code of Regulations, Section 15000 et seq.).
4. The GRANTEE shall comply with all applicable current laws and regulations affecting DEVELOPMENT projects, including, but not limited to, legal requirements for construction contracts, building codes, health and safety codes, and laws and codes pertaining to individuals with disabilities, including but not limited to the Americans With Disabilities Act of 1990 (42 U.S.C. §12101 et seq.) and the California Unruh Act (California Civil Code §51 et seq.)

## **C. Project Costs**

1. GRANTEE agrees to abide by the PROCEDURAL GUIDE.
2. GRANTEE acknowledges that STATE may make reasonable changes to its procedures as set forth in the PROCEDURAL GUIDE. If STATE makes any changes to its procedures and guidelines, STATE agrees to notify GRANTEE within a reasonable time.

#### **D. Project Administration**

1. If GRANT MONIES are advanced for DEVELOPMENT projects, the advanced funds may be placed in an interest bearing account until expended. Interest earned on the advanced funds shall be used on the project as approved by the STATE. If grant monies are advanced and not expended, the unused portion of the grant and any interest earned shall be returned to the STATE within 60 days after project completion or end of the GRANT PERFORMANCE PERIOD, whichever is earlier.
2. During the GRANT PERFORMANCE PERIOD, the GRANTEE shall submit written project status reports within 30 calendar days after the STATE has made a specific request. All such project status reports shall be signed and certified as complete and accurate by the authorized representative of the GRANTEE. In any event, the GRANTEE shall provide the STATE a report showing total final project expenditures within 60 days of project completion or the end of the GRANT PERFORMANCE PERIOD, whichever is earlier. The GRANT PERFORMANCE PERIOD is identified in Section I of this CONTRACT.
3. The GRANTEE shall make property or facilities acquired and/or developed pursuant to this contract available for inspection upon request by the STATE.

#### **E. Project Termination**

1. Project Termination refers to the non-completion of a GRANT SCOPE. Any grant funds that have not been expended by the GRANTEE shall revert to the STATE.
2. The GRANTEE may unilaterally rescind this contract at any time prior to the commencement of the project. The commencement of the project means the date of the letter notifying GRANTEE of the award or when the funds are appropriated, whichever is later. After project commencement, this contract may be rescinded, modified or amended only by mutual CONTRACT in writing between the GRANTEE and the STATE, unless the provisions of this contract provide that mutual CONTRACT is not required.
3. Failure by the GRANTEE to comply with the terms of the (a) PROCEDURAL GUIDE, (b) this CONTRACT or any other grant contracts, specified or general, that GRANTEE has entered into with STATE or any other department, agency, commission or other subdivision of California State government, may be cause for suspension of all obligations of the STATE unless the STATE determines that such failure was due to no fault of the GRANTEE. In such case, STATE may reimburse GRANTEE for eligible costs properly incurred in performance of this CONTRACT despite non-performance of the GRANTEE. To qualify for such reimbursement, GRANTEE agrees to mitigate its losses to the best of its ability.
4. Any breach of any term, provision, obligation or requirement of this CONTRACT by the GRANTEE shall be a default of this CONTRACT. In the case of any default by GRANTEE, STATE shall be entitled to all remedies available under law and equity, including but not limited to: a) Specific Performance; b) Return of all GRANT MONIES; c) Payment to the STATE of the fair market value of the project property

or the actual sales price, whichever is higher; and d) Payment to the STATE of the costs of enforcement of this CONTRACT, including but not limited to court and arbitration costs, fees, expenses of litigation, and reasonable attorney fees.

5. The GRANTEE and the STATE agree that if the GRANT SCOPE includes DEVELOPMENT, final payment may not be made until the work described in the GRANT SCOPE is complete and the GRANT PROJECT is open to the public.

#### **F. Budget Contingency Clause**

If funding for any fiscal year is reduced or deleted by the budget act for purposes of this program, the STATE shall have the option to either cancel this contract with no liability occurring to the STATE, or offer a CONTRACT amendment to GRANTEE to reflect the reduced grant amount. This Paragraph shall not require the mutual CONTRACT as addressed in Paragraph E, subsection 2, of this CONTRACT

#### **G. Hold Harmless**

1. The GRANTEE shall waive all claims and recourse against the STATE including the right to contribution for loss or damage to persons or property arising from, growing out of or in any way connected with or incident to this CONTRACT except claims arising from the concurrent or sole negligence of the STATE, its officers, agents, and employees.
2. The GRANTEE shall indemnify, hold harmless and defend the STATE, its officers, agents and employees against any and all claims, demands, damages, costs, expenses or liability costs arising out of the ACQUISITION, DEVELOPMENT, construction, operation or maintenance of the property described as the project which claims, demands or causes of action arise under California Government Code Section 895.2 or otherwise except for liability arising out of the concurrent or sole negligence of the STATE, its officers, agents, or employees.
3. The GRANTEE agrees that in the event the STATE is named as codefendant under the provisions of California Government Code Section 895 et seq., the GRANTEE shall notify the STATE of such fact and shall represent the STATE in the legal action unless the STATE undertakes to represent itself as codefendant in such legal action in which event the GRANTEE agrees to pay the STATE's litigation costs, expenses, and reasonable attorney fees.
4. The GRANTEE and the STATE agree that in the event of judgment entered against the STATE and the GRANTEE because of the concurrent negligence of the STATE and the GRANTEE, their officers, agents, or employees, an apportionment of liability to pay such judgment shall be made by a court of competent jurisdiction. Neither party shall request a jury apportionment.
5. The GRANTEE shall indemnify, hold harmless and defend the STATE, its officers, agents and employees against any and all claims, demands, costs, expenses or

liability costs arising out of legal actions pursuant to items to which the GRANTEE has certified. The GRANTEE acknowledges that it is solely responsible for compliance with items to which it has certified.

## **H. Financial Records**

1. The GRANTEE shall maintain satisfactory financial accounts, documents, including loan documents, and all other records for the project and shall make them available to the STATE for auditing at reasonable times. The GRANTEE also agrees to retain such financial accounts, documents and records for five years following project termination or final payment.
2. The GRANTEE shall keep such records as the STATE shall prescribe, including records which fully disclose (a) the disposition of the proceeds of STATE funding assistance, (b) the total cost of the project in connection with such assistance that is given or used, (c) the amount, source and nature of that portion of the project cost supplied by other sources, and (d) any other such records that will facilitate an effective audit.
3. The GRANTEE agrees that the STATE shall have the right to inspect and make copies of any books, records or reports pertaining to this contract or matters related thereto during regular office hours. The GRANTEE shall maintain and make available for inspection by the STATE accurate records of all of its costs, disbursements and receipts with respect to its activities under this CONTRACT, and shall provide copies of all such records to STATE in its certified status reports upon request by the STATE. Such accounts, documents, and records shall be retained by the GRANTEE for at least five years following final payment.
4. The GRANTEE shall use a generally accepted accounting system.

## **I. Use of Facilities**

1. The GRANTEE agrees that the GRANTEE shall operate and maintain, and retain full control of the property acquired or developed with the GRANT MONIES, for the duration of the CONTRACT PERFORMANCE PERIOD.
2. The GRANTEE agrees that, during the CONTRACT PERFORMANCE PERIOD, the GRANTEE shall use the property acquired or developed with grant funds under this CONTRACT only for the purposes of this grant and no other use, sale, assignment, transfer, mortgage, or other disposition or change of the control or use of the property or of any interest in the property to one not consistent with the grant purpose shall be permitted except as authorized by the DEPARTMENT and the property shall be replaced with property of equivalent value and usefulness as determined by the STATE.

3. The property acquired or developed may be transferred or assigned to another entity only if the successor entity assumes the obligations imposed under this CONTRACT and only with the prior approval of STATE.
4. Any real Property (including any portion of it or any interest in it, including any leases) may not be used as security or collateral for any debt, loan or mitigation, without the prior written approval of the STATE, provided that such approval shall not be unreasonably withheld as long as the purposes for which the grant was awarded are maintained. Any such permission that is granted does not make STATE a guarantor or a surety for any debt, loan or mitigation, nor does it waive STATE's rights to enforce performance under the CONTRACT.
5. If the project property is taken by use of eminent domain, GRANTEE shall reimburse STATE an amount at least equal to the amount of grant monies received from STATE or the pro-rated full market value of the real property, including improvements, at the time of sale, whichever is higher.
6. If eminent domain proceedings are initiated against GRANTEE, GRANTEE shall notify STATE within 10 days of receiving the complaint.

#### **J. Nondiscrimination**

1. The GRANTEE shall not discriminate against any person on the basis of sex, race, color, national origin, age, religion, ancestry, sexual orientation, or disability in the use of any property or facility developed pursuant to this CONTRACT.
2. The GRANTEE shall not discriminate against any person on the basis of residence except to the extent that reasonable differences in admission or other fees may be maintained on the basis of residence and pursuant to law.
3. All facilities shall be open to members of the public generally, except as noted under the special provisions of this project contract or under provisions of the enabling legislation and/or grant program.

#### **K. Severability**

If any provision of this CONTRACT or the application thereof is held invalid, that invalidity shall not affect other provisions or applications of the CONTRACT which can be given effect without the invalid provision or application, and to this end the provisions of this CONTRACT are severable.

#### **L. Liability**

1. STATE assumes no responsibility for assuring the safety or standards of construction, site improvements or programs related to the GRANT SCOPE. The STATE'S rights under this CONTRACT to review, inspect and approve the GRANT SCOPE and any final plans of implementation shall not give rise

to any warranty or representation that the GRANT SCOPE and any plans or improvements are free from hazards or defects.

2. GRANTEE shall ensure that any contractor hired has adequate liability insurance, performance bond, or other security necessary to protect the GRANTEE interest and the STATE's interest against poor workmanship, fraud, or other potential loss associated with the completion of the GRANT PROJECT.

#### **M. Assignability**

Without the written consent of the STATE, the GRANTEE'S interest in and control of any portion of the GRANT PROJECT and responsibilities under this CONTRACT shall not be assignable or transferable by the GRANTEE either in whole or in part.

#### **N. Use of Grant Monies**

GRANTEE shall not use any grant funds (including any portion thereof) for the purpose of making any leverage loan, pledge, promissory note or similar financial device or transaction, without: 1) the prior written approval of the STATE; and 2) any financial or legal interests created by any such leverage loan, pledge, promissory note or similar financial device or transaction in the project property shall be completely subordinated to this CONTRACT through a Subordination Agreement provided and approved by the STATE, signed by all parties involved in the transaction, and recorded in the County Records against the fee title of the project property.

#### **O. Section Headings**

The headings and captions of the various sections of this CONTRACT have been inserted only for the purpose of convenience and are not a part of this CONTRACT and shall not be deemed in any manner to modify, explain, or restrict any of the provisions of this CONTRACT

#### **P. Waiver**

Any failure by a party to enforce its rights under this CONTRACT, in the event of a breach or default, shall *not* be construed as a waiver of said rights; and the waiver of any breach or default under this CONTRACT shall *not* be construed as a waiver of any subsequent breach.

### **III. Special Provisions**

On March 4, 2022, Governor Gavin Newsom issued Executive Order N-6-22 (the EO) regarding Economic Sanctions against Russia and Russian entities and individuals. "Economic Sanctions" refers to sanctions imposed by the U.S.

government in response to Russia’s actions in Ukraine, as well as any sanctions imposed under state law. The EO directs state agencies to terminate contracts with, and to refrain from entering any new contracts with, individuals or entities that are determined to be a target of Economic Sanctions. This Executive order extends to recipients of any State Grants (Grantee). Grantees include those who have contracted or will contract to receive State grants funds. Accordingly, should the State determine that a Grantee is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities that shall be grounds for termination of this agreement. The State shall provide the Grantee advance written notice of such termination, allowing the Grantee at least 30 calendar days to provide a written response. **Termination of any contract found to be in violation of this Executive Order shall be at the sole discretion of the State.**

County of Santa Clara  
GRANTEE

By: \_\_\_\_\_  
James R. Williams  
Signature of Authorized Representative  
Title: County Executive

Date: \_\_\_\_\_

APPROVED AS TO FORM AND LEGALITY:

\_\_\_\_\_  
KIMBERLY J. KERNAN  
Deputy County Counsel

STATE OF CALIFORNIA  
DEPARTMENT OF PARKS AND RECREATION

By: \_\_\_\_\_  
Signature of Authorized Representative

Title: \_\_\_\_\_

Date: \_\_\_\_\_



**EXHIBIT E TO THE MOU**

**GRANT GUIDE**

**2022-23**  
**Procedural Guide**  
**For**  
**Local Assistance Specified Grants – Capital**  
September 2022



**State of California**  
**The Natural Resources Agency**  
**Department of Parks and Recreation**  
**Office of Grants and Local Services (OGALS)**

*"Creating Community through People, Parks, and Programs"*

**Send Application and correspondence to your**  
**Administrative Project Officer listed at: [www.parks.ca.gov/grants/contacts](http://www.parks.ca.gov/grants/contacts)**

**Mailing Address:**  
**State of California**  
**Dept. of Parks and Recreation**  
**P.O. Box 942896**  
**Floor 13**  
**Sacramento, CA 94296-0001**  
**Attn: Office of Grants and Local Services**  
**[www.parks.ca.gov/grants](http://www.parks.ca.gov/grants)**

**STATE OF CALIFORNIA  
DEPARTMENT OF PARKS AND RECREATION**



**Department Mission**

The mission of the California Department of Parks and Recreation is to provide for the health, inspiration, and education of the people of California by helping to preserve the state's extraordinary biological diversity, protecting its most valued natural and cultural resources, and creating opportunities for high-quality outdoor recreation.

**Office of Community Engagement Mission**

The mission of the Community Engagement Division is to encourage healthy communities by connecting people to parks, supporting innovative recreational opportunities, embracing diversity, fostering inclusivity, and delivering superior customer leadership through quality customer services.

**The Office of Grants and Local Services (OGALS) Mission Statement**

The mission of the Office of Grants and Local Services is to address California's diverse recreational, cultural and historical resource needs by developing grant programs, administering funds, offering technical assistance, building partnerships and providing leadership through quality customer service.

**OGALS VISION GOALS**

To Be:

- ❖ A leader among park and recreation professionals.
- ❖ Proactive in anticipating public park and recreation needs and how new legislation and grant programs could best meet these needs.
- ❖ Honest, knowledgeable, and experienced grant administration facilitators.
- ❖ Sensitive to local concerns while mindful of prevailing laws, rules, and regulations.
- ❖ Perceptive to opportunities for partnerships, growth and renewal where few existed before.
- ❖ Committed to providing quality customer service in every interaction and transaction.
- ❖ Responsive to the needs of applicants, GRANTEES, nonprofit organizations, local governments, legislative members, and department employees.

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## I. Introduction

This specified grant originated from a line item in the State of California Budget for fiscal year 2022-23. A resolution is required before a CONTRACT will be issued, and an approved APPLICATION PACKET is required before GRANT payments can be approved. The GRANT PERFORMANCE PERIOD is July 1, 2022 – June 30, 2026.

1. Costs incurred before or after the GRANT PERFORMANCE PERIOD are not eligible for reimbursement.
2. Costs incurred after the APPROPRIATION DATE but before OGALS approves the APPLICATION PACKET are eligible if they are consistent with the GRANT SCOPE approved by OGALS and are ELIGIBLE COSTS.

## II. Grant Process

### Grant Process Key Dates

- Grant Performance Period: July 1, 2022 – June 30, 2026
- Resolution: Submit by December 31, 2023
- Contract: Sign and return by January 31, 2024
- Projects Complete by December 31, 2025
- Project Completion Packets: Submit by: January 31, 2026

### Grant Process Detail

1. **Resolution:** APPLICANT sends resolution to OGALS by December 31, 2023, to allow approval within the CONTRACT ENCUMBRANCE PERIOD, which ends June 30, 2024.
2. **CONTRACT:** OGALS sends CONTRACT to APPLICANT. APPLICANT becomes GRANTEE when CONTRACT is fully executed during CONTRACT ENCUMBRANCE PERIOD.
  - a. The CONTRACT section includes a sample contract and the contract provisions.
  - b. The APPLICANT must return the CONTRACT signed by the AUTHORIZED REPRESENTATIVE to OGALS no later than January 31, 2024. The APPLICANT becomes a GRANTEE when the CONTRACT is signed by OGALS.
  - c. OGALS returns a copy of the fully executed CONTRACT to the GRANTEE.
3. **APPLICATION PACKET(s):** The GRANTEE defines the SCOPE(s) and amount of grant funds needed for each PROJECT. As PROJECTS are identified, the GRANTEE submits individual APPLICATION PACKET(s) to OGALS. OGALS reviews each APPLICATION PACKET and sends a letter of approval to the GRANTEE or requests additional information.

After each PROJECT is approved by OGALS, OGALS will send a Status Report to the GRANTEE approximately every six months until OGALS receives a PROJECT COMPLETION PACKET. The GRANTEE must return the Status Report within thirty

(30) days from receipt. Payment requests will not be processed if Status Reports are overdue.

4. **Payments and end of GRANT PERFORMANCE PERIOD:** GRANTEE requests payments for ELIGIBLE COSTS. OGALS recommends that GRANTEE provide all PROJECT COMPLETION PACKET(S) no later than **January 31, 2026**. The grant payments section provides payment request instructions and forms.
  - a. The GRANTEE may request payments after each PROJECT is approved by OGALS. GRANT funds may only be expended on ELIGIBLE COSTS incurred within the GRANT PERFORMANCE PERIOD.
  - b. The GRANTEE completes PROJECT SCOPE(s) and sends PROJECT COMPLETION PACKET(s) to OGALS no later than January 31, 2026.
  - c. The State of California receives a high volume of payment requests at the end of the fiscal year. If the PROJECT COMPLETION PACKET is received after January 31, 2026, OGALS cannot guarantee final payment by the State Controller's Office. If the State Controller's Office is unable to process the payment before the end of the GRANT PERFORMANCE PERIOD, the unpaid balance of grant funds will revert to the Legislature.
  - d. OGALS processes the final payment request after each PROJECT is complete as documented by the GRANTEE in the PROJECT COMPLETION PACKET, and as verified by OGALS when conducting a site inspection.
5. **Accounting and Audit:** DPR's Audits Office may conduct an audit. The GRANTEE is required to retain all PROJECT records for five years following receipt of the final GRANT payment. The Accounting and Audit Section provides directions and an Audit Checklist for DPR audit and accounting requirements.

## **Authorizing Resolution**

GRANTEE passes *one* resolution approving the filing of *all* applications associated with the CONTRACT and forwards a copy to OGALS.

The Authorizing Resolution on the following page may be reformatted; however, the *language provided in the resolution must remain unchanged.*

The Authorizing Resolution serves two purposes:

1. It is how the GRANTEE'S Governing Body agrees to the terms of the CONTRACT; it provides confirmation that the GRANTEE has the funding to complete, operate and maintain PROJECTS associated with the CONTRACT.
2. It designates a position title to represent the Governing Body on all matters regarding PROJECTS associated with the CONTRACT. The incumbent in this position is referred to as the AUTHORIZED REPRESENTATIVE.

The AUTHORIZED REPRESENTATIVE can delegate signatory authority to other individuals (by position title) either in entirety or for particular documents. The delegation process requires the AUTHORIZED REPRESENTATIVE to submit a letter (on letterhead) or email to OGALS delegating authority.

**Resolution Form**

Resolution No: \_\_\_\_\_

RESOLUTION OF THE \_\_\_\_\_ (Title of Governing Body/City Council, Board of Supervisors) OF \_\_\_\_\_ (City, County, or District) APPROVING APPLICATION(S) FOR SPECIFIED GRANT FUNDS from Budget Act 2022/23 (Budget line item and language)

WHEREAS, the State Department of Parks and Recreation has been delegated the responsibility by the Legislature of the State of California for the administration of a grant to the [grantee name], setting up necessary procedures governing application(s); and

WHEREAS, said procedures established by the State Department of Parks and Recreation require the applicant's Governing Body to certify by resolution the approval of project application(s) before submission of said applications to the State; and

WHEREAS, the applicant will enter into a contract with the State of California to complete project(s);

NOW, THEREFORE, BE IT RESOLVED that the \_\_\_\_\_ (grantee's governing body) hereby:

1. Approves the filing of project application(s) for specified grant project(s); and
2. Certifies that said applicant has or will have available, prior to commencement of project work utilizing specified grant funds, sufficient funds, including those provided by this grant, to complete the project; and
3. Certifies that the applicant has or will provide sufficient funds to operate and maintain the project(s); and
4. Certifies that the applicant has reviewed, understands, and agrees to the Provisions contained in the contract in this Procedural Guide; and
5. Delegates the authority to the \_\_\_\_\_ (designated position, not name of person occupying position), or designee to conduct all negotiations, sign and submit all documents, including, but not limited to applications, agreements, amendments, and payment requests, which may be necessary for the completion of the project scope(s); and
6. Agrees to comply with all applicable federal, state and local laws, ordinances, rules, regulations and guidelines.

Approved and adopted the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

I, the undersigned, hereby certify that the foregoing Resolution Number \_\_\_\_\_ was duly adopted by the \_\_\_\_\_ (grantee's governing body) following a roll call vote:

Ayes:  
Noes:  
Absent:

\_\_\_\_\_  
(Clerk)



### III. APPLICATION SECTION

- GRANTEE may submit multiple APPLICATION PACKETS to OGALS.
- Provide the APPLICATION PACKET items in the order shown in the following checklist.
- Please number the pages.
- If a checklist item is not applicable to the PROJECT, provide a brief explanation.
- If an application item is incomplete send a draft with a timeline for completion.

#### Application packet checklist and directions

GRANTEES must complete the checklist below and submit it with the APPLICATION PACKET.  
 An APPLICATION PACKET is not complete unless all items on the checklist are submitted.  
 Each PROJECT requires its own APPLICATION PACKET.

Check if included	Check if not applicable	Application Item	Procedural Guide Page #	Check when signed by AUTHORIZED REPRESENTATIVE	Application Packet Page #
<input type="checkbox"/>		Application Packet Checklist Digital file name: checklist.pdf	Pg. 8		Pg. _____
<input type="checkbox"/>		Application Digital file name: application.pdf	Pg. 11	<input type="checkbox"/>	Pg. _____
<input type="checkbox"/>	<input type="checkbox"/>	Project Scope/Cost Estimate Digital file name: costestimate.pdf	Pg. 12	<input type="checkbox"/>	Pg. _____
<input type="checkbox"/>		Funding Sources Form Digital file name: fundingsources.pdf	Pg. 13		
<input type="checkbox"/>	<input type="checkbox"/>	CEQA Compliance Certification Digital file name: ceqa.pdf	Pg. 14	<input type="checkbox"/>	Pg. _____
<input type="checkbox"/>	<input type="checkbox"/>	Acquisition Requirements Digital file names: acqscope.pdf & acqdocs.pdf	Pg. 17	<input type="checkbox"/>	Pg. _____
<input type="checkbox"/>	<input type="checkbox"/>	Land Tenure documentation Digital file names: ownership.pdf or nonownership.pdf	Pg. 9		Pg. _____
<input type="checkbox"/>	<input type="checkbox"/>	Sub-Leases or Agreements Digital file name: otheragreements.pdf	Pg. 9		Pg. _____
<input type="checkbox"/>	<input type="checkbox"/>	Site Plan Digital file name: siteplan.pdf	Pg. 9		Pg. _____
<input type="checkbox"/>	<input type="checkbox"/>	PROJECT Location Map Digital file name: map.pdf	Pg. 9		Pg. _____

Site Plan

- Provide a drawing showing where each feature and support amenity listed in the Project Scope/Cost Estimate Form will be located.
- Include the function and approximate square footage of each room within buildings that are part of the project SCOPE, and the approximate total square footage of the buildings.

 Land Tenure and Site Control

If the property is owned in fee simple by the APPLICANT, provide *one* of the following:

- Deed or deed recordation number
- Title report
- Tract map (if owner's name provided)

If the property is not owned in fee simple, provide the lease, easement, joint powers agreement, etc.

 Sub-leases or Agreements

Provide a list of all *other* leases, agreements, memoranda of understanding, etc., affecting PROJECT property or its operation and maintenance, *or*

 California Environmental Quality Act (CEQA)

The APPLICANT should check with its local city or county planning agency for CEQA compliance information.

- If CEQA *is* complete: provide the CEQA Compliance Certification Form and its required attachment, filed and stamped by the County Recorder.
- If CEQA is *not* complete: provide a timeline for completion and state "completing CEQA is a Project Scope Item."

 PROJECT Location Map

Provide a map showing highway and street access to the PROJECT site.

## **Additional Non-Profit Requirements**

### **Fidelity Bond (For Non-profit grantees only)**

Non-profit GRANTEES must provide a copy of a current Fidelity Bond policy to their PROJECT OFFICERS before OGALS will approve any payment requests. The premium for a Fidelity Bond is an eligible cost.

A Fidelity Bond provides insurance covering fraudulent acts of GRANTEES' employees, volunteers, officers, and directors. The GRANTEE is the insured party. DPR must be named as a Third-Party Loss Payee. OGALS address is State of California, Dept. of Parks and Recreation, P.O. Box 942896, Floor 13, Sacramento, CA 94296-0001, Attn: Office of Grants and Local Services.

Coverage must be at least equal to the GRANT amount. Fidelity Bond insurance must be kept current for at least six months after the date of the final GRANT payment.

GRANTEES may obtain the Fidelity Bond through a general liability carrier, a major casualty insurance carrier, or a bonds specialty company. There are [Fidelity Bond frequently asked questions](#) available on the OGALS web site.

### **Competitive Solicitation Process (For non-profit grantees only)**

1. Non-profit GRANTEE must attempt to obtain three bids for services greater than \$5,000 and for construction work greater than \$25,000.
2. To ensure bidders understand the required PROJECT elements, the non-profit GRANTEE provides each bidder (potential contractor) the same written invitation for bid describing the PROJECT work to be performed based on "Best Value" factors, and the required PROJECT elements based on the Project Scope/Cost Estimate Form, and concept level site plan.
3. Solicit bids by contacting at least three potential contractors or by invitation for bids advertising, or a combination of both methods.

The non-profit GRANTEE's Board of Directors evaluates the bids to determine which contractor will provide the "best value" and will meet PROJECT requirements. "Best value" should be determined by price, quality of materials, equipment, and workmanship. The evaluation process must ensure no conflict of interest between the contractor and the non-profit GRANTEE's Board of Directors. The non-profit GRANTEE's Board of Directors need not necessarily accept the lowest bid, but a reasonable justification for the decision should be recorded in writing.

4. The Board of Directors selects a contractor and awards a contract.
5. For audit purposes, the GRANTEE keeps records of Steps 1 – 4 above.

### **Competitive Solicitation Requirement**

The non-profit GRANTEE may request a waiver of the competitive solicitation process requirement. To request a waiver, the GRANTEE must send a written request to the PROJECT OFFICER assigned to the GRANT PROJECT and explain why a waiver is required.



State of California – The Resources Agency  
 DEPARTMENT OF PARKS AND RECREATION

**Project Application Form**

PROJECT NAME	REQUESTED GRANT AMOUNT \$
PROJECT SITE NAME and PHYSICAL ADDRESS where PROJECT is located (including zip code) (Use latitude and longitude if there is no street address)	LAND TENURE ( <input checked="" type="checkbox"/> all that apply)  <input type="checkbox"/> Owned in fee simple by APPLICANT <input type="checkbox"/> Available (or will be available) under a _____ year lease or easement
NEAREST CROSS STREET	
COUNTY OF PROJECT LOCATION	
APPLICANT NAME AND MAILING ADDRESS	
AUTHORIZED REPRESENTATIVE AS SHOWN IN RESOLUTION	
Name ( <i>typed or printed</i> ) and Title	Email address
Phone	
GRANT CONTACT - For administration of grant ( <i>if different from AUTHORIZED REPRESENTATIVE</i> )	
Name ( <i>typed or printed</i> ) and Title	Email address
Phone	
GRANT SCOPE: I represent and warrant that this APPLICATION PACKET describes the intended use of the requested GRANT to complete the items listed in the attached Project Scope/Cost Estimate Form. I declare under penalty of perjury, under the laws of the State of California, that the information contained in this APPLICATION PACKET, including required attachments, is accurate.	
Signature of AUTHORIZED REPRESENTATIVE as shown in Resolution	Date
Print Name _____	
Title _____	





State of California – The Natural Resources Agency  
DEPARTMENT OF PARKS AND RECREATION  
**Funding Sources**

**Grantee Name:** \_\_\_\_\_

**Project Name:** \_\_\_\_\_

PROJECTS funded by the program are not complete until all SCOPE items are complete and open to the public.

If Specified GRANT funds will be used as part of the funding for a larger project, briefly describe the scope of that larger project:

The total cost of the larger project that these GRANT funds will contribute to is \$ \_\_\_\_\_

Anticipated completion date: \_\_\_\_\_

List all funds that will be used:

<b>Funding source</b>	<b>Date Committed</b>	<b>Amount</b>
State of California 2022-23 Budget Act	July 1, 2022	\$

I represent and warrant that I have fully authority to execute this Funding Sources Form on behalf of the GRANTEE. I declare under penalty of perjury, under the laws of the State of California, that this Funding Sources Form, and any accompanying documents, for the above-mentioned grant is true and correct to the best of my knowledge.

\_\_\_\_\_  
AUTHORIZED REPRESENTATIVE Signature Date

\_\_\_\_\_  
Print Name and Title

NOTE: Submit a revised Funding Sources Form should funding sources be modified.



State of California – The Resources Agency  
DEPARTMENT OF PARKS AND RECREATION  
**CEQA Compliance Certification Form**

**GRANTEE:**

**Project Name:**

**Project Address:**

Is CEQA complete? Yes No      Is completing CEQA a PROJECT SCOPE item? Yes No

**What document was filed, or is expected to be filed for this project's CEQA analysis:**

\_\_\_\_\_ **Date complete/expected to be completed:** \_\_\_\_\_

- Notice of Exemption (attach recorded copy if filed)
- Notice of Determination (attach recorded copy if filed)
- Other:

If CEQA is complete, and a Notice of Exemption or Notice of Determination was not filed, attach a letter from the Lead Agency explaining why, certifying the project has complied with CEQA and noting the date that the project was approved by the Lead Agency.

Lead Agency Contact Information	
Agency Name:	
Contact Person:	
Mailing Address:	
Phone: (    )	Email:

**Certification:**

I hereby certify that the above referenced Lead Agency has complied or will comply with the California Environmental Quality Act (CEQA) and that the project is described in adequate and sufficient detail to allow the project's construction or acquisition.

I further certify that the CEQA analysis for this project encompasses all aspects of the work to be completed with grant funds.

\_\_\_\_\_  
AUTHORIZED REPRESENTATIVE Signature Date

\_\_\_\_\_  
Print Name and Title

**FOR OGALS USE ONLY**

CEQA Document	Date Received	PO Initials
<input type="checkbox"/> NOE <input type="checkbox"/> NOD		

## **Development Projects**

### **Development Project Rules**

1. Contracted work must comply with the provisions of §1771.5 of the State Labor Code.
2. GRANTEE must have adequate liability insurance, performance bond, or other security necessary to protect the State and GRANTEE'S interest against poor workmanship, fraud, or other potential loss associated with the completion of the PROJECT.
3. PROJECTS must be accessible, including an accessible path of travel to the PROJECT.

### **Eligible Development Costs**

All costs must be incurred within the GRANT PERFORMANCE PERIOD. Costs listed below are examples of eligible costs, and not inclusive. Contact OGALS if you have any questions regarding a PROJECT cost.

#### **Eligible Pre-construction Costs – incurred prior to groundbreaking as determined by the GRANTEE**

- Public meetings, focus groups, design workshops
- Plans, specifications, construction documents, and cost estimates
- Permits
- CEQA and/or environmental review
- Bid preparation and packages
- IN-HOUSE EMPLOYEE SERVICES prior to groundbreaking
- GRANT/PROJECT administration and accounting prior to groundbreaking

#### **Eligible Construction Costs – up to 100% of the PROJECT costs; incurred after groundbreaking**

- Construction – necessary labor and construction activities to complete the PROJECT, including site preparation (demolition, clearing and grubbing, excavation, grading), onsite implementation and construction supervision
- Equipment – Equipment use charges (rental and in-house) must be made in accordance with GRANTEE'S normal accounting practices
- Premiums on hazard and liability insurance to cover personnel or property
- Site preparation
- Purchase and installation of equipment: security cameras, lighting, signs, display boards, sound systems, video equipment, etc.
- Construction management: including site inspections and PROJECT administration
- Miscellaneous: other costs incurred during the construction phase, such as transporting materials, equipment, or personnel, and communications
- IN-HOUSE EMPLOYEE SERVICES after groundbreaking
- GRANT/PROJECT administration and accounting after groundbreaking

#### **Ineligible Development Costs – Cannot be charged to the grant**

- Furniture or equipment not site specific *and* not necessary for the core function of a new facility (non-capital outlay)
- Costs incurred before or after the GRANT PERFORMANCE PERIOD



- Indirect costs – overhead business expenses of the GRANTEE’S fixed or ordinary operating costs (rent, mortgage payments, property taxes, utilities, etc.)
- Food and beverages
- Out-of-state travel
- Fundraising and grant writing

### **Accounting Rules for In-House Employee Services**

GRANTEES must follow these accounting practices for services performed by its employees to be eligible for reimbursement:

- Maintain time and attendance records as charges are incurred, identifying the employee through a name or other tracking system, and that employee’s actual hours worked on the PROJECT.
- Time estimates, including percentages, for work performed on the PROJECT are not acceptable.
- Time sheets that do not identify the specific employee’s actual hours worked on the PROJECT are not acceptable.
- Costs of the salaries and wages must be calculated according to the GRANTEE’S wage and salary scales, and may include benefit costs such as vacation, health insurance, pension contributions and workers’ compensation.
- Overtime costs may be allowed under the GRANTEE’S established policy, provided that the regular work time was devoted to the same PROJECT.
- May not include overhead or cost allocation. These are the costs generally associated with supporting an employee, such as rent, personnel support, IT, utilities, etc.
- If planning to claim IN-HOUSE EMPLOYEE SERVICES costs, provide a sample timesheet for OGALS review to confirm these accounting practices are being followed.

**Acquisition Projects and Rules**

1. Purchase price cannot exceed the appraised value, even if the GRANTEE is willing to pay the difference.
2. Land cannot be acquired through eminent domain.
3. GRANTEE must provide Title Insurance.

**Acquisition Grant Scope/Cost Estimate**

Provide the following information on a document signed by the AUTHORIZED REPRESENTATIVE:

- A brief description, for example, "Acquisition of approximately (**ENTER TOTAL ACREAGE** to be acquired) for the development of [**NAME**] Park by (**ENTER DATE** no later than three years from the date final payment is issued by the SCO)."
- Estimated total costs for land and relocation
- Estimated total costs other than the purchase price and relocation costs, such as appraisals, escrow fees, title insurance fees, deed restriction recordation costs

**Acquisition Documentation**

For each parcel to be acquired, submit these documents:

1. An appraisal conducted within the last twelve months
2. A separate letter from an independent third party, AG rated appraiser certified by the California Office of Real Estate Appraisers stating the appraisal was reviewed, and was completed using acceptable methods
3. County Assessor's parcel map, showing parcel number and parcel to be acquired
4. Estimated value of each parcel to be acquired with a description of how that value was determined (such as the listed price on MLS, in-house estimation, website evaluation, assessed value)
5. Acreage of each parcel to be acquired

*For easement acquisitions, in addition to the requirements above, provide:*

6. A copy of the proposed easement guaranteeing the authority to use the property for the purposes specified in the application.

*For relocation costs, in addition to the requirements above, provide:* A letter signed by the AUTHORIZED REPRESENTATIVE, listing the relocation costs for each displaced tenant, certifying that the relocation amount does not exceed the maximum allowed pursuant to Government Code §7260-7277.

**Eligible Acquisition Costs**

- IN-HOUSE EMPLOYEE SERVICES – see accounting rules
- GRANT/PROJECT administration and accounting
- Public meetings/focus groups/design workshop
- Appraisals, escrow fees, surveying, other costs associated with acquisition
- Cost of land
- Surveying and/or lot line adjustments
- CEQA and/or environmental review

**Ineligible Acquisition Costs – Cannot be charged to the grant**

- Acquisitions where purchase price is greater than appraised value
- Costs for land acquired through eminent domain or condemnation
- Costs incurred outside the GRANT performance period
- Development costs

### IV. CONTRACT SECTION

The following section contains a sample CONTRACT, CONTRACT provisions, and a sample status report form.

**State of California – The Resources Agency  
 DEPARTMENT OF PARKS AND RECREATION**

**Grant Contract  
 Specified Grants**

GRANTEE: **Grantee**

GRANT PERFORMANCE PERIOD is from July 1, 2022 through June 30, 2026

CONTRACT PERFORMANCE PERIOD is from July 1, 2022 through June 30, 2026

The GRANTEE agrees to the terms and conditions of this Contract, and the State of California, acting through its Director of Parks and Recreation, pursuant to the State of California, agrees to fund the total State grant amount indicated below.

The GRANTEE agrees to complete the PROJECT SCOPE(s) as defined in the PROJECT SCOPE /Cost Estimate Form of the application(s) filed with the State of California.

Total State grant amount not to exceed \$ **Grant amount**

The General and Special Provisions attached are made a part of and incorporated into the Contract.

STATE OF CALIFORNIA  
 DEPARTMENT OF PARKS AND RECREATION

By \_\_\_\_\_

Date \_\_\_\_\_

GRANTEE \_\_\_\_\_  
 By \_\_\_\_\_  
 (Typed or printed name of Authorized Representative)  
 \_\_\_\_\_  
 (Signature of AUTHORIZED REPRESENTATIVE)  
 Title \_\_\_\_\_  
 Date \_\_\_\_\_

**CERTIFICATION OF FUNDING (FOR STATE USE ONLY)**

AMOUNT OF ESTIMATE \$		CONTRACT NUMBER	FUND		
ADJ. INCREASING ENCUMBRANCE \$		APPROPRIATION			
ADJ. DECREASING ENCUMBRANCE \$		ITEM VENDOR NUMBER			
UNENCUMBERED BALANCE \$		LINE ITEM ALLOTMENT	CHAPTER	STATUTE	FISCAL YEAR
T.B.A. NO.	B.R. NO.	INDEX	PCA		OBJ. EXPEND
I hereby certify upon my personal knowledge that budgeted funds are available for this encumbrance.					
SIGNATURE OF ACCOUNTING OFFICER			DATE		

## I. RECITALS

This AGREEMENT is entered into between the California Department of Parks and Recreation (hereinafter referred to as "GRANTOR," "DEPARTMENT" or "STATE") and [Name of grantee] (hereinafter referred to as "grantee").

The DEPARTMENT hereby grants to GRANTEE a sum (also referred to as "GRANT MONIES") not to exceed \$[grant amount], subject to the terms and conditions of this AGREEMENT and the [2022-2023 California State Budget, AB 178, Chapter 45, Statutes of 2022, as amended by AB 179, Chapter 249, Section 19.56 Item number – 3790-493-0001] (appropriation chapter and budget item number hereinafter referred to as "SPECIFIED GRANT"). These funds shall be used for completion of the GRANT SCOPE(S).

The Grant Performance Period is from July 1, 2022 to June 30, 2026.

## II. GENERAL PROVISIONS

### A. Definitions

As used in this CONTRACT, the following words shall have the following meanings:

1. The term "APPLICATION" means the individual project APPLICATION packet for a project pursuant to the enabling legislation and/or grant program PROCEDURAL GUIDE requirements.
2. The term "CONTRACT PERFORMANCE PERIOD" means the duration of time during which this CONTRACT is in effect.
3. The term "DEPARTMENT" or "STATE" means the California Department of Parks and Recreation.
4. The term "DEVELOPMENT" means capital improvements to real property by means of, but not limited to, construction, expansion, and/or renovation, of permanent or fixed features of the property.
5. The term "GRANTEE" means the party described as the GRANTEE in Section I of this AGREEMENT.
6. The term "GRANT PERFORMANCE PERIOD" means the period of time during which eligible costs may be incurred by the GRANTEE and paid for by the DEPARTMENT, as specified in the fully executed CONTRACT.
7. The term "GRANT PROJECT" means all real estate, leases, subleases, buildings, and other property acquired or developed with GRANT monies.
8. The term "PROJECT SCOPE" means the items listed in the PROJECT SCOPE/Cost Estimate Form found in each of the APPLICATIONS submitted pursuant to this grant.
9. The term "PROCEDURAL GUIDE" means the document identified as the "2022-23 Procedural Guide for Specified Grants." The PROCEDURAL GUIDE provides the procedures and policies controlling the administration of the grant.

**B. Project Execution**

1. Subject to the availability of GRANT MONIES, the STATE hereby grants to the GRANTEE a sum of money not to exceed the amount stated in Section I of this CONTRACT, in consideration of, and on condition that, the sum be expended in carrying out the purposes as set forth in the scope described in the enabling legislation and referenced in the APPLICATION, Section I of this CONTRACT, and under the terms and conditions set forth in this CONTRACT.

The GRANTEE shall assume any obligation to furnish any additional funds that may be necessary to complete the GRANT SCOPE(S).

During the CONTRACT PERFORMANCE PERIOD, the GRANTEE agrees to submit any proposed change or alteration from the original GRANT SCOPE(S) in writing to the STATE for prior approval. This applies to any and all proposed changes that will occur after STATE has approved the APPLICATION. Changes in the GRANT SCOPE(S) must first be approved in writing by the STATE.

2. The GRANTEE shall complete the GRANT SCOPE(S) in accordance with the time of the Performance Period set forth in Section I of this CONTRACT, and under the terms and conditions of this contract.
3. The GRANTEE shall comply with the California Environmental Quality Act (Public Resources Code, Section 21000, et seq., Title 14, California Code of Regulations, Section 15000 et seq.).
4. The GRANTEE shall comply with all applicable current laws and regulations affecting DEVELOPMENT projects, including, but not limited to, legal requirements for construction contracts, building codes, health and safety codes, and laws and codes pertaining to individuals with disabilities, including but not limited to the Americans with Disabilities Act of 1990 (42 U.S.C. §12101 et seq.) and the California Unruh Act (California Civil Code §51 et seq.)

**C. Project Costs**

1. GRANTEE agrees to abide by the PROCEDURAL GUIDE.
2. GRANTEE acknowledges that STATE may make reasonable changes to its procedures as set forth in the PROCEDURAL GUIDE. If STATE makes any changes to its procedures and guidelines, STATE agrees to notify GRANTEE within a reasonable time.

**D. Project Administration**

1. If GRANT MONIES are advanced for DEVELOPMENT projects, the advanced funds shall be placed in an interest-bearing account until expended. Interest earned on the advanced funds shall be used on the project as approved by the STATE. If grant monies are advanced and not expended, the unused portion of the grant and any interest earned shall be returned to the STATE within 60 days after project completion or end of the GRANT PERFORMANCE PERIOD, whichever is earlier.
2. During the GRANT PERFORMANCE PERIOD, the GRANTEE shall submit written project status reports within 30 calendar days after the STATE has made a specific request. All such project status reports shall be signed and certified as complete and accurate by the authorized representative of the GRANTEE. In any event, the GRANTEE shall provide the STATE a report showing total final project expenditures within 60 days of project completion or the end of the

GRANT PERFORMANCE PERIOD, whichever is earlier. The GRANT PERFORMANCE PERIOD is identified in Section I of this CONTRACT.

3. The GRANTEE shall make property or facilities acquired and/or developed pursuant to this contract available for inspection upon request by the STATE.

#### **E. Project Termination**

1. Project Termination refers to the non-completion of a GRANT SCOPE. Any grant funds that have not been expended by the GRANTEE shall revert to the STATE.
2. The GRANTEE may unilaterally rescind this contract at any time prior to the commencement of the project. The commencement of the project means the date of the letter notifying GRANTEE of the award or when the funds are appropriated, whichever is later. After project commencement, this contract may be rescinded, modified or amended only by mutual CONTRACT in writing between the GRANTEE and the STATE, unless the provisions of this contract provide that mutual CONTRACT is not required.
3. Failure by the GRANTEE to comply with the terms of the (a) PROCEDURAL GUIDE, (b) any legislation applicable to the ACT, (c) this CONTRACT or any other grant contracts, specified or general, that GRANTEE has entered into with STATE or any other department, agency, commission or other subdivision of California State government, may be cause for suspension of all obligations of the STATE unless the STATE determines that such failure was due to no fault of the GRANTEE. In such case, STATE may reimburse GRANTEE for eligible costs properly incurred in performance of this CONTRACT despite non-performance of the GRANTEE. To qualify for such reimbursement, GRANTEE agrees to mitigate its losses to the best of its ability.
4. Any breach of any term, provision, obligation, or requirement of this CONTRACT by the GRANTEE shall be a default of this CONTRACT. In the case of any default by GRANTEE, STATE shall be entitled to all remedies available under law and equity, including but not limited to: a) Specific Performance; b) Return of all GRANT MONIES; c) Payment to the STATE of the fair market value of the project property or the actual sales price, whichever is higher; and d) Payment to the STATE of the costs of enforcement of this CONTRACT, including but not limited to court and arbitration costs, fees, expenses of litigation, and reasonable attorney fees.
5. The GRANTEE and the STATE agree that if the GRANT SCOPE includes DEVELOPMENT, final payment may not be made until the work described in the GRANT SCOPE is complete and the GRANT PROJECT is open to the public.

#### **F. Budget Contingency Clause**

If funding for any fiscal year is reduced or deleted by the budget act for purposes of this program, the STATE shall have the option to either cancel this contract with no liability occurring to the STATE or offer a contract amendment to GRANTEE to reflect the reduced grant amount. This Paragraph shall not require the mutual CONTRACT as addressed in Paragraph E, subsection 2 of this CONTRACT



**G. Hold Harmless**

1. The GRANTEE shall waive all claims and recourse against the STATE including the right to contribution for loss or damage to persons or property arising from, growing out of or in any way connected with or incident to this CONTRACT except claims arising from the concurrent or sole negligence of the STATE, its officers, agents, and employees.
2. The GRANTEE shall indemnify, hold harmless and defend the STATE, its officers, agents and employees against any and all claims, demands, damages, costs, expenses or liability costs arising out of the ACQUISITION, DEVELOPMENT, construction, operation or maintenance of the property described as the project which claims, demands or causes of action arise under California Government Code Section 895.2 or otherwise except for liability arising out of the concurrent or sole negligence of the STATE, its officers, agents, or employees.
3. The GRANTEE agrees that in the event the STATE is named as codefendant under the provisions of California Government Code Section 895 et seq., the GRANTEE shall notify the STATE of such fact and shall represent the STATE in the legal action unless the STATE undertakes to represent itself as codefendant in such legal action in which event the GRANTEE agrees to pay the STATE's litigation costs, expenses, and reasonable attorney fees.
4. The GRANTEE and the STATE agree that in the event of judgment entered against the STATE and the GRANTEE because of the concurrent negligence of the STATE and the GRANTEE, their officers, agents, or employees, an apportionment of liability to pay such judgment shall be made by a court of competent jurisdiction. Neither party shall request a jury apportionment.
5. The GRANTEE shall indemnify, hold harmless and defend the STATE, its officers, agents and employees against any and all claims, demands, costs, expenses or liability costs arising out of legal actions pursuant to items to which the GRANTEE has certified. The GRANTEE acknowledges that it is solely responsible for compliance with items to which it has certified.

**H. Financial Records**

1. The GRANTEE shall maintain satisfactory financial accounts, documents, including loan documents, and all other records for the project and shall make them available to the STATE for auditing at reasonable times. The GRANTEE also agrees to retain such financial accounts, documents and records for five years following project termination or final payment.
2. The GRANTEE shall keep such records as the STATE shall prescribe, including records which fully disclose (a) the disposition of the proceeds of STATE funding assistance, (b) the total cost of the project in connection with such assistance that is given or used, (c) the amount, source and nature of that portion of the project cost supplied by other sources, and (d) any other such records that will facilitate an effective audit.
3. The GRANTEE agrees that the STATE shall have the right to inspect and make copies of any books, records or reports pertaining to this contract or matters related thereto during regular office hours. The GRANTEE shall maintain and make available for inspection by the STATE accurate records of all of its costs, disbursements and receipts with respect to its activities under this contract, and shall provide copies of all such records to STATE in its certified status reports upon request by the STATE. Such accounts, documents, and records shall be retained by the GRANTEE for at least five years following final payment.
4. The GRANTEE shall use a generally accepted accounting system.



**I. Use of Facilities**

1. The GRANTEE agrees that the GRANTEE shall operate and maintain and retain full control of the property acquired or developed with the GRANT MONIES, for the duration of the CONTRACT PERFORMANCE PERIOD.
2. The GRANTEE agrees that, during the CONTRACT PERFORMANCE PERIOD, the GRANTEE shall use the property acquired or developed with grant funds under this contract only for the purposes of this grant and no other use, sale, assignment, transfer, mortgage, or other disposition or change of the control or use of the property or of any interest in the property to one not consistent with the grant purpose shall be permitted except as authorized by the DEPARTMENT and the property shall be replaced with property of equivalent value and usefulness as determined by the STATE.
3. The property acquired or developed may be transferred or assigned to another entity only if the successor entity assumes the obligations imposed under this contract and only with the prior approval of STATE.
4. Any real Property (including any portion of it or any interest in it, including any leases) may not be used as security or collateral for any debt, loan or mitigation, without the prior written approval of the STATE, provided that such approval shall not be unreasonably withheld as long as the purposes for which the grant was awarded are maintained. Any such permission that is granted does not make STATE a guarantor or a surety for any debt, loan or mitigation, nor does it waive STATE's rights to enforce performance under the CONTRACT.
5. All real property (including any portion or interest in it, including any leases), or rights thereto, acquired with GRANT MONIES shall be subject to an appropriate form of restrictive title, rights, or covenants approved by the STATE. If the project property is taken by use of eminent domain, GRANTEE shall reimburse STATE an amount at least equal to the amount of grant monies received from STATE or the pro-rated full market value of the real property, including improvements, at the time of sale, whichever is higher.
6. If eminent domain proceedings are initiated against GRANTEE, GRANTEE shall notify STATE within 10 days of receiving the complaint.

**J. Nondiscrimination**

1. The GRANTEE shall not discriminate against any person on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status in the administration and in the use of any property or facility developed pursuant to this contract.
2. The GRANTEE shall not discriminate against any person on the basis of residence except to the extent that reasonable differences in admission or other fees may be maintained on the basis of residence and pursuant to law.
3. All facilities shall be open to members of the public generally, except as noted under the special provisions of this project contract or under provisions of the enabling legislation and/or grant program.

**K. Severability**

If any provision of this CONTRACT or the application thereof is held invalid, that invalidity shall not affect other provisions or applications of the CONTRACT which can be given effect without the invalid provision or application, and to this end the provisions of this CONTRACT are severable.

**L. Liability**

1. STATE assumes no responsibility for assuring the safety or standards of construction, site improvements or programs related to the GRANT SCOPE. The STATE'S rights under this CONTRACT to review, inspect and approve the GRANT SCOPE and any final plans of implementation shall not give rise to any warranty or representation that the GRANT SCOPE and any plans or improvements are free from hazards or defects.
2. GRANTEE shall ensure that any contractor hired has adequate liability insurance, performance bond, or other security necessary to protect the GRANTEE interest and the STATE's interest against poor workmanship, fraud, or other potential loss associated with the completion of the grant project.

**M. Assignability**

Without the written consent of the STATE, the GRANTEE'S interest in and control of any portion of the GRANT PROJECT and responsibilities under this CONTRACT shall not be assignable or transferable by the GRANTEE either in whole or in part.

**N. Use of Grant Monies**

GRANTEE shall not use any grant funds (including any portion thereof) for the purpose of making any leverage loan, pledge, promissory note or similar financial device or transaction, without: 1) the prior written approval of the STATE; and 2) any financial or legal interests created by any such leverage loan, pledge, promissory note or similar financial device or transaction in the project property shall be completely subordinated to this CONTRACT through a Subordination Agreement provided and approved by the STATE, signed by all parties involved in the transaction, and recorded in the County Records against the fee title of the project property.

**O. Section Headings**

The headings and captions of the various sections of this CONTRACT have been inserted only for the purpose of convenience and are not a part of this CONTRACT and shall not be deemed in any manner to modify, explain, or restrict any of the provisions of this CONTRACT

**P. Waiver**

Any failure by a party to enforce its rights under this CONTRACT, in the event of a breach or default, shall *not* be construed as a waiver of said rights; and the waiver of any breach or default under this CONTRACT shall *not* be construed as a waiver of any subsequent breach.

**III. SPECIAL PROVISIONS**

On March 4, 2022, Governor Gavin Newsom issued Executive Order N-6-22 (the EO) regarding Economic Sanctions against Russia and Russian entities and individuals. "Economic Sanctions" refers to sanctions imposed by the U.S. government in response to Russia's actions in Ukraine, as well as any sanctions imposed under state law. The EO directs state agencies to terminate contracts with, and to refrain from entering any new contracts with, individuals or entities that are determined to be a target of Economic Sanctions. This Executive order extends to recipients of any State Grants (Grantee). Grantees include those who have contracted or will contract to receive State grants funds. Accordingly, should the State determine that a Grantee is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination of this agreement. The State shall provide the Grantee advance written notice of such termination, allowing the Grantee at least 30 calendar days to provide a written response. Termination of any contract found to be in violation of this Executive Order shall be at the sole discretion of the State.

\_\_\_\_\_  
GRANTEE

By: \_\_\_\_\_  
Signature of Authorized Representative

Title: \_\_\_\_\_

Date: \_\_\_\_\_

STATE OF CALIFORNIA  
DEPARTMENT OF PARKS AND RECREATION

By: \_\_\_\_\_

Date: \_\_\_\_\_

**Status Report**

To monitor progress, every six months OGALS will send Status Reports to GRANTEE to complete for each PROJECT. GRANTEE must return Status Reports to OGALS within thirty days from receipt. This requirement continues until OGALS receives GRANT COMPLETION PACKETS. Payment requests will not be processed if Status Reports are overdue. See the sample Status Report below, which is subject to change.

**Status Report**

**Grantee:**

**Project Number:**

**Project Name:**

**Advances to date without documentation (attach a Grant Expenditure Form documenting expenditure of the balance, if applicable):**

*If a portion of the advanced funds have not been spent, and more than six months have passed since the Grantee received the advanced funds, the balance must be spent on eligible costs or returned to OGALS within 60 days from receipt of this form.*

**Briefly describe completed work funded by the grant since the last Status Report [DATE]:**  
(Continue on another sheet if needed.)

**Pre-Construction/Pre-Acquisition** (Planning, CEQA, etc.):

1) \_\_\_\_\_  
\_\_\_\_\_

**Acquisition and/or Construction** -- and Provide photos showing work completed since [DATE]

2) \_\_\_\_\_  
\_\_\_\_\_

**Potential Obstacles Affecting Completion**

3) \_\_\_\_\_  
\_\_\_\_\_

4) **Total Funds Spent To Date Using This Grant \$** \_\_\_\_\_

5) **Percentage of Project Complete:** \_\_\_\_\_

6) **Estimated Date of Project Completion:** \_\_\_\_\_

7) **On Time: Yes / No If not, explain:**

8) **Within Budget: Yes / No If not, explain:**

9) **Within Scope: Yes / No If not, explain:**

I represent and warrant that I have full authority to execute this Grant Progress Status Report on behalf of the Grantee. I declare under penalty of perjury, under the laws of the State of California, that this status report, and any accompanying documents, for the above-mentioned Grant is true and correct to the best of my knowledge.

\_\_\_\_\_  
**Authorized Representative\***                      \_\_\_\_\_ **Title**                      \_\_\_\_\_ **Date**

(\*Certification to above information requires a signature by a person authorized in the resolution)

## V. Grant Payment Section

There are three types of payments:

- Pre-construction and Construction Reimbursement payments
- ADVANCE payments for construction and ACQUISITION ADVANCES into escrow
- Final payments

Payment requests are processed through the State Controller's Office and are mailed to the GRANTEE eight to ten weeks from the date the request is approved by OGALS.

OGALS will not approve payment requests that do not meet the requirements described in this GRANT ADMINISTRATION GUIDE.

OGALS may withhold payment if the GRANTEE has outstanding issues, such as:

- Breach of any other contract with OGALS
- An unresolved audit exception
- An outstanding conversion
- Park sites closed or inadequately maintained
- Overdue Project Status Reports
- Other unmet grant requirements

<b>Payment Rules</b>
<ul style="list-style-type: none"> <li>• GRANT payments before the final payment may not exceed 80% of the PROJECT amount. 20% of the PROJECT amount is retained for the final payment as a REIMBURSEMENT.</li> <li>• The GRANTEE should group costs together to avoid frequent payment requests. Payment requests greater than \$10,000 are encouraged.</li> <li>• Complete CEQA prior to requesting any reimbursement.</li> <li>• Provide a sample timesheet to the PROJECT OFFICER prior to incurring any IN-HOUSE EMPLOYEE SERVICES costs, AND if claiming such costs, provide a sample timesheet with each reimbursement payment request.</li> <li>• Provide (1) a list of the bidders; (2) the recommendation and/or notice of award made by the governing board; and (3) the resulting signed contract agreement to the PROJECT OFFICER PRIOR to requesting reimbursement for costs on contracts requiring a competitive solicitation or bidding process.</li> <li>• Provide construction progress photos with all construction payment requests.</li> </ul>

**Pre-construction Reimbursement**

Payment Type	When to Request	Document to Send to PROJECT OFFICER
PRE-CONSTRUCTION REIMBURSEMENT(S)	After the CONTRACT has been ENCUMBERED	<ul style="list-style-type: none"> <li>• Payment Request Form</li> <li>• Grant Expenditure Form</li> <li>• Timesheet sample, if applicable</li> </ul>

**Construction Reimbursement**

Payment Type	When to Request	Documents to Send to PROJECT OFFICER
REIMBURSEMENT of up to 80% of PROJECT amount before final payment	After the CONTRACT is ENCUMBERED and the GRANTEE incurred costs for work related to the GRANT SCOPE	<ul style="list-style-type: none"> <li>• Payment Request Form</li> <li>• Grant Expenditure Form</li> <li>• Timesheet sample, if applicable</li> <li>• Construction progress photos</li> <li>• If payment request includes reimbursement to contractor/service providers, Competitive Solicitation documentation</li> </ul>

**Advance Payments**

ADVANCE payments may be requested for costs the GRANTEE will incur within the next six months. ADVANCE funds, and any interest earned on those funds, must be spent with six months of receipt, or returned to OGALS. ADVANCE payments are made at the discretion of OGALS. OGALS considers ADVANCE payments to be a privilege and reserves the right to disapprove ADVANCE payments.

**Pre-construction Advance**

Payment Type	When to Request	Documents to Send to PROJECT OFFICER
PRE-CONSTRUCTION ADVANCE(S)	After the GRANT CONTRACT has been ENCUMBERED	<ul style="list-style-type: none"> <li>• Payment Request Form</li> <li>• ADVANCE justification (see below)</li> </ul>

**Construction Advance**

Payment Type	When to Request	Documents to Send to PROJECT OFFICER
ADVANCE(S) up to 50% of PROJECT amount	After the GRANT CONTRACT has been ENCUMBERED, and construction will commence during the next six months	<ul style="list-style-type: none"> <li>• Payment Request Form</li> <li>• ADVANCE justification (see below)</li> <li>• Copy of signed construction contract and a notice to proceed or IN-HOUSE EMPLOYEE SERVICES labor schedule.</li> </ul>

**Advance Justification**

An ADVANCE justification is required for an ADVANCE. It must provide the following information:

- Why an ADVANCE is needed instead of a reimbursement.
- A payment schedule, with a month-by-month estimate, for up to six months, showing the anticipated amount needed, and to whom the funds will be paid (IN-HOUSE EMPLOYEE or name of contractor).
- A funding plan, indicating how the GRANTEE intends to fund the percentage of the PROJECT exceeding the 50% advance limit.
- A statement indicating the GRANTEE will put the funds into a separate, interest-bearing account.

OGALS may not approve the total amount of the requested ADVANCE payment if the requested funds will not be spent within six months from the date that the payment request is submitted by the GRANTEE.

**Clearing the Advance**

ADVANCES must be cleared with six months of receipt. An ADVANCE is cleared by submitting:

- A Grant Expenditure Form documenting expenditures on eligible costs equal to the ADVANCE amount plus any earned interest.
- Photos of any construction completed with the ADVANCE funds (for construction ADVANCES).

**Acquisition Advance**

Payment Type	When to Request	Documents to Send
ADVANCES up to 100% of the acquisition amount	After the contract is encumbered and escrow is open	See following instructions 1. Escrow letter 2. Title report cover page 3. Payment request form

The following items are required to request an ADVANCE payment into escrow:

1. A letter on the GRANTEE's letterhead, addressing all the following elements, and signed by the GRANTEE's AUTHORIZED REPRESENTATIVE:
  - a) Name, address and telephone number of the title company or escrow holder, and the escrow account number to which the GRANT funds will be disbursed
  - b) Copy of the property appraisal and written concurrence
  - c) GRANT CONTRACT number and amount of GRANT funds requested
  - d) A statement by the GRANTEE that "the preliminary title report shows that there are no liens, easements, or any other restrictions that would prevent completion of the SCOPE and fulfillment of the CONTRACT provisions."
  - e) A statement by the GRANTEE that "all funds (exclusive of the GRANT funds to be provided under this agreement) needed for the completion of the acquisition of the property or properties have been secured and have been or will be deposited to escrow on or about the same date as the requested GRANT funds." The GRANTEE is entitled to reasonably rely on the representations of the seller.
2. Cover page of the preliminary title report.

3. **Payment Request Form:** the "Send Warrant To" item 7 on the Payment Request Form must be completed using the title company's or escrow holder's name, mailing address, and contact person.

After approval by OGALS, the payment will be mailed by the State Controller's Office to the designated escrow company within approximately 30 working days.

### **Returning Unexpended Advanced Funds or Interest**

The balance of unspent GRANT funds must be returned to OGALS no later than thirty days after the end of the six-month ADVANCE period. OGALS will then return the GRANT funds to the CONTRACT balance. OGALS cannot return interest to the CONTRACT balance.

If interest was earned on the ADVANCED funds, interest must be spent on ELIGIBLE COSTS, and the unspent GRANT funds returned to OGALS.

### **Subsequent Payments**

Any outstanding ADVANCE payments must be cleared before *any* additional reimbursements or ADVANCE payments will be approved.

This requirement may be waived in cases where a PROJECT requires timely payments to contractors, and the remaining balance of unspent ADVANCED funds cannot cover the next PROJECT payment. The following items are required to request a waiver:

1. A letter to the PROJECT OFFICER, signed by the AUTHORIZED REPRESENTATIVE explaining why the waiver is needed.
2. The majority of ADVANCED funds has been cleared.
3. A payment schedule with month-by-month estimates detailing the anticipated amount needed including the unspent balance of previously ADVANCED funds, along with the additional requested reimbursement or ADVANCE.

### **Final Payments / Project Completion Packets**

OGALS recommends all PROJECT COMPLETION PACKETS be submitted by January 31, 2026.

The final payment (20% of the PROJECT amount) will be processed after PROJECT COMPLETION and the following occurs:

1. Approval of the PROJECT COMPLETION PACKET and additional required documents in the charts below.
2. Site inspection by the PROJECT OFFICER to verify PROJECT COMPLETION.

### **Project Completion Packet**

To request final payment and complete the PROJECT, the GRANTEE must submit the following documents:

1. Payment Request Form (pg. 33)
2. Grant Expenditure Form (pg. 35)
3. Final Funding Sources Form (if any changes from original submission) (pg. 13)
4. Project Completion Certification Form (pg. 36)



5. Completed CEQA, if not already provided (pg. 14)
6. Notice of Completion (optional)<sup>2</sup>
7. Audit Checklist with items marked that the GRANTEE will retain for five years following receipt of final payment (pg. 38)

For acquisition PROJECTS, the GRANTEE must submit these additional documents:

1. A copy of the recorded deed to the property
2. A map sufficient to verify the description of the property including parcel numbers and acreage
3. Copy of title insurance policy
4. Copy of title report
5. Final Escrow Closing Statement

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<sup>2</sup> OGALS recommends that the GRANTEE file a "Notice of Completion" with the County Recorder pursuant to State of California Civil Code §3093. Filing the "Notice of Completion" is not a PROJECT COMPLETION requirement.

# Payment Request Form

State of California - Natural Resources Agency  
DEPARTMENT OF PARKS AND RECREATION

## PAYMENT REQUEST State Grant Programs

**See Instructions on Page 2.**

1. PROJECT NUMBER	2. CONTRACT NUMBER  _____
3. APPLICANT	
4. PROJECT NAME	
5. TYPE OF PAYMENT <input type="checkbox"/> Advance <input type="checkbox"/> Reimbursement <input type="checkbox"/> Final	
<b>6. PAYMENT INFORMATION</b> <i>(Round all figures to the nearest dollar)</i>	
a. Grant Project Amount	\$
b. Funds Received To Date	\$
c. Available (a. minus b.)	\$
d. Amount Of This Request	\$ <input style="width: 150px; height: 20px;" type="text"/>
e. Remaining Funds After This Payment (c. minus d.)	\$
<b>7. SEND WARRANT TO:</b>	
AGENCY NAME	
STREET ADDRESS	
CITY/STATE/ZIP CODE	
<b>8. CERTIFICATION AND SIGNATURE OF PERSON AUTHORIZED IN RESOLUTION</b>	
<i>I represent and warrant that I have full authority to execute this payment request on behalf of the Grantee. I declare under penalty of perjury, under the laws of the State of California, that this report, and any accompanying documents, for the above-mentioned Grant is true and correct to the best of my knowledge.</i>	
SIGNATURE OF PERSON AUTHORIZED IN RESOLUTION	TITLE      DATE
<b>FOR CALIFORNIA DEPARTMENT OF PARKS AND RECREATION USE ONLY</b>	
PAYMENT APPROVAL SIGNATURE	DATE

## Payment Request Form Instructions

- Visit Grant Forms (ca.gov) for current forms
- Type or print legibly all entries
- Round all amounts to the nearest whole dollar

The following instructions correspond to items on the Payment Request Form:

1. PROJECT Number - The number assigned by OGALS to this project
2. CONTRACT Number - As shown in Certification of Funding section of the CONTRACT
3. GRANTEE - GRANTEE name as shown on the CONTRACT
4. PROJECT Title - Name of the PROJECT as shown in the Application
5. Type of Payment – check appropriate box on form:
6. Payment Information
  - a. GRANT amount
  - b. Funds received to date - amount paid out from this GRANT
  - c. Available - (a. minus b.)
  - d. Amount of this request
  - e. Remaining funds after this payment - (c. minus d.)
7. Send Warrant To - GRANTEE name, address and contact person
8. Signature of AUTHORIZED REPRESENTATIVE according to the Resolution

**Grant Expenditure Form**

**PROJECT Number** \_\_\_\_\_ **GRANTEE NAME** \_\_\_\_\_

Warrant/Check # (1)	Date (2)	Recipient (3)	Purpose (4)	Pre-Construction Amount (5)	Construction Amount (6)
---------------------	----------	---------------	-------------	-----------------------------	-------------------------

**PRE-CONSTRUCTION Subtotal (5)** \$ \_\_\_\_\_

**Construction Subtotal (6)** \$ \_\_\_\_\_

**Grand Total (5) + (6)** \$ \_\_\_\_\_

List only ELIGIBLE COSTS charged to the GRANT.

**Column (1)** Use of electronic payment numbers/electronic funds transfer numbers in the "Warrant/Check Number" column is acceptable. Please include an "EP" next to the electronic payment numbers/electronic funds transfer numbers.

If IN-HOUSE EMPLOYEE SERVICES or GRANTEE'S own equipment was used, a work order or other tracking number can be used instead of a check/warrant number.

**Column (2)** Date payment was made to recipient. If IN-HOUSE EMPLOYEE SERVICES were used, the date that the work was performed may be used.

**Column (3)** Name of Contractor, IN-HOUSE EMPLOYEE SERVICES, or other entity performing work.

**Column (4)** Brief description of cost, such as "design", "permits", "construction." When describing such costs, such as "design", state what the design is for, and who prepared it. For items such as "permits", state what kind of permit(s). For items such as "construction," state what type or portion of construction, or what was constructed. (For instance, "community center", "walkway", etc.)

**Column (5)** PRE-CONSTRUCTION costs.

**Column (6)** DEVELOPMENT costs eligible for up to 100% of GRANT amount.

Visit [Grant Forms \(ca.gov\)](http://GrantForms.ca.gov) for current forms.

**GRANTEES may use their own spreadsheet if it contains the required information shown above.**

**Project Completion Certification Form**

Grantee: \_\_\_\_\_ Project Number: \_\_\_\_\_

**Grantee contact for audit purposes**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: (\_\_\_\_) \_\_\_\_\_ Email: \_\_\_\_\_

**Project completion – list the features and support amenities (use additional pages, if needed):**

**List other funds (sources and amounts) used on Project (use additional pages, if needed):**

Interest earned on advanced Grant funds: \$ \_\_\_\_\_

Interest spent on eligible costs: \$ \_\_\_\_\_

**Did the grantee file a “Notice of Completion” with the County Recorder? Yes \_\_\_ No \_\_\_**

**Certification:**

I hereby certify that all Grant funds were expended on the above-named Project and that the Project is complete and we have made final payment for all work done.

I have read California Penal Code §118 and understand that every person who testifies, declares, deposes, or certifies under penalty of perjury and willfully states as true any material matter which he or she knows to be false, is guilty of perjury, which is a felony punishable by imprisonment in state prison for two, three, or four years.

Furthermore, I have read California Penal Code §72 and understand that every person who, with the intent to defraud, presents for allowance or for payment to any state board or officer, or to any county, city, or District board or officer, authorized to allow or pay the same if genuine, any false or fraudulent claim, bill, account, voucher, or writing, is guilty of a felony-misdemeanor punishable either by imprisonment in county jail for a period of not more than one year, by a fine not exceeding one thousand dollars, or both, or by imprisonment in state prison, by a fine not exceeding ten thousand dollars, or both.

I represent and warrant that I have full authority to execute this Project Completion Certification on behalf of the Grantee. I declare under penalty of perjury that the foregoing certification of Project Completion for the above-mentioned Grant is true and correct.

\_\_\_\_\_  
Grantee's Authorized Representative  
(Printed or Typed name)

\_\_\_\_\_  
Title

\_\_\_\_\_  
Grantee's Authorized Representative (Signature)

\_\_\_\_\_  
Date

## **VI. ACCOUNTING AND AUDIT SECTION**

**Contact the DPR Audits Office for questions about the following requirements.**

### **Accounting Requirements**

GRANTEES must use accounting practices that:

- Provide accounting data that clearly records costs incurred on the PROJECT and accurately reflects fiscal transactions, with the necessary controls and safeguards.
- Provide good audit trails, especially the source documents (purchase orders, receipts, progress payments, invoices, timecards, cancelled warrants, warrant numbers, etc.) specific to the PROJECT.

### **Accounting Rules for Employee Services (IN-HOUSE EMPLOYEE SERVICES)**

GRANTEES must follow these accounting practices for employee services:

- Maintain time and attendance records as charges are incurred, identifying the employee through a name or other tracking system, and that employee's actual time spent on the PROJECT.
- Time estimates for work performed on the PROJECT are not acceptable.
- Time sheets that do not identify the specific employee's time spent on the PROJECT are not acceptable.
- Costs of the salaries and wages must be calculated according to the GRANTEE'S wage and salary scales, and may include benefit costs such as "workers' compensation."
- Overtime costs may be allowed under the GRANTEE'S established policy, provided that the regular work time was devoted to the same PROJECT.

### **State Audit**

Grants are subject to audit by DPR (see Audit Checklist). All PROJECT records must be retained for five years after final payment was received.

The GRANTEE must provide the following when an audit date and time has been confirmed by DPR:

- All PROJECT records, including the source documents and cancelled warrants, books, papers, accounts, time sheets, or other records listed in the Audit Checklist or requested by the DPR.
- An employee having knowledge of the PROJECT and its records to assist DPR's auditor.

## Audit Checklist

An audit of the project may be performed before or following project completion. The GRANTEE must retain and make available all project related records for five years following project termination or final payment of grant funds. Listed below are some of the items the auditor will examine during the review of your records as applicable. It is the responsibility of the GRANTEE to have these records available in a central location ready for review once an audit date and time has been confirmed. If you have any questions regarding these documents, you may contact the State Department of Parks and Recreation Audits Office.

### CONTRACTS

- Summary list of bidders (including individual bid packages)
- Recommendation by reviewer of bids
- Awarding by governing body (minutes of the meeting/resolution)
- Construction contract agreement
- CONTRACT bonds (bid, performance, payment)
- CONTRACT change orders
- Contractor's progress billings
- Payments to contractor (cancelled checks/warrants, bank statements and EFT receipts\*\*)
- Stop Notices (filed by sub-contractors and release if applicable)
- Liquidated damages (claimed against the contractor)
- Notice of completion (recorded)

### IN-HOUSE EMPLOYEE SERVICES\*

- Authorization/work order identifying project
- Daily time sheets signed by employee and supervisor
- Hourly rate (salary schedules/payroll register)
- Fringe benefits (provide breakdown)

### IN-HOUSE EQUIPMENT\*

- Authorization/work order
- Daily time records identifying the project site
- Hourly rate related backup documents

### MINOR CONTRACTS/MATERIALS/SERVICES/EQUIPMENT RENTALS

- Purchase orders/Contracts/Service Agreements
- Invoices
- Payments (actual cancelled checks/warrants, bank statements and EFT receipts \*\*)

### ACQUISITION

- Appraisal Report
  - Did the owner accompany the appraiser?
  - 10 year history
- Statement of just compensation (signed by seller)
- Statement of difference (if purchased above appraisal)
- Waiver of just compensation (if purchased below appraisal: signed by seller)
- Final Escrow Closing Statement
- Cancelled checks/warrants, bank statements and EFT receipts, [payment(s) to seller(s)]
- GRANT deed (vested to the participant) or final order of condemnation
- Title insurance policy (issued to participant)
- Relocation documents
- Income (rental, grazing, sale of improvements, etc.)

### INTEREST

- Schedule of interest earned on State funds advanced  
Note: Interest on grant ADVANCES is accountable, even if commingled in a pooled fund account and/or interest was never allocated back to the grant fund.

### AGREEMENT/CONTRACTS

- Leases, agreements, etc., pertaining to developed/acquired property

\* Estimated time expended on the projects is not acceptable. Actual time records and all supporting documentation must be maintained as charges are incurred and made available for verification at the time of audit.

\*\* Front and back if copied.

## VII. DEFINITIONS

Capitalized words and terms used in this process guide are defined below.

**ADVANCE** – payment made to the GRANTEE for work that will occur in the future or work that has already occurred during the GRANT PERFORMANCE PERIOD and has not been paid for by the GRANTEE.

**APPLICANT** – an entity which does not yet have a fully-executed CONTRACT with DPR and is identified as a GRANT recipient through a legislatively specified budget line item.

**APPLICATION PACKET** – the Application form and its required attachments described in the Application Checklist and Directions.

**APPROPRIATION DATE** – July 1 of the State of California fiscal year when the funding of State budget line items is approved by the legislature. The APPROPRIATION DATE is the start of the GRANT PERFORMANCE PERIOD.

**AUTHORIZED REPRESENTATIVE** – the APPLICANT'S/ GRANTEE'S designated position authorized in the Resolution to sign all required GRANT documents.

**CEQA** – the California Environmental Quality Act as stated in the Public Resources Code §21000 et seq.; Title 14 California Code of Regulations §15000 et seq. CEQA is a law establishing policies and procedures that require entities to identify, disclose to decision makers and the public, and attempt to lessen significant impacts to environmental and historical resources that may occur as a result of the entities' proposed PROJECT. For more information refer to <https://opr.ca.gov/ceqa/>

**CONSTRUCTION COSTS** – costs incurred starting with the date when ground-breaking construction activities such as site preparation, grading, or gutting begins, and continuing to the end of the GRANT PERFORMANCE PERIOD.

**CONTRACT** – an agreement between the DPR and the GRANTEE specifying the performance of the GRANT SCOPE within the GRANT PERFORMANCE PERIOD, payment of funds by DPR, and requirements for maintenance and use of the PROJECT.

**CONTRACT ENCUMBRANCE PERIOD** – the time starting with the APPROPRIATION DATE, when a CONTRACT must be fully executed between the GRANTEE and DPR to encumber the GRANT funds.

**CONTRACT PERFORMANCE PERIOD** – the period during which the grantee has obligations under the contract.

**DEVELOPMENT** – construction, installation, replacement, expansion, or renovation.

**DPR** – the California Department of Parks and Recreation.

**ELIGIBLE COSTS** – expenses incurred during the grant performance period to complete the SCOPE approved by OGALS through an encumbered contract.

**GRANT** – funds made available to a GRANTEE for completion of the PROJECT SCOPE(s) during the GRANT PERFORMANCE PERIOD.

**GRANTEE** – an entity having a fully executed CONTRACT with DPR.

**GRANT PERFORMANCE PERIOD** – period of time that ELIGIBLE COSTS may be incurred by the GRANTEE and paid for by DPR, as specified in the fully executed CONTRACT.



**IN-HOUSE EMPLOYEE SERVICES** – use of the GRANTEE’s employees working on the SCOPE.

**OGALS** – DPR’s Office of Grants and Local Services.

**PRE-CONSTRUCTION COSTS** – costs incurred during the planning, design, and permit phase of the PROJECT before construction can begin.

**PROJECT** – the recreation features and support amenities listed in the Project SCOPE/Cost Estimate Form.

**PROJECT COMPLETION** – when the features and support amenities listed in the Project SCOPE/Cost Estimate Form are complete and the facilities are open and useable by the public.

**PROJECT COMPLETION PACKET** – The documents required in order to request final payment following PROJECT COMPLETION

**PROJECT OFFICER** – an OGALS employee, who acts as a liaison with the applicants and GRANTEES, administers GRANT funds, and facilitates compliance with the Procedural Guide and CONTRACT.

**SCOPE** – the features and support amenities listed in the Project SCOPE/Cost Estimate Form that must be completed prior to final GRANT payment.

## AGENDA

### COMMITTEE ON EDUCATIONAL POLICY

**Meeting:** 4:10 p.m., Tuesday, May 21, 2024  
Glenn S. Dumke Auditorium

Diego Arambula, Chair  
Christopher Steinhauser, Vice Chair  
Diana Aguilar-Cruz  
Raji Kaur Brar  
Jack Clarke, Jr.  
Mark Ghilarducci  
Leslie Gilbert-Lurie  
Jonathan Molina Mancio  
Jose Antonio Vargas  
Darlene Yee-Melichar

- Consent**
- Discussion**
1. Approval of Minutes, *Action*
  2. Educator and Leadership Programs: Preparing California's Educators, *Information*
  3. Recommended Amendments to Title 5 Regarding California State University Doctoral Programs, *Information*
  4. Advancing Black Student Success in the CSU, *Information*

**MINUTES OF THE MEETING OF THE  
COMMITTEE ON EDUCATIONAL POLICY**

**Trustees of The California State University  
Office of the Chancellor  
Glenn S. Dumke Auditorium  
401 Golden Shore  
Long Beach, California**

**March 27, 2024**

**Members Present**

Diego Arambula, Chair  
Christopher Steinhauser, Vice Chair  
Diana Aguilar-Cruz  
Jack Clarke, Jr.  
Mark Ghilarducci  
Leslie Gilbert-Lurie  
Jonathan Molina Mancio  
Jose Antonio Vargas  
Darlene Yee-Melichar

Mildred García, Chancellor  
Wenda Fong, Chair

**Public Comment**

All public comments took place at the beginning of the meeting's open session, prior to all committees.

Chair Arambula called the meeting to order.

**Approval of Minutes**

The minutes of the meeting on January 31, 2024, were approved as submitted.

**International Education**

Deputy Vice Chancellor of Academic and Student Affairs and Chief Student Affairs Officer Dilcie D. Perez began the presentation by describing the more than 60-year legacy of International

Education programs as a unique and integral part of the CSU experience. Dr. Jaishankar Raman, executive director of International Affairs, shared how the CSU is helping connect students to the world and bring the world to the CSU.

To further demonstrate the impact of International Education, Dr. Raman invited a program alumnus and former Study Abroad resident director, Dr. James D. Simon, to share his experience in two different international education programs. The presentation concluded with Dr. Raman providing information about the international research projects that CSU faculty are engaged in. Dr. Raman and Dr. Perez expressed appreciation to the board for their ongoing support of international educational opportunities at the CSU.

Following the presentation, Trustee Yee-Melichar inquired about the accessibility and affordability of study abroad programs for students from diverse backgrounds. Trustee Gilbert-Laurie asked about the challenges study abroad programs encounter, particularly with international student recruitment.

### **Academic Master Plan**

Deputy Vice Chancellor of Academic and Student Affairs and Chief Academic Officer Nathan S. Evans began the presentation by summarizing the CSU's academic planning process. Dr. Evans explained that this year's presentation also would include campus analyses of low-conferring degree programs to identify programs for which action plans will be developed and demonstrate the explicit connection between academic planning and the CSU's work toward financial sustainability.

Dr. Laura Massa, interim associate vice chancellor for Academic and Faculty Programs, began by sharing enrollment data for the top 10 discipline areas in the CSU by degree level. She then provided a summary of university academic planning activity, systemwide updates to the CSU Academic Master Plan and WASC accreditation activity. At the conclusion of the presentation, Dr. Massa requested approval of the resolution that would authorize the new program projections so universities could begin developing degree proposals.

Trustee Kimbell asked to clarify why some campuses have identified low conferring degree programs while others have identified few or none. Trustee Lopez invited the CSU presidents to share their feedback on the challenges they experienced in analyzing low conferring degree programs. President Lee shared Sonoma University's work in this area. Additional questions were posed regarding the program approval process, what strategies are used to ensure the sustainability and success of low conferring degree programs, how do the 23 universities share best practices and how degree programs can be streamlined to reduce time to completion.

Through a roll call vote, the motion to approve the proposed resolution passed unanimously (REP 03-24-01).

### **Recommended Amendments to Title 5: Implementation of the Student Transfer Achievement Reform Act of 2021**

Deputy Vice Chancellor of Academic and Student Affairs and Chief Academic Officer Nathan S. Evans began the presentation by outlining the purpose of the Student Transfer Achievement Reform Act of 2021, otherwise known as Assembly Bill 928. The bill simplifies the transfer pathway to a four-year degree for California's community college students by creating a single lower-division general education pattern, called the California General Education Transfer Curriculum, or Cal-GETC. It will satisfy transfer admission requirements for both the CSU and the University of California. Cal-GETC is expected to be in place by fall 2025.

Dr. Laura Massa, interim associate vice chancellor for Academic and Faculty Programs, provided a brief history of AB 928 and the proposed Title 5 amendments that are necessary for timely implementation of the bill. She explained the proposed Title 5 changes that would apply to sections related to educational programs and admission requirements. Assistant Vice Chancellor of Strategic Enrollment Management April Grommo continued with the presentation by providing an overview of student populations impacted by the proposed changes, including first-time students with college credit.

Beth Steffel, chair of the Academic Senate of the CSU (ASCSU), summarized the perspective of the Academic Senate and concerns regarding modifications to GE Breadth in the proposed Title 5 changes. She requested the board defer the decision to change GE Breadth until additional data was available on impact to student success.

Dr. Evans provided closing remarks, thanking Chair Steffel and the ASCSU for their contributions in keeping with the CSU's commitment to shared governance. Outcomes of those conversations helped to inform changes both to the timeline of the board presentations as well as to the ultimate resolutions included for board action.

In the ensuing discussion with the board, several trustees advocated for the resolution and voiced support for continued shared governance. Trustee Yee-Melichar made a motion to amend the resolution with the request to postpone the proposed changes to CSU GE Breadth until more data was available. Trustee Gilbert-Laurie seconded the motion, and then asked if postponing changes to GE Breadth would allow for additional data by the May board meeting. Trustee Arambula expanded the inquiry to include the implications of delaying until the next board meeting. In response to Trustee Gilbert-Laurie, Dr. Evans reiterated that all available data on the proposed

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changes has been made available and provided examples of how the data has informed the proposed changes.

In response to Trustee Arambula, Dr. Evans noted that the May board meeting occurs after the close of the academic year, which would necessitate delaying action until fall. Chancellor García emphasized the collaborative input that has influenced the proposed resolution and her belief that the CSU has exemplified shared governance, including inviting the Chair of the ASCSU to contribute to the board presentations.

Through a roll call vote, Trustee Yee-Melichar's motion to amend the resolution failed, the motion did not pass. The discussion on the originally proposed resolution continued. Additional questions were posed regarding the projected effects the changes would have on lifelong learning courses.

Through a roll call vote, the motion to approve the proposed resolution and changes to Title 5, as submitted, passed (REP 03-24-02) with one abstention.

The meeting adjourned.

## **COMMITTEE ON EDUCATIONAL POLICY**

### **Educator and Leadership Programs: Preparing California’s Educators**

#### **Presentation By**

Nathan S. Evans  
Deputy Vice Chancellor  
Academic and Student Affairs  
Chief Academic Officer

Shireen Pavri  
Assistant Vice Chancellor  
Educator and Leadership Programs

#### **Summary**

The Department of Educator and Leadership Programs (ELP) advocates for educator preparation at the state and national levels and supports California State University (CSU) campuses in achieving equity and excellence in educator and leadership programs. The department supports the CSU’s commitment to prepare high-quality teachers, counselors, psychologists and educational leaders; contributes to PK-12 reform on behalf of the CSU; and supports the academic preparation of PK-12 students to ensure they are prepared for college success.

#### **Background**

The CSU has a rich history in educator preparation, with several of its universities originating as “normal schools,” or teacher-preparation institutions. San José State University, the oldest public university on the West Coast, started in 1857 as a normal school, with UCLA being established as its sister campus in 1880. Other Cal State universities, including San Diego State University and Chico State University, also originated as normal schools.

#### **Today’s Educator Preparation Landscape**

Educator preparation continues to be a core component of the CSU’s mission. The CSU prepares approximately half of the state’s teachers—which translates to 1 in 25 of the nation’s teachers—a vast majority of whom are people of color. In addition to teachers, the CSU also prepares the counselors, psychologists, principals and educational leaders of the state. Education is the most popular graduate discipline in the CSU, with more than 8,000 students enrolled systemwide, as well as being the CSU’s fourth most popular undergraduate major.

Over the five-year period from 2018-19 to 2022-23, the CSU prepared 30,727 new teachers. The annual breakdown is shown in Table 1 below:

**Table 1: Number of New CSU-Prepared Teachers**

<b>2018-19</b>	<b>2019-20</b>	<b>2020-21<sup>1</sup></b>	<b>2021-22</b>	<b>2022-23</b>
5,966	6,340	7,482	5,728	5,211

(Source: [California Commission on Teacher Credentialing, April 2024](#))

As of fall 2023, 9,633 students were enrolled in CSU teacher preparation programs. The universities offer multiple on-ramps to the teaching profession. Systemwide, a majority (87%) of CSU students pursue teaching credentials at the postbaccalaureate level, completing traditional student teaching or participating in teacher residency programs where they learn under a mentor teacher. A small percentage (5%) of candidates pursue the undergraduate integrated pathway that allows them to simultaneously earn a bachelor’s degree and a teaching credential. Yet others (7%) secure a teaching position with a partner school district and earn their credential while they teach as the teacher of record through a university internship program.

Student Demographics

The CSU is making a concerted effort to diversify the educator workforce and to prepare high-quality teachers who represent the demographic distribution of the state. Table 2 below shows the demographic distribution of students enrolled in CSU credential programs, disaggregated by race/ethnicity and gender. The same data is represented more visually in Chart 1 on page 3.

**Table 2: CSU Enrollment in Teacher Preparation Programs**

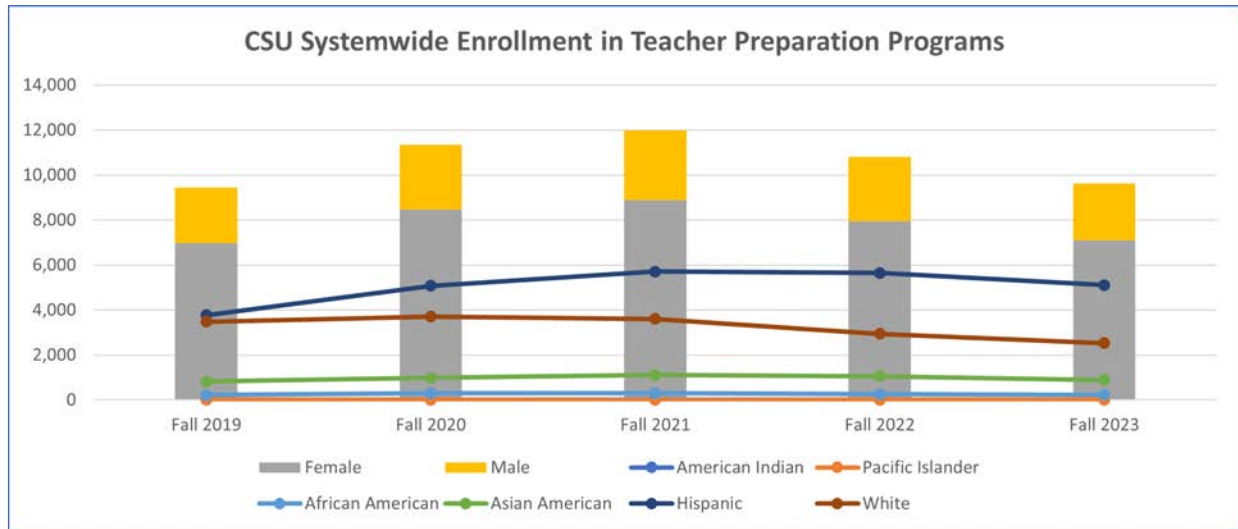
	<b>Fall 2019</b>	<b>Fall 2020</b>	<b>Fall 2021</b>	<b>Fall 2022</b>	<b>Fall 2023</b>
Total Headcount	9,450	11,360	11,991	10,805	9,633
Female	6,976	8,480	8,887	7,957	7,098
Male	2,474	2,880	3,104	2,848	2,535
African American	222	300	308	261	229
American Indian	27	30	28	27	25
Asian American	828	985	1,111	1,057	899
Hispanic	3,770	5,081	5,707	5,649	5,112
White	3,482	3,709	3,604	2,943	2,530
Pacific Islander	15	14	13	17	14
2 or More Races	334	363	394	342	314

(Source: [CSU Institutional Research and Analysis dashboard](#))

<sup>1</sup> The increase in new credentials issued in 2020-21 is partly attributed to temporary flexibility (e.g., waivers of tests and performance assessments) implemented due to the COVID-19 pandemic.



**Chart 1**



**Educator Preparation: Challenges and Solutions**

Teacher shortages continue to be widespread in California and across the nation, particularly in high-need subject areas such as mathematics, science, special education and bilingual education. With the state’s move to serve all four-year-old children over the next four years with the introduction of transitional kindergarten in public schools, the Learning Policy Institute projects a need for an additional 12,000 to 15,000 new pre-kindergarten to third-grade teachers to fill these newly created positions.

Concerns associated with low salaries and difficult working conditions also contribute to a nationwide decline in enrollments in teacher preparation programs, a trend experienced across the CSU. Student learning, behavior and emotional challenges were exacerbated during the COVID-19 pandemic. Recovering from the unfinished learning and adverse life experiences caused by the pandemic will take time for both students and teachers.

Despite these challenges, the CSU has advocated for and embraced new opportunities made available by the state to increase affordability, reduce barriers to the profession, create multiple on-ramps into educator preparation and provide high-quality, clinically rich education programs in partnership with local school districts. The state has made heavy, one-time legislative investments to attract new and diverse candidates into the teaching and counseling fields. Funding has been available to launch new pathways to the profession, such as teacher and counselor residencies, pathways for classified staff to earn teaching credentials, accelerated integrated teacher education programs at the undergraduate level and grants of up to \$20,000 per candidate through the Golden State Teacher Grants (GSTG) program (which has a four-year service

obligation). As an example, the CSU distributed more than \$33 million in GSTG grants to 2,207 students in 2023-24. Unfortunately, some of the funding sources listed above, such as GSTG, are in jeopardy due to the state budget deficit.

The CSU has been at the forefront in utilizing these grant dollars and creating new education programs. The universities and the Department of Educator and Leadership Programs regularly partner with philanthropic organizations and foundations to secure funding for student scholarships for educator candidates.

In partnership with state agencies, the CSU has worked to reduce administrative barriers for entry into the education profession, advocating for alternative approaches, such as coursework and subject matter programs, to replace the dependence on state tests at program entry, and creating secondary passing criteria for students who have struggled with successfully passing culminating performance assessments.

### **Meeting California's Educator Workforce Needs**

As a leader in preparing educators for California through high-quality, clinically rich programs, the CSU has launched initiatives to increase recruitment and retention of teachers in high-need disciplines including STEM, special education and bilingual teacher and leader preparation, as well as providing ongoing professional learning for practicing teachers and educational leaders. Most recently, the Chancellor's Office has worked with 20 Cal State universities to develop the new [PK-3 Early Childhood Education Specialist Instruction Credential](#) to serve the youngest (pre-K to third grade) and most diverse students in the state.

In addition, the [Center for the Advancement of Reading and Writing](#) (CAR/W) enhances the preparation of highly skilled teachers and literacy specialists, while the [Center for the Advancement of Instruction in Quantitative Reasoning](#) (CAIQR) promotes teaching and learning in the fields of quantitative reasoning and mathematics. The [CSU Educator Quality Center](#) has instituted surveys of CSU graduates and alumni, and promotes a culture of data-informed continuous improvement through data dashboards and networked improvement communities. The CSU has created and disseminated diversity toolkits, best practices materials and systemwide resources through the Educator and Leadership Programs website, webinars, convenings and meetings.

The [Center for Transformational Educator Preparation Programs](#) (CTEPP) supports campuses in recruiting, preparing and retaining teachers who are Black, Indigenous and/or people of color, and the [Center to Close the Opportunity Gap](#) develops and disseminates proven strategies to close equity gaps in California's schools. The Centers work to develop and circulate resources to provide ongoing professional development to PK-16 educators and CSU faculty; to close opportunity gaps; and to prepare PK-12 students to be college-ready.

In partnership with the University of California (UC) system, the CSU has launched the [UC-CSU Environmental and Climate Change Literacy Projects](#) (ECCLPS) to prepare educators for environmental literacy and climate sustainability initiatives, as well as the [UC/CSU Collaborative for Neuroscience, Diversity and Learning](#) to cultivate and share evidence-based, inclusive teaching practices to reshape how students are taught.

Some examples of CSU partnerships and campus initiatives to address specific state educational needs are provided below.

#### *Diversification of California's Educator Workforce*

The CSU is committed to developing partnerships and pathways to grow and diversify California's educator workforce. As depicted in Table 2, there has been a shift in the diversity of students enrolled in CSU teacher preparation programs, making them more representative of the state's population.

With funding from the Gates Foundation, the CSU launched the [Center for Transformational Educator Preparation Programs](#) (CTEPP) to support educator preparation programs in advancing their positive impact on historically marginalized communities. Created with the vision that CSU graduates will enter the teaching profession prepared to disrupt systemic oppression and engage with socially just educational practices, participating universities work toward the transformation of inequitable structures and the advancement of greater equity in student outcomes. Ten CSU campuses have participated in this transformative work to understand the root causes and systemic factors influencing the areas they wish to improve, to set measurable aims, to evaluate changes, to gather data and to document their improvements. The CSU is now working to share the learnings from these participating campuses to scale and sustain the initiatives systemwide.

The deans of the Colleges and Schools of Education across the system have committed to addressing Black student success and Black excellence. Recent meetings have involved learning more about systemwide efforts in this area, examining data on Black student retention through teacher preparation programs and learning from each other regarding university- and college-level efforts targeting recruitment and preparation, funding and wrap-around supports, faculty professional learning, tailoring curriculum and pedagogy and increasing efforts toward Black educator excellence. The deans have established goals in the areas of outreach, creating welcoming and affirming spaces and developing and implementing inclusive and culturally relevant curricula and pedagogies.

#### *Meeting the Needs of Underserved Groups*

CalState TEACH (CST) is an online, multiple-subject credential program that is also a part of Educator and Leadership Programs. With its origins in state legislation more than 25 years ago,

CST was the first online teacher preparation program in the CSU. Today, CST serves more than 850 teacher candidates from across the state. CST operates as the only state institution to prepare teachers in some of the most remote and rural counties. The program offers multiple on-ramps into a teaching credential program, including residency and intern pathways, and has partnered with several nonprofit groups, such as the Urban Education Academy and San Francisco Unified School District’s Black Male Teacher Recruitment/Retention initiative, to diversify student enrollment.

The CSU Asian Language Bilingual Teacher Education Program Consortium represents the 10 CSU campuses that offer Bilingual Authorization programs to prepare bilingual teachers in five Asian languages: Cantonese/Mandarin, Filipino, Hmong, Korean and Vietnamese. The faculty at these participating campuses collaborate in their course offerings and allow students in their programs to enroll in coursework offered at any of the campuses in the consortium. Through the authority of Assembly Bill 178, the consortium is now housed at Cal State Fullerton and has received a \$5 million appropriation to increase the number of credentialed teachers with Bilingual Authorizations in both elementary and secondary settings.

#### *Addressing Mental Health Concerns*

The incidence of anxiety and depression in young people has been rising in the past decade, and skyrocketed during the pandemic. In 2023, amongst youth ages 12-17, 16% reported at least one major depressive episode during the prior year and 6% of youth reported substance use disorder in the past year. In addition, more than 60% of youth with major depression reported receiving no mental health treatment. (Source: [Mental Health America, 2023](#))

The CSU prepares school counselors, school psychologists and school social workers to meet the mental health needs of children and youth. The CSU is experiencing a growing interest in these graduate-level programs of study and several new programs are being launched in the system.

**Table 3: Number of CSUs Offering Pupil Personnel Services (PPS) Credentials**

PPS in School Counseling	14
PPS in School Psychology	12
PPS in School Social Work	9
Child Welfare and Attendance (added authorization)	10

#### **Preparing the State’s Education Leaders**

In 2005, the state legislature authorized the CSU’s first independent doctoral degree, the Ed.D. in Educational Leadership, to meet an urgent need in the state for well-prepared administrators to lead public elementary and secondary schools, as well as community colleges. These Ed.D. programs were developed collaboratively with PK-16 partners and have been offered since 2007.

Today, 15 CSUs offer independent Ed.D. programs in Educational Leadership, with PK-12 and Community College specializations. As detailed in Table 4 and Table 5 below, the Ed.D. program continues to diversify its graduates. There are now more than 2,700 Ed.D. alumni, many of whom serve as distinguished public school and higher education leaders throughout the state.

With the authority granted to the CSU to expand doctoral program offerings through the passage of Assembly Bill 656, there is great interest amongst universities to offer additional applied professional doctoral programs in education and counseling to meet the unmet demand for leaders in these fields.

**Table 4: CSU Ed.D. Degrees Earned in Educational Leadership, PK-12 Specialization**

<b>IPEDS Race/Ethnicity</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>
African American	13	33	17	12	18
American Indian	0	0	0	0	0
Asian American	10	21	20	23	24
Hispanic	48	59	47	70	69
White	32	40	41	59	57
Pacific Islander	0	1	0	0	1
2 or More Races	5	5	7	5	5
Unknown Race	9	15	11	6	13
<b>Total Headcount</b>	<b>120</b>	<b>176</b>	<b>144</b>	<b>176</b>	<b>188</b>

**Table 5: CSU Ed.D. Degrees Earned in Educational Leadership, Community College Specialization**

<b>IPEDS Race/Ethnicity</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>
African American	8	12	18	11	11
American Indian	1	0	1	0	0
Asian American	6	21	16	9	9
Hispanic	26	24	27	33	29
White	29	33	31	24	24
Pacific Islander	0	0	0	1	1
2 or More Races	2	9	3	2	3
Unknown Race	8	5	4	11	5
<b>Total Headcount</b>	<b>80</b>	<b>105</b>	<b>102</b>	<b>93</b>	<b>83</b>

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### **Conclusion**

The work of educator and leadership preparation and development remains at the core of the CSU's mission. Working in partnership with school districts, community colleges, and state and national educational agencies, the CSU is committed to focusing on affordability and expanding opportunity in the preparation of excellent and equitable educators.

## **COMMITTEE ON EDUCATIONAL POLICY**

### **Recommended Amendments to Title 5 Regarding California State University Doctoral Programs**

#### **Presentation By**

Nathan S. Evans  
Deputy Vice Chancellor, Academic and Student Affairs  
Chief Academic Officer

Laura Massa  
Interim Associate Vice Chancellor  
Academic and Faculty Programs

#### **Summary**

Assembly Bill 656, authored by Assemblymember Kevin McCarty and sponsored by the California State University (CSU) was signed into law in October 2023. The law amended the California Education Code, adding Sections 66046-66046.3 to grant the CSU authority to establish professional and applied doctoral programs. Such doctoral degrees will not duplicate the University of California's (UC) existing doctoral degrees. The CSU's doctoral degrees are intended to meet identified workforce and accreditation needs in the State of California. The purpose of this information item is to propose additions, amendments and repeals to Title 5 of the California Code of Regulations to carry out this legislation and to consolidate existing CSU Title 5 doctoral regulations created for each individual doctoral degree into a single comprehensive set of regulations applicable to all doctoral degree programs.

This agenda item will return to the Board in July 2024 for approval. Upon mutual agreement on the criteria for assessing duplication with the UC, the Chancellor's Office staff will prepare systemwide policy that will provide detailed information on duplication criteria and establish the process for proposing and implementing new professional and applied doctoral programs.

#### **Background**

Since 2005, the CSU has been authorized to offer professional and applied doctoral degrees in several fields, including: Doctor of Audiology, Doctor of Education in Educational Leadership, Doctor of Nursing Practice, Occupational Therapy Doctorate, Doctor of Physical Therapy and Doctor of Public Health. Each of these degrees was authorized by separate legislative action. Once they were approved, separate Title 5 regulations and Chancellor's Office implementation policies

were created. Currently 16 CSUs offer a doctoral degree. A listing of current by campus doctoral offerings is provided in Table 1.

**Table 1. Existing CSU Independent Doctoral Degree Programs by University**

<b>University</b>	<b>AUD</b>	<b>DNP</b>	<b>DPT</b>	<b>DRPH</b>	<b>EDD</b>	<b>OTD</b>
Bakersfield					1	
Dominguez Hills						1
East Bay					1	
Fresno		1	1		1	
Fullerton		1			1	
Long Beach		1	1		1	
Los Angeles	1				1	
Northridge	1		1		1	
Pomona					1	
Sacramento	1		1		1	
San Bernardino					1	
San Diego	1		1	1	1	
San Francisco			1		1	
San José	1	1			1	1
San Marcos					1	
Stanislaus					1	
<b>Total Offerings</b>	<b>5</b>	<b>4</b>	<b>6</b>	<b>1</b>	<b>15</b>	<b>2</b>

**Addressing California’s Workforce Needs**

Many sectors in California’s workforce have identified gaps in fields that require advanced degrees in areas that are not addressed by UC doctoral programs. These sectors represent key economic industries in the state of California, including business and finance, government, health, manufacturing, agriculture and counseling education.

Assembly Bill 656, authored by Assemblymember Kevin McCarty and sponsored by the CSU Board of Trustees, allows for the CSU to offer independent professional and applied doctoral degree programs to meet California’s workforce needs and close these identified gaps. This legislation was signed into law by Governor Newsom on October 10, 2023.



Correspondingly, additions of the following Title 5 sections are recommended:

- **§ 40511. The Doctoral Degree.**  
This addition defines the CSU doctoral degree and recognizes previously approved applied doctoral degrees.
- **§ 40512. The CSU/UC Joint Doctoral Degree.**  
This addition defines the CSU/UC Joint Doctoral Degree as independent from the CSU professional and applied doctoral degrees.
- **§ 41020. Admission to Graduate Standing: Doctoral Unclassified**  
This addition defines doctoral program admission standards.
- **§ 41021 Special Action for Doctoral Admission**  
This addition defines criteria for special action admission to doctoral programs.
- **§ 41022 Admission to Graduate Standing: Doctoral Conditionally Classified.**  
This addition defines the conditionally classified admission to doctoral programs.
- **§ 41023 Admission to Graduate Standing: Doctoral Classified.**  
This addition defines the classified admission to doctoral programs.

An item will be presented at the July 2024 meeting for board action to adopt the following recommended additions to Title 5.

**Title 5, California Code of Regulations**  
**Division 5 – Board of Trustees of the California State Universities**  
**Chapter 1 – California State University**  
**Subchapter 2 – Educational Program**  
**Article 7 – Graduate Degrees**

**Section 40511. The Doctoral Degree.**

- (a) A California State University program leading to a doctoral degree shall be distinguished from a University of California doctoral degree by its previous verification from the University of California for degree duplication. Conformity with other criteria may include contributing to serve California’s diverse communities, addressing California’s professional workforce needs, or enabling professionals to earn the doctoral degree while working full-time.

- 
- (1) Previous approved applied doctoral degrees include:

- (A) The Doctor of Education Degree
- (B) The Doctor of Nursing Practice Degree
- (C) The Doctor of Physical Therapy Degree
- (D) The Doctor of Audiology Degree
- (E) The Occupational Therapy Doctorate Degree
- (F) The Doctor of Public Health Degree

(b) Each campus offering a program leading to a doctoral degree shall establish requirements for admission to the program. The requirements of admission shall include, at a minimum, the requirements stated in Section 41020.

(c) The program leading to a doctoral degree shall conform with the following specifications:

- (1) The curriculum may be organized as a cohort-based program and shall include learning experiences that balance research, theory, and practice. The core curriculum shall provide professional preparation focusing on leadership, critical thinking and decision-making, including but not limited to: theory and research methods, foundational, clinical and/or behavioral sciences, the structure and culture of the discipline, as well as to professional practice and management of the discipline.
- (2) The pattern of study shall be composed of at least 60 semester units earned in graduate standing. At least 36 semester units required for the degree shall be in courses organized primarily for doctoral students, and the remaining units required for the degree shall be in courses organized primarily for doctoral students or courses organized primarily for master's and doctoral students.
- (3) At least 42 units shall be completed in residence at the campus or campuses awarding the degree. At the discretion of the appropriate campus authority, courses required for the doctoral degree that are completed at another CSU campus may apply toward the residency requirement at the CSU campus that awards the doctoral degree.
- (4) A doctoral qualifying examination or assessment shall be required.
- (5) The pattern of study shall include completion of a doctoral dissertation, doctoral project, or doctoral capstone.

(A) This specification shall be the written product of systemic, rigorous research on a significant professional issue or of doctoral-level mastery of a current, evidence-based practice. The specification is expected to contribute to an improvement in professional practices or policy. It shall provide evidence of originality, critical and independent thinking, appropriate form and organization, and adequate rationale.

(B) This specification shall identify the research, problem statement or purpose, state the major theoretical perspectives, explain the significance of undertaking, relate it to the relevant scholarly and professional literature, identify the methods of gathering and analyzing the data, and offer a conclusion of recommendation.

(C) No more than 15 semester units shall be allowed for the doctoral dissertation, doctoral project, or doctoral capstone.

(D) An oral defense or presentation shall be required for the doctoral dissertation, doctoral project, or doctoral capstone.

NOTE: Authority cited: Sections 66600, 89030 and 89035, Education Code. Reference: Sections, 66600, 66040, 66041, 66042, 66043, 66044, 66046, 66046.1, 66046.2, 89280, 89281, and 89030, Education Code.

**Title 5, California Code of Regulations**  
**Division 5 – Board of Trustees of the California State Universities**  
**Chapter 1 – California State University**  
**Subchapter 2 – Educational Program**  
**Article 7 – Graduate Degrees**

**Section 40512. The CSU/UC Joint Doctoral Degree.**

- (a) Joint doctoral programs are partnerships between UC and CSU that build on the strengths of each of the participating campuses to generate specialized programs that could not otherwise be realized. Joint doctorate programs benefit both systems, the students, and the State.
- (b) These joint doctoral programs are independent of UC doctoral programs pursuant to State of California Education Code (section 66010.4) for UC doctoral degrees and independent of CSU professional and applied doctoral degrees pursuant to State of California Education Code (section 66046).

(c) Certain basic principles underlie all joint doctoral programs:

- (1) Joint doctoral degrees are awarded jointly by the Trustees of the California State University and the Regents of the University of California.
- (2) In the development and operation of joint doctoral programs, the CSU and the UC partners have equal status.
- (3) All program decisions are made jointly and by mutual agreement between participating UC and CSU campuses.
- (4) The programs respond to a societal need that is best met by members of the faculties from both systems, calls on the expertise of both, and cannot be met by existing programs.
- (5) By combining the intellectual and physical resources of the two systems, the joint degree programs can provide opportunities for research collaborations.

(d) CSU and UC faculty shall follow mutually agreed protocols for the planning, review, and implementation of joint doctoral programs.

NOTE: Authority cited: Sections 66600, 89030 and 89035, Education Code. Reference: Section 66010.4, 66046, 66046.1, 66046.2 , Education Code.

**Title 5, California Code of Regulations**  
**Division 5 – Board of Trustees of the California State Universities**  
**Chapter 1 – California State University**  
**Subchapter 3 – Educational Program**  
**Article 8 – Admission of Post-Baccalaureate and Graduate Students**

Section 41020 -- Admission to Graduate Standing: Doctoral Unclassified

(a) An applicant may be admitted to a campus as an unclassified doctoral student if the applicant satisfies the requirements of each of the three following numbered subdivisions:

- (1) The applicant holds an acceptable baccalaureate degree earned at an institution accredited by a regional accrediting association, or the applicant has completed equivalent academic preparation as determined by the appropriate campus authority; and

(2) The applicant has satisfied any one of the following three lettered conditions:

(A) The applicant has attained a grade point average of at least 3.0 in an acceptable earned baccalaureate degree;

(B) The applicant has attained a grade point average of at least 3.0 in the last 60 semester units (90 quarter units) attempted;

(C) The applicant holds an acceptable post-baccalaureate degree earned at an institution accredited by a regional accrediting association;

(3) And the applicant was in good standing at the last institution of higher education attended.

(b) A doctoral applicant may be required to have attained a master's degree by a regional accrediting association before being admitted to a campus authorized doctoral program.

NOTE: Authority cited: Sections 66600, 89030 and 89035, Education Code. Reference: Section, 66046, 66046.1, 66046.2 Education Code.

**Title 5, California Code of Regulations**  
**Division 5 – Board of Trustees of the California State Universities**  
**Chapter 1 – California State University**  
**Subchapter 3 – Educational Program**  
**Article 8 – Admission of Post-Baccalaureate and Graduate Students**

Section 41021 - Special Action for Doctoral Admission

An applicant who does not qualify for admission under the provisions of subdivisions (a) or (b), or both such subdivisions, of Section 41020, may be admitted by special action if on the basis of acceptable evidence the applicant is judged by appropriate campus authority to meet professional, personal, scholastic, and other standards pertinent to the applicant's educational objectives to merit such action.

NOTE: Authority cited: Sections 66600, 89030 and 89035, Education Code. Reference: Section, 66046, 66046.1, 66046.2 , Education Code.

**Title 5, California Code of Regulations**  
**Division 5 – Board of Trustees of the California State Universities**  
**Chapter 1 – California State University**  
**Subchapter 3 – Educational Program**  
**Article 8 – Admission of Post-Baccalaureate and Graduate Students**

Section 41022 -- Admission to Graduate Standing: Doctoral Conditionally Classified

An applicant who is eligible for admission under the provisions of Section 41020 or Section 41021, but who has deficiencies in prerequisite preparation which in the opinion of appropriate campus authority can be met by specified additional preparation, including acceptable evidence of academic, professional, and/or clinical standards, may be admitted to an authorized doctoral degree curriculum with conditionally classified doctoral standing.

NOTE: Authority cited: Sections 66600, 89030 and 89035, Education Code. Reference: Section, 66046, 66046.1, 66046.2 Education Code.

**Title 5, California Code of Regulations**  
**Division 5 – Board of Trustees of the California State Universities**  
**Chapter 1 – California State University**  
**Subchapter 3 – Educational Program**  
**Article 8 – Admission of Post-Baccalaureate and Graduate Students**

Section 41023 -- Admission to Graduate Standing: Doctoral Classified

An applicant who is eligible for admission under the provisions of Section 41020 or Section 41021 may be admitted to an authorized doctoral degree curriculum of the campus as a classified doctoral student if the applicant satisfactorily meets professional, personal, scholastic, and other standards for admission to the doctoral degree curriculum as the appropriate campus authority may prescribe. Only those applicants who show promise of success and fitness will be admitted to doctoral degree curricula, and only those who continue to demonstrate a satisfactory level of scholastic competence and fitness shall be eligible to continue in such curricula.

NOTE: Authority cited: Sections 66600, 89030 and 89035, Education Code. Reference: Section 66046, 66046.1, 66046.2 Education Code.

Correspondingly, amendments of the following Title 5 sections are recommended:

- **§ 40050. Functions.**  
This amendment updates this section for California Education Code Sections 66046-66046.3 compliance.
- **§ 40100. Authorization to Establish Curricula.**  
This amendment updates this section for California Education Code Sections 66046-66046.3 compliance.

An item will be presented at the July 2024 meeting for board action to adopt the following recommended amendments to Title 5.

**Title 5, California Code of Regulations**  
**Division 5 – Board of Trustees of the California State Universities**  
**Chapter 1 – California State University**  
**Subchapter 2 – Educational Program**  
**Article 1 – General Function**

**Section 40050. Functions.**

The primary function of the California State University is the provision of instruction for baccalaureate and post-baccalaureate education of undergraduate students, and graduate students and postbaccalaureate students through the doctoral degree master's degree, in the liberal arts, and sciences, in applied fields and in the professions, including the teaching profession. All proposed CSU doctoral degrees will be reviewed by the University of California to verify that the proposed degree does not duplicate a UC doctoral degree program that is offered or is under review by the University of California. These professional or applied doctoral degrees may also be awarded jointly with a University of California university or private California institution of higher education that is accredited by the WASC Senior College and University Commission. Presently established two-year programs in agriculture are authorized, but other two-year programs shall be authorized only when mutually agreed upon by the Board of Trustees of the California State University and the Board of Governors of the California Community Colleges. ~~The doctoral degree may be awarded jointly with the University of California, or jointly with a private institution of higher education accredited by the Western Association of Schools and Colleges, provided that in the latter case, the doctoral program is approved by the California Postsecondary Education Commission.~~ Faculty research is authorized to the extent that it is consistent with the primary function of the California State University and the facilities provided for that function.

NOTE: Authority cited: Sections 66600, 89030 and 89035, Education Code. Reference: Section 66010.4, 66046, 66046.1, 66046.2 , Education Code.

**Title 5, California Code of Regulations**  
**Division 5 – Board of Trustees of the California State Universities**  
**Chapter 1 – California State University**  
**Subchapter 2 – Educational Program**  
**Article 2 – Curricula**

**Section 40100. Authorization to Establish Curricula.**

A campus may be authorized by the Board of Trustees to establish and maintain curricula leading to the bachelor's degree, the master's degree, and the doctoral degree, provided that in the case of the doctoral degree, the requirements of Section 40050 or ~~Section 40050.1~~ are satisfied.

NOTE: Authority cited: Sections 66600, 66046, 66046.1, 66046.2, 89030 and 89035, Education Code. Reference: Sections, 66600 and 89030, Education Code.

Complementing the addition of broad regulations applicable to all doctoral programs, existing regulations addressing each individual doctoral degree will be removed. Correspondingly, repealing of all the following Title 5 sections is recommended to allow the consolidation of the CSU doctoral regulations:

- **§ 40050.1. Function: Instruction Leading to the Doctor of Education Degree.**  
This section has been consolidated into the proposed amended Section 40050. It is recommended that this section be repealed.
- **§ 40050.2. Function: Instruction Leading to the Doctor of Nursing Practice Degree.**  
This section has been consolidated into the proposed amended Section 40050. It is recommended that this section be repealed.
- **§ 40050.3. Function: Instruction Leading to the Doctor of Physical Therapy Degree.**  
This section has been consolidated into the proposed amended Section 40050. It is recommended that this section be repealed.
- **§ 40050.4. Function: Instruction Leading to the Doctor of Audiology Degree.**



This section has been consolidated into the proposed amended Section 40050. It is recommended that this section be repealed.

- **§ 40050.5. Function: Instruction Leading to the Occupational Therapy Doctorate Degree.**  
These sections have been consolidated into the proposed amended Section 40050. It is recommended that these sections be repealed.
- **§ 40511. The Doctor of Education Degree.**  
This section has been consolidated into the proposed added Section 40511. It is recommended that this section be repealed.
- **§ 40512. The Doctor of Education Degree: Requirements.**  
This section has been consolidated into the proposed added Section 40511. It is recommended that this section be repealed.
- **§ 40513. The Doctor of Nursing Practice Degree.**  
This section has been consolidated into the proposed added Section 40511. It is recommended that this section be repealed.
- **§ 40514. The Doctor of Nursing Practice Degree: Requirements.**  
This section has been consolidated into the proposed added Section 40511. It is recommended that this section be repealed.
- **§ 40515. The Doctor of Physical Therapy Degree.**  
This section has been consolidated into the proposed added Section 40511. It is recommended that this section be repealed.
- **§ 40516. The Doctor of Physical Therapy Degree: Requirements.**  
This section has been consolidated into the proposed added Section 40511. It is recommended that this section be repealed.
- **§ 40517. The Doctor of Audiology Degree.**  
This section has been consolidated into the proposed added Section 40511. It is recommended that this section be repealed.
- **§ 40518. The Doctor of Audiology Degree Requirements.**  
This section has been consolidated into the proposed added Section 40511. It is recommended that this section be repealed.

- **§ 40519. The Occupational Therapy Doctorate Degree.**  
This section has been consolidated into the proposed added Section 40511. It is recommended that this section be repealed.
- **§ 40519.1. The Occupational Therapy Doctorate Degree: Requirements.**  
This section has been consolidated into the proposed added Section 40511. It is recommended that this section be repealed:
- **§ 40519.2. The Doctor of Public Health Degree.**  
This section has been consolidated into the proposed added Section 40511. It is recommended that this section be repealed.
- **§ 40519.3. The Doctor of Public Health Degree: Requirements.**  
This section has been consolidated into the proposed added Section 40511. It is recommended that this section be repealed.
- **§ 41020. Admission to Doctor of Education Programs.**  
This section has been consolidated into the proposed added Sections 41020-41023. It is recommended that this section be repealed.
- **§ 41021. Admission to Doctor of Nursing Practice Programs.**  
This section has been consolidated into the proposed added Sections 41020-41023. It is recommended that this section be repealed.
- **§ 41022. Admission to Doctor of Physical Therapy Programs.**  
This section has been consolidated into the proposed added Sections 41020-41023. It is recommended that this section be repealed.
- **§ 41023. Admission to Doctor of Audiology Programs.**  
This section has been consolidated into the proposed added Sections 41020-41023. It is recommended that this section be repealed.
- **§ 41024. Admission to Occupational Therapy Doctorate Programs.**  
This section has been consolidated into the proposed added Sections 41020-41023. It is recommended that this section be repealed.
- **§ 41025. Admission to Doctor of Public Health Programs.**  
This section has been consolidated into the proposed added Sections 41020-41023. It is recommended that this section be repealed.

An item will be presented at the July 2024 meeting for board action to adopt the following recommended repeals to Title 5.

**~~Section 40050.1. Function: Instruction Leading to the Doctor of Education Degree.~~**

~~Notwithstanding Section 40050, the Doctor of Education degree may be awarded independently of any other institution of higher education, provided that the program leading to the degree satisfies the criteria in subdivision (a) of Section 40511.~~

**~~Section 40050.3. Function: Instruction Leading to the Doctor of Physical Therapy Degree.~~**

~~Notwithstanding Section 40050, the Doctor of Physical Therapy degree may be awarded independently of any other institution of higher education, provided that the program leading to the degree satisfies the criteria in section 40515.~~

**~~Credits~~**

~~NOTE: Authority cited: Sections 66042, 66600, 89030 and 89035, Education Code. Reference: Sections 66042, 66600 and 89030, Education Code.~~

**~~Section 40050.4. Function: Instruction Leading to the Doctor of Audiology Degree.~~**

~~Notwithstanding Section 40050, the Doctor of Audiology degree may be awarded independently of any other institution of higher education, provided that the program leading to the degree satisfies the criteria in section 40517.~~

**~~Credits~~**

~~NOTE: Authority cited: Sections 66041, 66600, 89030 and 89035, Education Code. Reference: Sections 66041, 66600 and 89030, Education Code.~~

**~~Section 40050.5. Function: Instruction Leading to the Occupational Therapy Doctorate Degree.~~**

~~Notwithstanding section 40050, the Occupational Therapy Doctorate degree may be awarded independently of any other institution of higher education, provided that the program leading to the degree satisfies the criteria in section 40519.~~

**~~Credits~~**

~~NOTE: Authority cited: Sections 66043, 66043.1, 66600, 89030 and 89035, Education Code. Reference: Sections 66043, 66043.1, 66600, 89030 and 89035, Education Code.~~

**Title 5, California Code of Regulations**  
**Division 5 – Board of Trustees of the California State Universities**  
**Chapter 1 – California State University**  
**Subchapter 2 – Educational Program**  
**Article 7 – Graduate Degrees**

**Section 40511. The Doctor of Education Degree.**

~~(a) A California State University program leading to a Doctor of Education degree shall be distinguished from a University of California doctoral degree program by its conformity with the following criteria:~~

~~(1) the program shall prepare administrative leaders for possible service in one of the following settings:~~

~~(A) public elementary and secondary schools, or~~

~~(B) community colleges;~~

~~(2) the program shall focus on the knowledge and skills needed by administrators to be effective leaders in California public schools and community colleges;~~

~~(3) the program shall be offered through partnerships in which California public elementary and secondary schools and community colleges, as appropriate, shall participate substantively in program design, candidate recruitment and admissions, teaching, dissertation development, and program assessment and evaluation; and~~

~~(4) the program shall enable professionals to earn the degree while working full time.~~

~~(b) Each campus offering a program leading to a Doctor of Education degree shall establish requirements for admission to the program. The requirements for admission shall include, at a minimum, the requirements stated in Section 41020.~~

~~(c) The program leading to the Doctor of Education degree shall conform to the following specifications:~~

~~(1) The curriculum shall be organized as a cohort-based program and shall include learning experiences that balance research, theory, and practice, including field experiences. The core curriculum shall provide professional preparation for leadership, including but not limited to theory and research methods, the structure and culture of education, and leadership in curriculum and instruction, equity, and assessment.~~

~~(2) The pattern of study shall be composed of at least 60 semester units earned in graduate standing. At least 48 semester units required for the degree shall be in courses organized primarily for doctoral students, and the remaining units required for the degree shall be in courses organized primarily for doctoral students or courses organized primarily for master's and doctoral students.~~

~~(3) At least 42 semester units shall be completed in residence at the campus or campuses awarding the degree. The appropriate campus authority may authorize the substitution of credit earned by alternate means for part of this residence requirement. The campus may establish a transfer policy allowing application to degree requirements of relevant coursework and credits completed as a matriculated student in another graduate program, on the condition that the other program is appropriately accredited.~~

~~(4) A qualifying examination shall be required.~~

~~(5) The pattern of study shall include completion of a dissertation.~~

~~(A) The dissertation shall be the written product of systematic, rigorous research on a significant professional issue. The dissertation is expected to contribute to an improvement in professional practices or policy. It shall evidence originality, critical and independent thinking, appropriate form and organization, and a rationale.~~

~~(B) The dissertation shall identify the research problem and question(s), state the major theoretical perspectives, explain the significance of the undertaking, relate it to the relevant scholarly and professional literature, set forth the appropriate sources for and methods of gathering and analyzing the data, and offer a conclusion or recommendation. It shall include a written abstract that summarizes the significance of the work, objectives, methodology, and a conclusion or recommendation.~~

~~(C) No more than 12 semester units shall be allowed for a dissertation.~~

~~(D) An oral defense of the dissertation shall be required.~~

~~(d) Each campus shall create and distribute to all students enrolled in a Doctor of Education degree program a student manual or handbook detailing, at a minimum, the following:~~

~~(1) requirements for admission with classified standing;~~

~~(2) policies on the transfer of credit earned at other institutions;~~

~~(3) policies on professional ethics and academic integrity;~~

~~(4) policies on student fees;~~

~~(5) provisions for advising and mentoring;~~

~~(6) policies and procedures for petitioning for a variance in academic requirements;~~

~~(7) policies and procedures for obtaining a leave of absence or for withdrawing from the university;~~

~~(8) policies and procedures regarding student grievances;~~

~~(9) policies on harassment and discrimination;~~

~~(10) policies and procedures for establishing and amending a plan of study;~~

~~(11) requirements for satisfactory progress in the program;~~

~~(12) policies on academic probation;~~

~~(13) requirements for field experience embedded in the program;~~

~~(14) requirements for advancement to candidacy;~~

~~(15) policies and procedures for the formation of a committee for administering a qualifying examination (if the qualifying examination is unique to the individual student);~~

~~(16) dissertation requirements;~~

~~(17) policies and procedures for the formation of a committee for supervising a dissertation;~~

~~(18) forms to be completed by students in the course of the degree program;~~

~~(19) the names and areas of expertise of faculty members affiliated with the degree program.~~

### Credits

NOTE: Authority cited: Sections 66600, 66040.3, 89030 and 89035, Education Code. Reference: Sections 66040.3, 66600 and 89030, Education Code.

#### **Section 40512. The Doctor of Education Degree: Requirements.**

~~(a) Advancement to Candidacy. For advancement to candidacy for the Doctor of Education degree, the student shall have achieved classified graduate standing and met such particular requirements as the Chancellor and the appropriate campus authority may prescribe. The requirements shall include a qualifying examination.~~

~~(b) To be eligible for the Doctor of Education degree, the candidate shall have completed a pattern of study, including a dissertation, that is consistent with the specifications in subdivision (c) of Section 40511 and that is approved by the appropriate campus authority. A grade point average of 3.0 (grade of B) or better shall have been earned in coursework taken to satisfy the requirements for the degree, except that a course in which no letter grade is assigned shall not be used in computing the grade point average.~~

~~(c) The student shall have completed all requirements for the degree within five years of achieving classified standing in the doctoral program. The appropriate campus authority may extend the time for completion of the requirements if:~~

~~(1) the extension is warranted by individual circumstances, and~~

~~(2) the student demonstrates current knowledge of research and practice in educational leadership, as required by the campus.~~

### Credits

NOTE: Authority cited: Sections 66600, 66040.3, 89030 and 89035, Education Code. Reference: Sections 66040.3, 66600 and 89030, Education Code.

#### **Section 40513. The Doctor of Nursing Practice Degree.**

~~(a) California State University programs leading to a Doctor of Nursing Practice degree shall be distinguished from a University of California Doctor of Philosophy in Nursing program.~~

~~(b) California State University Doctor of Nursing Practice degree programs shall conform to the following criteria:~~

~~(1) The clinical degree programs in advanced nursing practice shall prepare graduates for leadership and clinical roles and to engage in evidence based inquiry; and programs may also prepare graduates to serve as faculty in postsecondary nursing education programs.~~

~~(2) Programs shall be consistent with the requirements of a professional nursing accrediting body and the regional accrediting association.~~

~~(c) Each campus offering a program leading to a Doctor of Nursing Practice degree shall establish requirements for admission to the program. The requirements for admission shall include, at a minimum, the requirements stated in Section 41021.~~

~~(d) Programs leading to the Doctor of Nursing Practice degree shall conform to the following specifications:~~

~~(1) The curriculum may be organized as a cohort-based program and shall include learning experiences that balance research, theory, and practice. The core curriculum for each DNP program shall provide professional preparation in advanced nursing practice, including but not be limited to theory, application and evaluation of research findings, curriculum development and evaluation, professional practice, management and leadership, and essential curricular concepts for advanced nursing at the doctoral level.~~

~~(2) The pattern of study for the post bachelor's degree in nursing to the Doctor of Nursing Practice degree program shall include at least 27 semester units in courses organized primarily for doctoral students, and the remaining units required for the degree shall be in courses organized for specialty advanced nursing coursework as identified by national nursing specialty certification agencies. No more than 12 semester doctoral project units shall be allowed toward the degree program requirements.~~

~~(3) The pattern of study for the post-master's Doctor of Nursing Practice degree program shall be composed of at least 36 semester units earned in graduate standing. At least 27 semester units required for the degree shall be in courses organized primarily for doctoral students, and the remaining units required for the degree shall be in courses organized primarily for doctoral students or courses organized primarily for master's and doctoral students.~~

~~(4) At least 80 percent of required Doctor of Nursing Practice semester units shall be completed in residence at the campus awarding the degree or campuses jointly awarding the degree. The appropriate campus authority may authorize the substitution of credit earned by alternate means for part of this residence requirement. The campus may establish a policy allowing the transfer of relevant coursework and credits completed as a matriculated student in another graduate program, on the condition that the other program is appropriately accredited.~~

~~(5) A doctoral qualifying examination or assessment shall be required.~~

~~(6) The pattern of study shall include completion of a doctoral project.~~

~~(A) The doctoral project shall be the written product of a systematic, rigorous, evidence-based endeavor focused on a significant nursing practice issue. The doctoral project is expected to contribute to an improvement in professional practices, policy, or patient outcomes. It shall evidence originality, critical and independent thinking, appropriate form and organization, and adequate rationale.~~

~~(B) The doctoral project shall reflect a command of the scholarly literature and shall demonstrate the student's mastery of evidence-based practice at the doctoral level.~~

~~(C) The written component of the doctoral project shall be organized in an appropriate form and shall identify the problem statement and purpose, state the major theoretical perspectives, explain the significance of the undertaking, relate it to the relevant scholarly and professional literature, identify the methods of gathering and analyzing the data, and offer a conclusion or recommendation.~~

~~(D) No more than 12 semester units shall be allowed for the doctoral project.~~

~~(E) An oral presentation of the doctoral project shall be required.~~

### **Credits**

~~NOTE: Authority cited: Sections 66600, 89030, 89035, 89280 and 89281, Education Code.  
Reference: Sections 66600, 89280 and 89281, Education Code.~~

### **Section 40514. The Doctor of Nursing Practice Degree: Requirements.**

~~(a) To be eligible for the Doctor of Nursing Practice degree, the candidate shall have completed a program of study that includes a qualifying assessment and a doctoral project and that is consistent with the specifications in subdivision (d) of Section 40513 and that is approved by the appropriate campus authority. A grade point average of 3.0 (grade of B) or better shall have been earned in courses taken to satisfy the requirements for the degree, except that a course in which no letter grade is assigned shall not be used in computing the grade point average.~~

~~(b) Advancement to Candidacy. For advancement to candidacy for the Doctor of Nursing Practice degree, the student shall have achieved classified graduate standing and met such particular requirements as the Chancellor and the appropriate campus authority may prescribe. The requirements shall include a qualifying assessment.~~

~~(c) The student shall have completed all requirements for the degree within five years of matriculation into the doctoral program. The appropriate campus authority may extend by up to two years the time for completion of the requirements under the following circumstances;~~

- ~~(1) the student is in good standing,~~
- ~~(2) the extension is warranted by compelling individual circumstances, and~~
- ~~(3) the student demonstrates current knowledge of research and practice in advanced nursing practice, as required by the campus.~~

### **Credits**

~~NOTE: Authority cited: Sections 66600, 89030, 89035, 89280 and 89281, Education Code.  
Reference: Sections 66600, 89030, 89280 and 89281, Education Code.~~

### **Section 40515. The Doctor of Physical Therapy Degree.**

~~(a) A California State University program leading to a Doctor of Physical Therapy degree may be offered independently of any other institution of higher education. California State University Doctor of Physical Therapy programs shall:~~

- ~~(1) provide curriculum grounded in evidence-based practice, and~~
- ~~(2) prepare graduates to enter the field of physical therapy practice, and~~
- ~~(3) be consistent with the requirements of the professional accrediting body.~~

~~(b) Each campus offering a program leading to a Doctor of Physical Therapy degree shall establish requirements for admission to the program. The requirements for admission shall include, at a minimum, the requirements stated in Section 41022.~~

~~(c) The program leading to the Doctor of Physical Therapy degree shall conform to the following specifications:~~

- ~~(1) The curriculum shall include learning experiences that balance research, theory, clinical education and practice. The core curriculum shall provide professional preparation focusing on~~



critical thinking and decision making, including but not limited to: foundational sciences, clinical sciences, and behavioral sciences; professional practice; patient/client management; and practice management.

~~(2) The postbaccalaureate pattern of study shall be composed of at least 90 semester units (135 quarter units) earned in graduate standing. At least 72 semester units (108 quarter units) required for the degree shall be in courses organized primarily for doctoral students, and the remaining units required for the degree shall be in courses organized primarily for doctoral students or courses organized primarily for master's and doctoral students.~~

~~(3) No fewer than 60 semester (90 quarter units) shall be completed in residence at the campus awarding the degree. At the discretion of the appropriate campus authority, courses required for California State University Doctor of Physical Therapy programs that are completed at another CSU campus may apply toward the residency requirement at the CSU campus that awards the degree.~~

~~(4) A doctoral qualifying examination or doctoral qualifying assessment shall be required.~~

~~(5) The pattern of study shall include successful completion of a doctoral project that is expected to contribute to an improvement in physical therapy practice, policy or client outcomes.~~

~~(A) The doctoral project shall demonstrate the student's doctoral level mastery of current evidence based practice. It shall demonstrate critical and independent thinking and a command of the research literature.~~

~~(B) The written component of the doctoral project shall demonstrate originality, evidencing critical and independent thinking. It shall be organized in an appropriate form and shall identify the research problem and question(s), state the major theoretical perspectives, explain the significance of the undertaking, relate it to the relevant scholarly and professional literature, identify the methods of gathering and analyzing the data, and offer a conclusion or recommendation.~~

~~(C) An oral defense of the doctoral project shall be required.~~

~~(D) No more than eight semester units (12 quarter units) shall be allowed for the doctoral project.~~

## Credits

NOTE: Authority cited: Sections 66042, 66600, 89030 and 89035, Education Code. Reference: Sections 66042, 66600, 89030 and 89035, Education Code.

### **Section 40516. The Doctor of Physical Therapy Degree: Requirements.**

~~(a) Advancement to Candidacy. For advancement to candidacy for the Doctor of Physical Therapy degree, the student shall have achieved classified graduate standing and met such particular requirements as the chancellor and appropriate campus authority may prescribe. The requirements shall include a qualifying examination or other qualifying doctoral assessment.~~

~~(b) To be eligible for the Doctor of Physical Therapy degree, the candidate shall have completed a program of study that includes both a qualifying examination or other qualifying assessment and a doctoral project that is consistent with the specifications in section 40515 and that is approved~~

~~by the appropriate campus authority. A grade point average of 3.0 (grade of B) or better shall have been earned in courses taken to satisfy the requirements for the degree, except that a course in which no letter grade is assigned shall not be used in computing the grade point average.~~

~~(c) The student shall have completed all requirements for the degree within five years of achieving classified standing in the doctoral program. The appropriate campus authority may extend the time for completion of the requirements if:~~

- ~~(1) the student is in good standing,~~
- ~~(2) the extension is warranted by compelling individual circumstances, and~~
- ~~(3) the student demonstrates current knowledge of research and practice in physical therapy, as required by the campus.~~

### **Credits**

~~NOTE: Authority cited: Sections 66042, 66600, 89030 and 89035, Education Code. Reference: Sections 66042, 66600, 89030 and 89035, Education Code.~~

### **Section 40517. The Doctor of Audiology Degree.**

~~(a) A California State University program leading to a Doctor of Audiology degree may be offered independently of any other institution of higher education. California State University Doctor of Audiology programs shall:~~

- ~~(1) provide curriculum grounded in evidence-based practice;~~
- ~~(2) prepare graduates to enter the field of audiology practice; and~~
- ~~(3) be consistent with the requirements of a professional accrediting body and California state licensure laws.~~

~~(b) Each campus offering a program leading to a Doctor of Audiology degree shall establish requirements for admission to the program. The requirements for admission shall include, at a minimum, the requirements stated in Section 41023.~~

~~(c) The program leading to the Doctor of Audiology degree shall conform to the following specifications:~~

~~(1) The curriculum shall include learning experiences that balance research, theory, clinical education and practice. The core curriculum shall provide professional preparation focusing on critical thinking and decision making, including but not limited to: foundational sciences, clinical sciences and behavioral sciences; professional practice; patient/client management; and practice management.~~

~~(2) The postbaccalaureate pattern of study shall be composed of at least 110 semester units (165 quarter units) earned in graduate standing. All semester/quarter units required for the degree shall be in courses organized primarily for doctoral students.~~

~~(3) At least 75 semester (112 quarter units) shall be completed in residence at the campus awarding the degree. At the discretion of the appropriate campus authority, courses required for California State University Doctor of Audiology programs that are completed at another CSU campus may apply toward the residency requirement at the CSU campus that awards the degree.~~

~~(4) A qualifying assessment shall be required.~~

~~(5) The pattern of study shall include successful completion of a doctoral project that is expected to contribute to knowledge in hearing science or to an improvement in audiology practice, policy or client outcomes.~~

~~(A) The doctoral project shall demonstrate the student's doctoral level mastery of research skills, hearing science and/or current evidence-based practice. It shall demonstrate critical and independent thinking and a command of the research literature.~~

~~(B) The written component of the doctoral project shall demonstrate originality, evidencing critical and independent thinking. It shall be organized in an appropriate form and shall identify the research problem and question(s), state the major theoretical perspectives, explain the significance of the undertaking, relate it to the relevant scholarly and professional literature, identify the methods of gathering and analyzing the data, analyze and interpret data and offer a conclusion or recommendation.~~

~~(C) An oral defense or presentation of the doctoral project may be required.~~

~~(D) No more than eight semester units (12 quarter units) shall be allowed for the doctoral Project.~~

### **Credits**

NOTE: Authority cited: Sections 66041, 66600, 89030 and 89035, Education Code. Reference: Sections 66041, 66600, 89030 and 89035, Education Code.

### **Section 40518. The Doctor of Audiology Degree Requirements.**

~~(a) Advancement to Candidacy. For advancement to candidacy for the Doctor of Audiology degree, the student shall have achieved classified graduate standing and met such particular requirements as the chancellor and appropriate campus authority may prescribe. The requirements shall include a qualifying doctoral assessment.~~

~~(b) To be eligible for the Doctor of Audiology degree, the candidate shall have completed a program of study that includes: a qualifying examination or other qualifying doctoral assessment, and a doctoral project that is consistent with the specifications in section 40517 and is approved by the appropriate campus authority. A grade point average of 3.0 (grade of B) or better shall have been earned in aggregate in courses taken to satisfy the requirements for the degree, except that a course in which no letter grade is assigned shall not be used in computing the grade point average.~~

~~(c) The student shall have completed all requirements for the degree within five years of achieving classified standing in the doctoral program. The appropriate campus authority may extend the time for completion of the requirements if:~~

~~(1) the student is in good standing,~~

~~(2) the extension is warranted by compelling individual circumstances, and~~

~~(3) the student demonstrates current knowledge of research and practice in audiology, as required by the campus.~~

### Credits

~~NOTE: Authority cited: Sections 66041, 66600, 89030 and 89035, Education Code. Reference: Sections 66041, 66600, 89030 and 89035, Education Code.~~

#### ~~Section 40519. The Occupational Therapy Doctorate Degree.~~

~~(a) A California State University program leading to an Occupational Therapy Doctorate degree may be offered independently of any other institution of higher education. California State University Occupational Therapy Doctorate programs shall:~~

- ~~(1) provide curriculum grounded in evidence-based practice;~~
- ~~(2) prepare graduates to participate in the field of occupational therapy; and~~
- ~~(3) be consistent with the requirements of a professional accrediting body and California state licensure laws.~~

~~(b) Each campus offering a program leading to an Occupational Therapy Doctorate degree shall establish requirements for admission to the program. The requirements for admission shall include, at a minimum, the requirements stated in section 41024.~~

~~(c) The program leading to the Occupational Therapy Doctorate degree shall conform to the following specifications:~~

~~(1) The curriculum shall include learning experiences that balance research, theory, clinical education and practice. The core curriculum shall provide professional preparation focusing on critical thinking and decision-making, including but not limited to: foundational sciences, clinical sciences and behavioral sciences, professional practice, patient/client management, and practice management.~~

~~(2) The postbaccalaureate pattern of study shall be composed of at least one hundred and ten (110) semester units earned in graduate standing.~~

~~(3) At least sixty (60) semester units shall be completed in residence at the campus awarding the degree. At the discretion of the appropriate campus authority, courses required for California State University Occupational Therapy Doctorate programs that are completed at another CSU campus may apply toward the residency requirement at the CSU campus that awards the degree.~~

~~(4) A qualifying assessment shall be required.~~

~~(5) The pattern of study shall include successful completion of a doctoral capstone in accordance with accreditation standards that is expected to contribute to knowledge in occupational therapy science or to an improvement in occupational therapy practice, policy or client outcomes and shall be subject to the following:~~

~~(A) The doctoral capstone shall demonstrate the student's doctoral-level mastery of research skills, occupational science and/or current evidence-based practice. It shall demonstrate critical and independent thinking and a command of the research literature;~~

~~(B) The written component of the doctoral capstone shall demonstrate originality, evidencing critical and independent thinking. It shall be organized in an appropriate form and shall identify the research problem and question(s), state the major theoretical perspectives, explain the significance of the undertaking, relate it to the relevant scholarly~~

~~and professional literature, identify the methods of gathering and analyzing the data, analyze and interpret data and offer a conclusion or recommendation;~~

~~(C) An oral defense or presentation of the doctoral capstone may be required; and~~

~~(D) No more than fifteen (15) semester units shall be allowed for the doctoral capstone.~~

### **Credits**

~~NOTE: Authority cited: Sections 66041, 66600, 89030 and 89035, Education Code. Reference: Sections 66041, 66600, 89030 and 89035, Education Code.~~

### **Section 40519.1. The Occupational Therapy Doctorate Degree: Requirements.**

~~(a) Advancement to Candidacy. For advancement to candidacy for the Occupational Therapy Doctorate degree, the student shall have achieved classified graduate standing and met such particular requirements as the chancellor and appropriate campus authority may prescribe. The requirements shall include a qualifying doctoral assessment.~~

~~(b) To be eligible for the Occupational Therapy Doctorate degree, the candidate shall have completed a program of study that includes: a qualifying examination or other qualifying doctoral assessment, and a doctoral capstone that is consistent with the specifications in section 40519 and is approved by the appropriate campus authority. A grade point average of 3.0 (grade of B) or better shall have been earned in aggregate in courses taken to satisfy the requirements for the degree, except that a course in which no letter grade is assigned shall not be used in computing the grade point average.~~

~~(c) The student shall have completed all requirements for the degree within five years of achieving classified standing in the doctoral program. The appropriate campus authority may extend the time for completion of the requirements if:~~

~~(1) the student is in good standing;~~

~~(2) the extension is warranted by compelling individual circumstances, and~~

~~(3) the student demonstrates current knowledge of research and practice in occupational therapy, as required by the campus.~~

### **Credits**

~~NOTE: Authority cited: Sections 66043, 66043.1, 66600, 89030 and 89035, Education Code. Reference: Sections 66043, 66043.1, 66600, 89030 and 89035, Education Code.~~

### **Section 40519.2. The Doctor of Public Health Degree.**

~~(a) A California State University program leading to a Doctor of Public Health degree shall be distinguished from a University of California doctoral degree program by its conformity with the following criteria:~~

~~(1) the program shall be focused on health and scientific knowledge translation and transformative community leadership;~~

~~(2) the program shall be designed to address the community public health workforce needs of California;~~

~~(3) the program shall prepare qualified professionals to be leaders and experienced practitioners who apply their advanced knowledge in service to California's diverse communities; and~~

~~(4) the program shall enable professionals to earn the degree while working full time.~~

~~(b) Each campus offering a program leading to a Doctor of Public Health degree shall establish requirements for admission to the program. The requirements for admission shall include, at a minimum, the requirements stated in Section 41025.~~

~~(c) The program leading to the Doctor of Public Health degree shall conform to the following specifications:~~

~~(1) The curriculum shall include learning experiences that balance research, theory, and practice, including field experiences. The core curriculum shall provide professional preparation for leadership in community public health, including but not limited to theory and research methods, the structure and culture of public health, and health and scientific knowledge translation and transformative community leadership.~~

~~(2) The pattern of study shall be composed of at least 48 semester units earned in graduate standing. At least 33 semester units required for the degree shall be in courses organized primarily for doctoral students, and the remaining units required for the degree shall be in courses organized primarily for doctoral students or courses organized primarily for master's and doctoral students.~~

~~(3) At least 42 semester units shall be completed in residence at the campus or campuses awarding the degree. The appropriate campus authority may authorize the substitution of credit earned by alternate means for part of this residence requirement. The campus may establish a transfer policy allowing application to degree requirements of relevant coursework and credits completed as a matriculated student in another graduate program, on the condition that the other program is appropriately accredited.~~

~~(4) A qualifying examination shall be required.~~

~~(5) The pattern of study shall include completion of a dissertation subject to the following:~~

~~(A) The dissertation shall be the written product of systematic, rigorous research on a significant professional issue related to community public health. The dissertation is expected to contribute to an improvement in health and scientific knowledge translation and transformative community leadership. It shall evidence originality, critical and independent thinking, appropriate form and organization, and a rationale;~~

~~(B) The dissertation shall identify the research problem and question(s), state the major theoretical perspectives, explain the significance of the undertaking, relate it to the relevant scholarly and professional literature, set forth the appropriate sources for and methods of gathering and analyzing the data, and offer a conclusion or recommendation. It shall include a written abstract that summarizes the significance of the work, objectives, methodology, and a conclusion or recommendation;~~

~~(C) No more than 12 semester units shall be allowed for a dissertation; and~~

~~(D) An oral defense of the dissertation shall be required.~~

- ~~(d) Each campus shall create and distribute to all students enrolled in a Doctor of Public Health degree program a student manual or handbook detailing, at a minimum, the following:~~
- ~~(1) requirements for admission with classified standing;~~
  - ~~(2) policies on the transfer of credit earned at other institutions;~~
  - ~~(3) policies on professional ethics and academic integrity;~~
  - ~~(4) policies on student fees;~~
  - ~~(5) provisions for advising and mentoring;~~
  - ~~(6) policies and procedures for petitioning for a variance in academic requirements;~~
  - ~~(7) policies and procedures for obtaining a leave of absence or for withdrawing from the university;~~
  - ~~(8) policies and procedures regarding student grievances;~~
  - ~~(9) policies on harassment and discrimination;~~
  - ~~(10) policies and procedures for establishing and amending a plan of study;~~
  - ~~(11) requirements for satisfactory progress in the program;~~
  - ~~(12) policies on academic probation;~~
  - ~~(13) requirements for field experience embedded in the program;~~
  - ~~(14) requirements for advancement to candidacy;~~
  - ~~(15) policies and procedures for the formation of a committee for administering a qualifying examination (if the qualifying examination is unique to the individual student);~~
  - ~~(16) dissertation requirements;~~
  - ~~(17) policies and procedures for the formation of a committee for supervising a dissertation;~~
  - ~~(18) forms to be completed by students in the course of the degree program; and~~
  - ~~(19) the names and areas of expertise of faculty members affiliated with the degree program.~~

### **Credits**

NOTE: Authority cited: Sections 66044 (effective January 1, 2023, per SB 684 (2022)), 66044.1 (effective January 1, 2023, per SB 684 (2022)), 66600, 89030 and 89035, Education Code. Reference: Sections 66044, 66044.1, 66600, 89030 and 89035, Education Code.

### **Section 40519.3. The Doctor of Public Health Degree: Requirements.**

- ~~(a) Advancement to Candidacy. For advancement to candidacy for the Doctor of Public Health degree, the student shall have achieved classified graduate standing and met such particular requirements as the Chancellor and the appropriate campus authority may prescribe. The requirements shall include a qualifying examination.~~
- ~~(b) To be eligible for the Doctor of Public Health degree, the candidate shall have completed a pattern of study, including a dissertation, that is consistent with the specifications in subdivision (c)(5) of Section 40519.2 and that is approved by the appropriate campus authority. A grade point average of 3.0 (grade of B) or better shall have been earned in coursework taken to satisfy the~~

requirements for the degree, except that a course in which no letter grade is assigned shall not be used in computing the grade point average.

(c) The student shall have completed all requirements for the degree within five years of achieving classified standing in the doctoral program. The appropriate campus authority may extend the time for completion of the requirements if:

- (1) the extension is warranted by individual circumstances, and
- (2) the student demonstrates current knowledge of research and practice in public health, as required by the campus.

### Credits

NOTE: Authority cited: Sections 66044 (effective January 1, 2023, per SB 684 (2022)), 66044.1 (effective January 1, 2023, per SB 684 (2022)), 66600, 89030 and 89035, Education Code. Reference: Sections 66044 (effective January 1, 2023, per SB 684 (2022)), 66044.1 (effective January 1, 2023, per SB 684 (2022)), 66600, 89030 and 89035, Education Code.

**Title 5, California Code of Regulations**  
**Division 5 – Board of Trustees of the California State Universities**  
**Chapter 1 – California State University**  
**Subchapter 2 – Educational Program**  
**Article 8 – Admission of Post-Baccalaureate and Graduate Students**

#### **Section 41020. Admission to Doctor of Education Programs.**

(a) An applicant may be admitted with classified graduate standing to a program leading to a Doctor of Education degree established pursuant to Section 40511 if the applicant satisfies the requirements of each of the following numbered subdivisions:

(1) The applicant holds an acceptable baccalaureate degree earned at an institution accredited by a regional accrediting association, or the applicant has completed equivalent academic preparation as determined by the appropriate campus authority.

(2) The applicant holds an acceptable master's degree earned at an institution accredited by a regional accrediting association, or the applicant has completed equivalent academic preparation as determined by the appropriate campus authority.

(3) The applicant has attained a cumulative grade point average of at least 3.0 in upper-division and graduate study combined.

(4) The applicant is in good standing at the last institution of higher education attended.

(5) The applicant has demonstrated sufficient preparation and experience pertinent to educational leadership to benefit from the program.

(6) The applicant has met any additional requirements established by the Chancellor in consultation with the faculty and any additional requirements prescribed by the appropriate campus authority.

(b) An applicant who does not qualify for admission under the provisions of subdivision (a) may be admitted with classified graduate standing by special action if on the basis of acceptable



~~evidence the applicant is judged by the appropriate campus authority to possess sufficient academic and professional potential pertinent to educational leadership to merit such action.~~

### **Credits**

~~NOTE: Authority cited: Sections 66600, 66040.3, 89030 and 89035, Education Code. Reference: Sections 66040.3, 66600 and 89030, Education Code.~~

### **Section 41021. Admission to Doctor of Nursing Practice Programs.**

~~An applicant may be admitted with classified graduate standing to a program leading to a Doctor of Nursing Practice degree established pursuant to Section 40513 if the applicant satisfies the requirements of each of the following numbered subdivisions:~~

~~(1) The applicant holds an acceptable bachelor's degree in nursing or master's degree in nursing earned at an institution accredited by a regional accrediting association and a national professional accrediting association, as applicable; or the applicant has completed equivalent academic preparation as determined by the appropriate campus authority.~~

~~(2) The applicant has attained a cumulative grade point average of at least 3.0 in an acceptable bachelor's degree in nursing or master's degree in nursing as determined by the appropriate campus authority.~~

~~(3) The applicant maintains active licensure to practice as a registered nurse in the state in which practicum experiences will be completed.~~

~~(4) The applicant meets all requirements for credentialing or certification eligibility as appropriate to the nursing specialty area.~~

~~(5) The applicant has demonstrated sufficient preparation and experience pertinent to nursing practice to be successful in doctoral education.~~

~~(6) The applicant has met any additional requirements established by the chancellor and any additional requirements prescribed by the appropriate campus authority.~~

~~(c) An applicant who is ineligible for admission under the provisions of either subdivision (a) or subdivision (b) because of deficiencies in prerequisite preparation that in the opinion of the appropriate campus authority can be rectified by specified additional preparation, including examinations, may be admitted with conditionally classified graduate standing. The student shall be granted classified graduate standing upon rectification of the deficiencies.~~

~~(d) Only those students who continue to demonstrate a satisfactory level of scholastic competence and fitness shall be eligible to continue in Doctor of Education programs.~~

### **Credits**

~~NOTE: Authority cited: Sections 66600, 89030, 89035, 89280 and 89281, Education Code. Reference: Sections 66600, 89030, 89280 and 89281, Education Code.~~

### **Section 41022. Admission to Doctor of Physical Therapy Programs.**

~~(a) An applicant may be admitted with classified graduate standing to a program leading to a Doctor of Physical Therapy degree established pursuant to Section 40515 if the applicant satisfies the requirements of each of the following numbered subdivisions:~~

~~(1) The applicant holds an acceptable baccalaureate degree earned at an institution accredited by a regional accrediting association, or the applicant has completed equivalent academic preparation as determined by the appropriate campus authority.~~

~~(2) The applicant has completed all required prerequisite coursework for the campus program(s) to which the applicant has applied with a cumulative grade point average of at least 3.00.~~

~~(3) The applicant must have been in good academic, professional and clinical standing at the last institution and if applicable, in the last entry level physical therapist educational program attended.~~

~~(4) The applicant has met any additional requirements established by the chancellor in consultation with the faculty and any additional requirements prescribed by the appropriate campus authority.~~

~~(b) Only those students who continue to demonstrate a satisfactory level of scholastic, professional, and clinical competence shall be eligible to continue in Doctor of Physical Therapy programs.~~

### **Credits**

~~NOTE: Authority cited: Sections 66042, 66600, 89030 and 89035, Education Code. Reference: Sections 66042, 66600, 89030 and 89035, Education Code.~~

### **Section 41023. Admission to Doctor of Audiology Programs.**

~~(a) An applicant may be admitted with classified graduate standing to a program leading to a Doctor of Audiology degree established pursuant to Section 40517 if the applicant satisfies the requirements of each of the following numbered subdivisions:~~

~~(1) The applicant holds an acceptable baccalaureate degree earned at an institution accredited by a regional accrediting association or the applicant has completed equivalent academic preparation as determined by the appropriate campus authority.~~

~~(2) The applicant has an overall cumulative grade point average of at least 3.00 in upper-division baccalaureate study, postbaccalaureate and master's study combined.~~

~~(3) The student has completed all campus required prerequisite coursework.~~

~~(4) The applicant must have been in good academic standing at the last institution.~~

~~(5) The applicant has met any additional requirements established by the chancellor in consultation with the faculty and any additional requirements prescribed by the appropriate campus authority.~~

### Credits

~~NOTE: Authority cited: Sections 66041, 66600, 89030 and 89035, Education Code. Reference: Sections 66041, 66600, 89030 and 89035, Education Code.~~

#### ~~Section 41024. Admission to Occupational Therapy Doctorate Programs.~~

~~(a) An applicant may be admitted with classified graduate standing to a program leading to an Occupational Therapy Doctorate degree established pursuant to section 40519 if the applicant satisfies the requirements of each of the following numbered subdivisions:~~

~~(1) The applicant holds an acceptable baccalaureate degree earned at an institution accredited by a regional accrediting association or the applicant has completed equivalent academic preparation as determined by the appropriate campus authority.~~

~~(2) The applicant has an overall cumulative grade point average of at least 3.00 in upper-division baccalaureate study, postbaccalaureate and master's study combined~~

~~(3) The student has completed all campus required prerequisite coursework.~~

~~(4) The applicant must have been in good academic standing at the last institution.~~

~~(5) The applicant has met any additional requirements established by the chancellor in consultation with the faculty and any additional requirements prescribed by the appropriate campus authority.~~

### Credits

~~NOTE: Authority cited: Sections 66043, 66043.1, 66600, 89030 and 89035, Education Code. Reference: Sections 66043, 66043.1, 66600, 89030 and 89035, Education Code.~~

#### ~~Section 41025. Admission to Doctor of Public Health Programs.~~

~~(a) An applicant may be admitted with classified graduate standing to a program leading to a Doctor of Public Health degree established pursuant to Section 40519.2 if the applicant satisfies the requirements of each of the following numbered subdivisions:~~

~~(1) The applicant holds an acceptable baccalaureate degree earned at an institution accredited by a regional accrediting association, or the applicant has completed equivalent academic preparation as determined by the appropriate campus authority.~~

~~(2) The applicant holds an acceptable master's degree earned at an institution accredited by a regional accrediting association, or the applicant has completed equivalent academic preparation as determined by the appropriate campus authority.~~

~~(3) The applicant has attained a cumulative grade point average of at least 3.0 in upper-division and graduate study combined.~~

~~(4) The applicant is in good standing at the last institution of higher education attended.~~

~~(5) The applicant has demonstrated sufficient preparation and experience pertinent to community public health to benefit from the program.~~

~~(6) The applicant has met any additional requirements established by the Chancellor in consultation with the faculty and any additional requirements prescribed by the appropriate campus authority.~~

~~(b) An applicant who does not qualify for admission under the provisions of subdivision (a) may be admitted with classified graduate standing by special action if on the basis of acceptable evidence, the applicant is judged by the appropriate campus authority to possess sufficient academic and professional potential pertinent to community public health to merit such action.~~

~~(c) An applicant who is ineligible for admission under the provisions of either subdivision (a) or subdivision (b) because of deficiencies in prerequisite preparation that in the opinion of the appropriate campus authority can be rectified by specified additional preparation, including examinations, may be admitted with conditionally classified graduate standing. The student shall be granted classified graduate standing upon rectification of the deficiencies.~~

~~(d) Only those students who continue to demonstrate a satisfactory level of scholastic competence and fitness shall be eligible to continue in Doctor of Public Health programs.~~

### Credits

NOTE: Authority cited: Sections 66044 (effective January 1, 2023, per SB 684 (2022)), 66044.1 (effective January 1, 2023, per SB 684 (2022)), 66600, 89030 and 89035, Education Code. Reference: Sections 66044 (effective January 1, 2023, per SB 684 (2022)), 66044.1, 66600, 89030 and 89035, Education Code.

## **COMMITTEE ON EDUCATIONAL POLICY**

### **Advancing Black Student Success in the CSU**

#### **Presentation By**

Dilcie D. Perez  
Deputy Vice Chancellor, Academic and Student Affairs  
Chief Student Affairs Officer

J. Luke Wood  
President  
California State University, Sacramento

#### **Summary**

Since the publication of the Black Student Success Report by the California State University (CSU) in June 2023, the Chancellor's Office continues its collaboration with all 23 universities to advance the report's 13 recommendations. This information item provides an update on key milestones met, including the completion of the first systemwide campus inventory of programs and services as well as the funding of campus-submitted action items to support their work in this area.

#### **Background**

Graduation Initiative 2025 has contributed to increasing graduation rates systemwide, yet equity gaps still persist. Specifically, Black student enrollment and persistence continues to decline precipitously in the CSU. A Chancellor's strategic workgroup was formed in fall 2022 to address supporting and advancing Black student success. Members met regularly to discuss such key topics as attracting more Black students to the CSU, supporting student retention and persistence for Black students, examining campus culture and belonging, and exploring the role of faculty and staff in Black student success. The culmination of the workgroup's efforts was a report articulating a set of 13 recommendations. The report urged the CSU and its 23 universities to think broadly and act boldly in a collective manner to lead institutional change. Download a copy of the report at [Advancing Black Student Success and Elevating Black Excellence](#).

#### **CSU Systemwide Campus Inventory**

In fall 2023, the Chancellor's Office provided a self-assessment tool for all 23 universities to evaluate themselves based on the recommendations outlined in the June 2023 Black Student Success Report. The purpose of the inventory was to gain a greater understanding of how

universities are supporting Black student success in areas that underpinned the framework of the report: recruitment and outreach; student retention, persistence and academic success; campus culture, community and belonging; and the role of Black faculty and staff in student success. Campuses were provided flexibility in how they implemented their evaluations of their current campus practices, services and resources.

A summary of the findings have been published, entitled [Advancing Black Student Success in the CSU: Systemwide Campus Inventory and Action Item Highlights](#). Included in the summary are examples of both student success efforts, such as campus immersion programs, guaranteed admissions and themed living and learning communities, as well as activities designed to support Black faculty and staff including promoting cluster hiring and advancing faculty and staff retention, tenure and promotion efforts.

The following eight recommendations received a rating of 5 (Leading/Excelling in Higher Education) from at least one university:

- The university hosts programs on campus for K-12 students to engage with CSU faculty, including faculty of color.
- The university employs culturally competent mental health professionals.
- The university has a Black Resource Center.
- The university offers opportunities and spaces for Black faculty and staff to connect and gather.
- The university has established an Employee Resource/Affinity Group structure that provides financial resources and organizational recognition for Black faculty and staff to work in collaboration with university leadership to address DEI goals.
- The university has established a university-level faculty review committee, appointed by the provost and chief diversity officer, to review candidates to ensure a record of success in teaching students that mirror CSU's diverse population.
- New faculty orientation includes strategies to improve pedagogy and inclusivity in the classroom.
- The university employs campus police trained in community policing on a college campus.

The self-assessment was an essential first step to also help identify areas of opportunity both on individual campuses and systemwide.

### **Campus Action Items Funding Allocations**

As a part of the self-assessment process, the universities were invited to submit three action items that would help advance the implementation of the Black Student Success Report recommendations by May 2025. Proposed action items ranged from developing enrollment and recruitment strategies and expanding early outreach efforts to launching residential-scholars

programs, study abroad and faculty professional development opportunities, and creating a Black Resource Center on campus.

Subsequently, the Chancellor’s Office awarded \$4,630,846 in funding to all 23 universities to help fund their campus action items. The following factors were given priority in determining funding: supporting enrollment, retention and/or persistence efforts; supporting classroom experience and faculty development; and areas that featured multi-university collaborations. Some action items were excluded from funding from the Chancellor’s Office due to one or more of the following factors: requested permanent or ongoing funding; lacked specific justification for request; and/or lack of programming priority. Limited funding was provided for travel, hospitality or promotional funding, and campus climate surveys were excluded from funding. A \$250,000 funding limit per campus was instituted to ensure resources were available to all 23 universities.

Table 1 (below) illustrates how the funding was allocated according to the recommendations identified in the Black Student Success Report.

**Table 1: University Awards by Recommendation**

Recommendation	Total Award (Systemwide)
Recommendation 1: Create and Implement a CSU Early Outreach Plan	\$955,386
Recommendation 2: Develop a Comprehensive Enrollment Strategy for Black Students	\$366,500
Recommendation 3: Develop a Comprehensive Retention and Persistence Strategy for Black Students	\$1,141,255
Recommendation 4: Create Welcoming and Affirming Spaces	\$656,955
Recommendation 5: Develop and Implement Inclusive and Culturally Relevant Curriculum	\$680,250
Recommendation 6: Standardize and Increase Black Faculty and Staff Recruitment and Support	\$620,500
Recommendation 7: Invest in Black Faculty and Staff Support	\$210,000

Recommendation 8: Incorporate Black Student Success in Faculty and Staff Evaluations	No university funding requested
Recommendation 11: Create Systemwide Policies on Addressing Unprofessional Conduct	Partnering with Systemwide HR

### **Systemwide Dialogue**

This spring the CSU College of Education deans convened for a day-long gathering focused solely on Black student success. The system’s education leaders were updated on current Black student success initiatives and challenges in increasing Black student enrollment. As part of this important dialogue, participants were encouraged to consider how the CSU’s Colleges of Education can help advance Black student success and identify one action they could implement over the next year to advance Black student success systemwide. This convening is one example of emerging systemwide collaborations.

### **National Dialogue**

In addition to conversations emerging systemwide, the CSU has also engaged in a national conversation regarding supporting Black student success. The Chancellor’s Office has presented at the national conference of the American Association of Colleges and Universities and will be presenting next month at NASPA, Student Affairs Administrators in Higher Education.

The following are highlights of recent media coverage regarding the CSU’s efforts:

Fresno State Is Advancing Black Student Success Thanks to New Funding  
ABC 30 Fresno | May 2, 2024

CSUB Interim President Harper Discusses Funding for Black Student Success  
KBAK-TV Bakersfield | April 25, 2024

Furthering Black Student Success at Chico State  
Action News Now | April 25, 2024

CSU Awards \$4.6M to Advance Black Student Success  
Diverse: Issues in Higher Education | April 24, 2024

CSU Campuses Focus on New Strategies to Help Students of Color  
EdSource | March 6, 2024



The 13th Prescription: Dr. Thomas Parham and Dr. J. Luke Wood Discuss Black Student Success EdUp Experience | March 4, 2024

Sac State Makes Unique Move to Boost Black Student Success  
Sacramento Observer | February 19, 2024

Workgroup Offers 13 Recommendations to Advance CSU Black Student Success  
Diverse: Issues In Higher Education | January 29, 2024

### **CSU Statewide Central Office for the Advancement of Black Excellence**

Recommendation 12 from the Black Student Success Report is the creation of a statewide central office to further advance Black excellence in the CSU. In early 2024, the Chancellor's Office issued a systemwide request for proposals for the location and management of the establishment of the new CSU Statewide Central Office for the Advancement of Black Excellence. The statewide office will serve as an organizational catalyst for all 23 universities by identifying promising practices as well as continuing to support the implementation of the Black Student Success Report recommendations. The Chancellor's Office has provided \$1.3 million in permanent, ongoing funding to support the launch of the office. While a number of universities submitted strong proposals, demonstrating their clear commitment to Black student success, the selection committee ultimately chose Sacramento State for its demonstrated leadership and its proposed vision for elevating Black excellence at the CSU.

### **Black Student Success Scholarships**

In partnership with the CSU Foundation, the Chancellor's Office has announced the Black Student Success Scholarships to further celebrate Black excellence in the CSU. Six \$5,000 scholarships will be awarded for the 2024-25 academic year to undergraduate students who have demonstrated leadership in increasing equitable access to higher education and undertaking community service that promotes anti-racism work and culture change to elevate Black excellence. Each university has been invited to nominate one student to receive this honor. As with all of the Black Student Success initiative programs, all CSU students are eligible to compete for this scholarship without regard to an individual recipient's race or ethnicity. Award recipients will be notified this spring and will be honored at the Juneteenth Symposium on June 14, 2024.

### **Conclusion**

Nearly a year ago, the CSU Black Student Report invited the CSU community to answer a call for a cultural change to impact the lives of not only current CSU Black students but for generations of Black students to follow. The report acknowledged that while cultural change is challenging, it is not impossible with the commitment of the system behind it. This information item serves as an update of the system's progress and sets the foundation for more work to come.

## AGENDA

### COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

**Meeting:** 8:00 a.m., Wednesday, May 22, 2024  
Glenn S. Dumke Auditorium

Larry L. Adamson, Chair  
Jean Picker Firstenberg, Vice Chair  
Diana Aguilar-Cruz  
Douglas Faigin  
Lillian Kimbell  
Jack McGrory  
Yammilette Rodriguez  
Christopher Steinhauser

- Consent**
1. Approval of Minutes, *Action*
  2. Policy on Compensation, *Action*
  3. Policy and Procedures for Review of Presidents, *Action*
- Discussion**
4. Executive Compensation: President– California State University, Fullerton, *Action*
  5. Update on Civil Rights (Title IX and Other Nondiscrimination) Programs and Services, *Information*
  6. Update on Employee Relations: Response to Other Conduct of Concern, *Information*
  7. Executive Compensation: FY 2023-2024 Executive Salary Increases, *Action*
  8. Executive Compensation: Triennial Performance Reviews – Equity Adjustments, *Action*

**MINUTES OF THE MEETING OF THE  
COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL**

**Trustees of the California State University  
Office of the Chancellor  
Glenn S. Dumke Auditorium  
401 Golden Shore  
Long Beach, California**

**March 27, 2024**

**Members Present**

Larry L. Adamson, Chair  
Jean Picker Firstenberg, Vice Chair  
Diana Aguilar-Cruz  
Douglas Faigin  
Lillian Kimbell  
Jack McGrory  
Lateefah Simon  
Christopher Steinhauser

Wenda Fong, Chair of the Board  
Mildred García, Chancellor

**Public Comment**

All public comments took place at the beginning of the meeting's open session, prior to all committees.

Trustee Larry L. Adamson called the meeting to order.

Before proceeding, Trustee Adamson announced that items 6 and 10 were removed from the committee's agenda. He also noted that the order of the discussion agenda changed, and the committee would begin with item 11.

**Approval of the Consent Agenda**

The consent agenda was approved unanimously by a roll call vote. The minutes from the meeting of January 31, 2024 were approved as submitted.

Agenda Item 2, CSU Salary Schedule, was approved as submitted (RUF 03-24-02).

Agenda Item 3, Employment Policy Governing Administrator Employees' Option to Retreat, was approved as submitted (RUF 03-24-03).

Agenda Item 4, Employment Policy Governing Employee References, was approved as submitted (RUF 03-24-04).

### **Update on Civil Rights (Title IX and Other Nondiscrimination) Programs and Services**

Vice Chancellor for Human Resources Leora D. Freedman introduced Hayley Schwartzkopf, Associate Vice Chancellor for Civil Rights Programming and Services. Ms. Schwartzkopf presented a status report on the CSU's civil rights programs and services.

A comprehensive communications strategy for the university's Civil Rights initiatives is underway in collaboration with Vice Chancellor for External Relations and Communications Greg Saks. Recruitment efforts continue for three systemwide directors, five civil rights attorneys, and two administrative support team members.

The team continues to develop written guidance documents. Since the last report, the California State Auditor has determined that the first audit recommendation has been fully implemented. The annual report survey questions were distributed to campuses in March, and campuses will submit their annual reports by October 1, 2024 as required by CSU's nondiscrimination policy. Guidance related to documentation and recordkeeping protocols and corrective and disciplinary action is expected to be issued shortly.

Guidance regarding other conduct of concern is being finalized and will be shared with the Chancellor's Civil Rights Oversight Committee; the board will be updated at a future meeting.

The Civil Rights team is in the process of presenting campus-specific implementation plans to the chancellor. Upon approval, each campus will post its final report online; completion is expected in the summer.

The four systemwide directors (two interim) are providing day-to-day oversight and guidance to the campuses, and they are tracking the number and nature of the consultations to identify patterns and trends for additional guidance and consistency.

Training was provided to the AVPs for Human Resources and Faculty Affairs; University Counsel Ruth Jones gave a presentation on race, national origin discrimination, Title VI and CSU policy to presidents and other units; and progress continues towards securing a unified case management system.

Trustee comments included the need to clearly communicate to all stakeholders the work that is being done; clarification of campus and systemwide roles; inclusion of data in future reports; a scorecard to simplify progress updates.

(NB: The reports from Cozen O'Connor's Institutional Response Group and the California State Auditor are available on the CSU's Title IX web site at:  
<https://www.calstate.edu/titleix/Pages/cozen-title-ix-assessment.aspx>.)

### **Executive Compensation: President – California State University, Stanislaus**

Chancellor Mildred García recommended an annual salary of \$370,319 for Dr. Britt Rios-Ellis effective July 1, 2024, the date of her appointment as president of California State University, Stanislaus. An annual housing allowance of \$50,000 and monthly auto allowance of \$1,000 were also recommended. The salary, housing, and auto allowances are the same as those received by the former president. The resolution was unanimously passed by a roll call vote (RUFP 03-24-05).

### **Executive Compensation: Other Salary Increases**

Chancellor Mildred García recommended a 10% temporary salary increase for Executive Vice Chancellor Steve Relyea for the period of December 30, 2023 through February 11, 2024. Mr. Relyea provided leadership and oversight to the division of External Relations and Communications from the time the administrator-in-charge retired in December 2023 until the new vice chancellor of external relations and communications assumed the role last month. The resolution was unanimously passed by a roll call vote (RUFP 03-24-06).

### **Compensation Policy Update**

With Agenda Items 8 and 9, Vice Chancellor for Human Resources Leora D. Freedman presented information on recommended revisions to the Policy on Compensation and to the Policies and Procedures for Review of Presidents. She began by explaining that presidential compensation is currently addressed in four documents: 1) the 2019 Compensation Policy; 2) the 2020 Presidential Review Policy; 3) UFP Agenda Item 2 from the September 2021 board meeting and 4) a PowerPoint shared during the September 2021 meeting.

Revisions proposed by Chancellor's Office staff will move all compensation-related policy language into one document; streamline the process so that presidential market increases are presented for board approval once a year (in July) and are effective July 1; and reassess presidential compensation market data every five years. Specific changes to the Presidential Review Policy were shared in the next agenda item.

Vice Chancellor Freedman shared the relevant policy language from the four separate documents. She then summarized the salary assessment process and the market formula matrix approved by the trustees in September 2021. Chancellor's Office staff recommends moving all compensation-related language into the Compensation Policy. Staff also recommends changing the effective

date of presidential market salary increases from the president's anniversary date (as noted in the Presidential Review Policy) to July 1.

The recommended changes will require revisions to the Compensation Policy and the Presidential Review Policy. The proposed draft Compensation Policy was provided in Attachment A and Attachment B reflected a mark-up version. Draft and mark-up versions of proposed changes to the Presidential Review Policy were included in the following agenda item.

The final proposed policies are expected to be presented for board action at the May meeting.

### **Presidential Review Policy Update**

Vice Chancellor for Human Resources Leora D. Freedman noted that this item (Agenda Item 9) proposed revisions to the Presidential Review Policy that align with recommended revisions to the Compensation Policy presented in the previous agenda item. This item also proposed revisions to presidential review criteria recommended by a work group formed in 2023 by Chancellor Emerita Jolene Koester.

Revisions to the Presidential Review Policy proposed by Chancellor's Office staff will remove language about presidential salary assessments (in Section IV) and note instead that the Compensation Policy governs presidential salary assessments (Section II of the Presidential Review Policy).

Revisions proposed by the work group formed by Chancellor Emerita Koester are to the wording of the criteria for presidential review. Members of the work group were Chair Wenda Fong, Trustees Doug Faigin and Anna Ortiz-Morfit; and Presidents Jane Conoley and Cynthia Teniente-Matson. The work group was formed on the recommendation of Dr. Terrance McTaggart from the Association of Governing Boards who had been asked to assess presidential performance at the CSU. Proposed revisions add language in the criteria section regarding shared governance practices; commitment to hiring and retaining a diverse workforce; state and federal advocacy efforts and collaboration with system staff.

Chancellor's Office staff also recommended other non-substantive changes to streamline and clarify the policy. The proposed draft Presidential Review Policy was provided in Attachment A and Attachment B reflected the substantive changes in markup view.

The proposed policy is expected to be presented for action at the May meeting.

Trustee Adamson adjourned the meeting of the Committee on University and Faculty Personnel.

## COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

### Policy on Compensation

#### Presentation By

Leora D. Freedman  
Vice Chancellor  
Human Resources

#### Summary

At the March 2024 meeting of the CSU Board of Trustees, revisions to the [CSU Compensation Policy](#) were presented for the board's information and consideration. The amended policy is now being presented during the May meeting for board action.

The amended Policy on Compensation is provided in Attachment A to this agenda item and is substantively the same as the draft presented at the March 2024 meeting. Attachment B displays the proposed revisions in markup view. The policy in Attachment A has been revised to include a definition of "total compensation."

The proposed revisions consolidate all compensation-related policies into one document. The substantive paragraphs pertaining to presidential salary assessments that are currently set forth in the CSU Policies and Procedures for Review of Presidents (RUFPP 01-20-01) will move to the Policy on Compensation. Additionally, the salary assessment implementation process and the market formula matrix adopted in September 2021 (RUFPP 09-21-06) will be consolidated into the Policy on Compensation.

The amended policy supersedes the CSU Compensation Policy adopted in November 2019 (RUFPP 11-19-10) and the salary assessment implementation process adopted in September 2021 (RUFPP 09-21-06). Trustee approval of the revised policy in Attachment A is recommended as presented.

The corresponding revisions to the CSU Policies and Procedures for Review of Presidents will be presented separately in item 3.

#### Recommended Action

The following resolution is recommended for adoption:

**AMENDED**

U&FP

Agenda Item 2

May 19-22, 2024

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**RESOLVED**, by the Board of Trustees of the California State University, that the Policy on Compensation provided in Attachment A of Agenda Item 2 of the Committee on University and Faculty Personnel at the May 19-22, 2024 meeting of the Board of Trustees, is adopted; and be it further

**RESOLVED**, that any and all previous versions of CSU compensation policies are superseded.



**Revised**

**Board of Trustees Policy on Compensation**

**I. Scope of Policy**

This policy governs compensation for all California State University (CSU) employees.

**II. Guiding Principles**

It is the intent of the Board of Trustees to compensate all CSU employees in a manner that is fair, reasonable, competitive, and fiscally prudent in respect to system budget and state funding. The goal of the CSU continues to be to attract, motivate, and retain the most highly qualified individuals to serve as faculty, staff, and executives, whose knowledge, experience, and contributions can advance the university's mission.

The CSU adheres to *total* compensation practices that are fair and equitable in design, application, and delivery. *Total compensation includes salary as well as benefits, such as health and welfare benefits including retirement, paid time off, sabbaticals, educational fee waivers, vacation and sick leave accrual, or any other benefits or perquisites provided to CSU employees.*

**III. Compensation**

**A. All Employee Compensation**

The CSU evaluates competitive and fair compensation for all employees based on periodic market comparison surveys and the depth of skill and experience of an individual employee.

The compensation system for the CSU shall (a) be administered in a manner that complies with all applicable federal, state, and local regulations and laws, and (b) be consistent with applicable administrative policies, rules and collective bargaining agreements.

**B. Executive Compensation**

The CSU will maintain and periodically update a tiered list of CSU comparison institutions for executive employee groups. The list may take into account geographic location, enrollment, percent of Pell eligible students, budget, research funding, and such other variables as deemed appropriate. Executive compensation will be guided with reference to the mean and/or median of the appropriate comparison institutions, together with an individual's

**AMENDED**

**Attachment A**

U&FP – Item 2

May 19-22, 2024

Page 2 of 3

reputation, and length, depth and effectiveness of applicable experience, and other meritorious achievement and contributions to the success of the CSU.

**1. Presidential Compensation**

**a) Salary at Appointment:**

When a presidential vacancy occurs, the successor president's salary should not (absent extenuating circumstances) exceed the incumbent's salary by more than 10 percent. Any amount in excess of the incumbent's salary shall be based upon criteria such as extraordinary circumstances, knowledge and/or experience or ability to contribute to and advance the university's mission and market conditions. A president's salary may only be funded with state funds.

The chancellor shall have authority to negotiate recommended starting salaries for presidents. The chancellor shall present the recommended salary to the Board of Trustees for approval.

**b) Periodic Presidential Salary Assessment:**

On an annual basis, and as a general rule at the July meeting of the Board of Trustees, the Board shall be presented with a salary assessment of all presidents who have received a triennial review in accordance with the Board of Trustees Policies and Procedures for Review of Presidents during the previous fiscal year. The Board shall determine whether an increase to a president's salary is warranted based on CSU's operative market data (which should be reviewed every five years), and if so, the amount of any such adjustment. Following the initial salary assessment, the president's salary shall be reassessed once a year against operative market data for the next two years, and if the president's annual salary continues to be below the peer group median, a recommended increase shall be presented to the Board each July. The goal of the salary assessment process is to incrementally bring each president into alignment with the peer group median.

The **first year**, presidential salaries may be adjusted up to the peer group median by an amount not to exceed 10 percent.

The **second and third year** adjustments shall be made in accordance with the following matrix:

Amount to Reach Peer Group Median			Increase
0%	to	5%	0%
5.01%	to	10%	2%
10.01%	to	15%	4%
15.01%	to	25%	7%
25.01%	to	35%	10%

As a condition of receiving a market-based salary increase, the president must have been in their position for three years and must have received a satisfactory evaluation during their triennial review.

Market-based salary increases approved by the Board in accordance with this policy will be effective July 1st of the approval year.

Compensation actions are subject to availability of funds and current budget conditions.

**c) Other Salary Increase Programs:**

Receipt of a market-based salary adjustment in any given year does not preclude a president from being eligible for any salary increase program consistent with those that may be provided to other non-represented employees. In the event that a president is awarded a salary and market-based increase at the same time, the salary increase shall be applied before determining whether a market-based adjustment is warranted.

**2. Individual Salary Increases:**

The Board also retains the right, in its discretion, to make other salary adjustments as necessary at other times for an executive when a significant equity or retention issue is identified.

The chancellor shall recommend all executive salary adjustments to the Board of Trustees for approval in open session of a Board meeting.

**Proposed Revisions (in markup view)**  
**Board of Trustees Policy on Compensation**

**I. Scope of Policy**

This policy governs compensation for all California State University (CSU) employees.

**II. Guiding Principles**

It is the intent of the Board of Trustees to compensate all CSU employees in a manner that is fair, reasonable, competitive, and fiscally prudent in respect to system budget and state funding. The goal of the CSU continues to be to attract, motivate, and retain the most highly qualified individuals to serve as faculty, staff, and executives, whose knowledge, experience, and contributions can advance the university's mission.

The CSU adheres to total compensation practices that are fair and equitable in design, application, and delivery. Total compensation includes salary as well as benefits, such as health and welfare benefits including retirement, paid time off, sabbaticals, educational fee waivers, vacation and sick leave accrual, or any other benefits or perquisites provided to CSU employees.

**III. Implementation Compensation**

**A. All Employee Compensation**

The CSU ~~will consistently~~ evaluates competitive and fair compensation for all employees based on periodic market comparison surveys and the depth of skill and experience of an individual employee. ~~In addition, the CSU will maintain and update annually a tiered list of CSU comparison institutions for applicable employee groups. The list may take into account geographic location, enrollment, percent of Pell eligible students, budget, research funding, and such other variables as deemed appropriate.~~

~~Compensation will be guided with reference to the mean and/or median of the appropriate comparison institutions, together with an individual's reputation, and length, depth and effectiveness of applicable experience, and other meritorious achievement and contributions to the success of the CSU.~~

**AMENDED**

**Attachment B**

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The compensation system for the CSU shall (a) be administered in a manner that complies with all applicable federal, state, and local regulations and laws, and (b) be consistent with applicable administrative policies, rules and collective bargaining agreements.

**B. ~~Presidential Executive~~ Compensation**

~~In addition, †The CSU will maintain and periodically update annually a tiered list of CSU comparison institutions for applicable executive employee groups. The list may take into account geographic location, enrollment, percent of Pell eligible students, budget, research funding, and such other variables as deemed appropriate. Executive Compensation will be guided with reference to the mean and/or median of the appropriate comparison institutions, together with an individual’s reputation, and length, depth and effectiveness of applicable experience, and other meritorious achievement and contributions to the success of the CSU.~~

**1. Presidential Compensation**

**a) Salary at Appointment:**

When a presidential vacancy occurs, the successor president’s salary should not (~~absent extenuating circumstances~~) exceed the incumbent’s salary by more than 10 ~~percent~~%. Any amount in excess of the incumbent’s salary shall be based upon criteria such as extraordinary circumstances, knowledge and/or experience or ability to contribute to and advance the university’s mission and market conditions. A president’s salary may only be funded with state funds.

The chancellor shall have authority to negotiate recommended starting salaries for presidents. The chancellor shall present the recommended salary to the Board of Trustees for approval.

~~**Presidential Salary Assessment:** Currently, the Policies and Procedures for Review of Presidents require annual reviews with the chancellor and triennial reviews by the Board of Trustees. In these reviews, the president’s performance is reviewed against the goals and criteria for leadership expectations. Effective with Board of Trustees reviews occurring in 2020 and beyond, a presidential salary assessment will also be conducted that considers presidential performance, the market data and makes recommendations to the Trustees if a compensation adjustment may be warranted.~~

**b) Periodic Presidential Salary Assessment:**

On an annual basis, and as a general rule at the July meeting of the Board of Trustees, the Board shall be presented with a salary assessment of all presidents who have received a triennial review in accordance with the Board of Trustees Policies and Procedures for Review of Presidents during the previous fiscal year. The Board shall ~~to~~ determine whether an increase to a president's salary is warranted based on CSU's operative market data (which should be reviewed every five years), and if so, the amount of any such adjustment. Following the initial salary assessment, the president's salary shall be reassessed once a year against operative market data for the next two years, and if the president's annual salary continues to be below the peer group median, the recommended increases shall be presented to the Board each July. The goal of the salary assessment process is to incrementally bring each president into alignment with the peer group median.

The **first year**, presidential salaries may be adjusted up to the peer group median by an amount not to exceed 10 percent.

The **second and third year** adjustments shall be made in accordance with the following matrix:

<b>Amount to Reach Peer Group Median</b>		<b>Increase</b>
<u>0%</u>	<u>to</u> <u>5%</u>	<u>0%</u>
<u>5.01%</u>	<u>to</u> <u>10%</u>	<u>2%</u>
<u>10.01%</u>	<u>to</u> <u>15%</u>	<u>4%</u>
<u>15.01%</u>	<u>to</u> <u>25%</u>	<u>7%</u>
<u>25.01%</u>	<u>to</u> <u>35%</u>	<u>10%</u>

As a condition of receiving a market-based salary increase, the president must have been in their position for three years and must have received a satisfactory evaluation during their triennial review.

Market-based salary increases approved by the Board in accordance with this policy will be effective July 1st of the approval year.

Compensation actions are subject to availability of funds and current budget conditions.

**c) Other Salary Increase Programs:**

**AMENDED**

**Attachment B**

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May 19-22, 2024

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Receipt of a market-based salary adjustment in any given year ~~A salary adjustment during triennial performance reviews~~ does not ~~prohibit the incumbent~~ preclude a president from being eligible for ~~the any annual merits~~ salary increase program consistent with those that may be as provided to other non-represented employees. In the event that a president is awarded a salary and market-based increase at the same time, the salary increase shall be applied before determining whether a market-based adjustment is warranted.

**2. Individual Salary Increases:**

The Board also retains the right, in its discretion, to make other salary adjustments as necessary at other times for ~~an executive~~ president when a significant equity or retention issue is identified.

The chancellor shall recommend ~~all executive~~ presidential salary adjustments to the Board of Trustees for approval in open session of a Board meeting.

## COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

### Policy and Procedures for Review of Presidents

#### Presentation By

Leora D. Freedman  
Vice Chancellor  
Human Resources

#### Summary

At the March 2024 meeting of the CSU Board of Trustees, revisions to the [CSU Policies and Procedures for Review of Presidents](#) (“Presidential Review Policy”) were presented for the board’s information and consideration. The amended policy is now being presented during the May meeting for board action.

The amended Presidential Review Policy is provided in Attachment A to this agenda item and is identical in substance to the draft presented at the March 2024 meeting. Attachment B displays the substantive revisions in markup view.

Revisions to the Presidential Review Policy align with and complement the revised CSU Compensation Policy, presented in agenda item 2. The Presidential Review Policy also includes recommendations made by a working group formed by Chancellor Emerita Jolene Koester in 2023.

The amended policy supersedes the CSU Policies and Procedures for Review of Presidents adopted in January 2020 (RUFPP 01-20-01). Trustee approval of the revised policy in Attachment A is recommended as presented.

#### Recommended Action

The following resolution is recommended for adoption:

**RESOLVED**, by the Board of Trustees of the California State University, that the CSU Policy and Procedures for Review of Presidents provided in Attachment A of Agenda Item 3 of the Committee on University and Faculty Personnel at the May 19-22, 2024 meeting of the Board of Trustees, is adopted; and be it further

**RESOLVED**, that any and all previous versions of policies and procedures for review of presidents are superseded.



**Revised**

**POLICY AND PROCEDURES FOR REVIEW OF PRESIDENTS**

**I. Coverage:**

This document establishes the policy and procedures for the review of presidents at the California State University.

**II. Responsibilities:**

Decisions regarding appointment, salary, and continued employment of presidents are made by the Board of Trustees upon recommendation of the chancellor. Presidential salary assessments are governed by the CSU Policy on Compensation.

**III. Objectives:**

The objectives of presidential reviews are to provide the chancellor and the Board of Trustees with an understanding of the unique characteristics of the campus, a continuing assessment of campus operations and educational effectiveness, and an assessment of the leadership and management performances of the executive.

The review provides the president with an evolving understanding of their role, their rights and their responsibilities; the plans, goals and expectations mutually agreed to by the president and the chancellor; and the criteria against which progress is measured. The review is also to provide an opportunity for open and frank discussions between the president and the chancellor of the conditions or state of the campus accomplishments, desirable courses of action, progress, and ideas for improvement or redirection of effort.

The review also provides the chancellor with information upon which to reassess CSU missions, goals, policies and the resources needed to facilitate and enhance campus activities.

**IV. Procedures:**

The scheduling of reviews will be determined by the date of assumption of duties. Confidentiality will be preserved as much as possible throughout the review process including in written reports. Questionnaires or other survey instruments will not be used,

and petitions and anonymous or unsigned feedback will not be considered in connection with a president's performance review.

#### A. Newly Appointed Presidents:

Newly appointed presidents meet with the chancellor during the first year of service (preferably between the third and ninth month of the executive's incumbency). The president discusses their assessment of the state of the campus, goals and objectives and possible plans for their implementation. During this meeting, the president makes an assessment of the needs of the campus and proposes goals and objectives and plans for action. After discussion with the chancellor, an agreement is reached on needs and expectations.

Approximately, one year later, there is a discussion between the president and the chancellor on progress, achievements, any changes in original plans or directions and general performance.

Starting in the third year of the president's tenure, reviews are conducted as described below.

#### B. Annual Conference:

Each president has a review conference with the chancellor once a year. These meetings focus on progress toward meeting campus missions and goals, program accomplishments, campus activities, problems and proposed solutions, the state of the campus and supplement the continuing interchanges about campus and system events between the president and the chancellor. The chancellor, following completion of an annual conference, may report results and findings to the Board of Trustees.

#### C. Triennial Review:

At the outset of the third academic year of the president's tenure, and every three years thereafter, the chancellor will conduct a review based upon the information collected as described below which will be discussed with the president in their annual conference. The chancellor, following completion of the triennial review, will report results and findings to the Board of Trustees. The chancellor will distribute to the board a summary document which also defines goals and criteria for subsequent reviews.

Depending on the circumstances, the board may meet with the president and the chancellor in conjunction with the review.

The triennial review is based on information about activities of the campus collected by the chancellor. The president being reviewed presents information about the progress being made and the state of the campus.

The chancellor will request factual information from appropriate sources in the CSU community including, but not limited to, the leadership of the local academic senate, student representatives, the alumni organization and an appropriate community-based advisory group. The chancellor will also request information from other faculty of distinction, alumni or community individuals, campus administrators, and Chancellor's Office personnel. The chancellor may utilize information gained from sources such as everyday working relations with the president, and internal and external reports on programs, operations and achievements.

The chancellor will issue an "open letter" to the applicable university community to describe the (routine) review, the time frame, the criteria, and the methodology. The letter will also instruct anyone who was not invited to participate (randomly or by virtue of office held) how to provide input.

After the Board of Trustees has received and discussed the triennial review, the chancellor will prepare a brief report to the university community that brings closure to the review and informs the community of the major findings and the goals for the president and the university for the next period.

The chancellor may (including at the president's request) augment the triennial review framework when deemed beneficial for the president, the campus, or both. Aspects of the six-year review methodology or other models may be appropriate.

#### D. Six-Year Review

A regular review of the campus and the stewardship of the president, involving an off-campus committee, occurs approximately every six years. The chancellor, the board, or the president may request an accelerated or other off-cycle review.

The six-year review will utilize assessments made by a chancellor's advisory committee composed of individuals from off-campus. The chancellor, in consultation with the president, will appoint three persons to the advisory committee, two of whom may be from outside the CSU. The chair of the Board of Trustees will select a fourth member from the current membership of the board to join the chancellor's advisory committee.

When assessing a campus, the advisory committee utilizes information obtained from visits to the campus, review of written reports and interviews with members of the campus community, the community at large and appropriate CSU personnel. The advisory committee's assessment is directed toward the review of campus operations and the president's stewardship. The review shall be in the same academic year as the WASC review, whenever possible.

The advisory committee makes a confidential written report of its findings to the chancellor. Prior to submitting its final report to the chancellor, the committee furnishes a draft copy of its findings to the president of the campus being reviewed and affords an opportunity for the president to make a written response and to discuss the findings with the committee. Upon receipt of the committee's final report, the chancellor furnishes a copy of the final report to the president and affords the president an opportunity to make a written response. The chancellor discusses the committee's findings and the response with the president.

Following completion of a six-year review of a campus, the president of that campus will be invited to meet with the Board of Trustees in closed session.

## **V. CRITERIA FOR PRESIDENTIAL ASSESSMENT**

General criteria for consideration of both the operations and condition of the campus as well as the leadership and management effectiveness of the president include, but are not limited to, such factors as the following:

### **A. General Administrative Effectiveness Including Management of Human, Fiscal and Physical Resources:**

Consistent with shared governance practices, evidence in campus operations of effective planning and decision making; development of and delegation to a management team; accomplishment of plans and objectives; flexibility in approach to solving problems and willingness to change programs and methods to keep up with current needs and developments; commitment to equal employment and programmatic opportunities and

wise utilization of faculty and staff; commitment to hiring and retaining a diverse workforce.

**B. Working Relations with the System and the Campus:**

Evidence in campus operations that there are open lines of communications; work is accomplished effectively with and through others; the suggestions of system staff are solicited and considered in good faith and that the executive and the management team have established credibility with the system staff.

Evidence that the president, in serving as executive officer of the campus, maintains a perspective of the mission of the CSU and cognizance of the special demands placed on the system; participates productively in deliberations in systemwide academic and administrative matters.

**C. Educational Leadership and Effectiveness:**

Consistent with shared governance practices, evidence in campus operations of development, maintenance and renewal of academic plans and programs that meet long-range needs; periodic evaluation of educational progress and accomplishments; the establishment of an environment that stimulates teaching, learning, scholarship, professional development and the pursuit of support to enhance academic programs and innovation.

**D. Community Relations:**

Evidence in campus operations of community understanding of and support for the campus; good relations with the media; service to and from the community, alumni support, effective "Town and Gown" activities; state and federal advocacy efforts; local, regional and national reputation; and an effective institutional advancement program, including fundraising consistent with mutually agreed upon goals with the chancellor.

**E. Major Achievements of the Campus and the President.**

**F. Personal Characteristics:**

Evidence in campus operations of the president's knowledge of the job, judgment, leadership, planning and organizing ability, drive, vision, human relations and communications skills, objectivity and fairness, ability to articulate ideas and concepts, ability to innovate, ability to take into account the public relations and political

Attachment A  
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May 19-22, 2024  
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implications of his/her actions, ability to deal with many different problems and events at the same time, ability to withstand any criticism and to direct opposition into productive channels, ability to get to the key parts of complex problems, evidence of having facts before making decisions and ability to promote coordination and efficiency of programs and operations.

Adopted January 25-26, 1994  
Modified November 13-14, 2001  
Modified January 28-29, 2020  
Modified <date>  
Board of Trustees CSU

**Proposed Revisions (substantive changes in markup view)**

**POLICY AND PROCEDURES FOR REVIEW OF PRESIDENTS**

**I. Coverage:**

This document establishes the policy and procedures for the review of presidents at the California State University.

**II. Responsibilities:**

Decisions regarding appointment, salary, and continued employment of presidents are made by the Board of Trustees upon recommendation of the chancellor. Presidential salary assessments are governed by the CSU Policy on Compensation.

**III. Objectives:**

The objectives of presidential reviews are to provide the chancellor and the Board of Trustees with an understanding of the unique characteristics of the campus, a continuing assessment of campus operations and educational effectiveness, and an assessment of the leadership and management performances of the executive.

The review provides the president with an evolving understanding of their role, their rights and their responsibilities; the plans, goals and expectations mutually agreed to by the president and the chancellor; and the criteria against which progress is measured. The review is also to provide an opportunity for open and frank discussions between the president and the chancellor of the conditions or state of the campus accomplishments, desirable courses of action, progress, and ideas for improvement or redirection of effort.

The review also provides the chancellor with information upon which to reassess CSU missions, goals, policies and the resources needed to facilitate and enhance campus activities.

**IV. Procedures:**

The scheduling of reviews will be determined by the date of assumption of duties. Confidentiality will be preserved as much as possible throughout the review process

including in written reports. Questionnaires or other survey instruments will not be used, and petitions and anonymous or unsigned feedback will not be considered in connection with a president's performance review.

A. Newly Appointed Presidents:

Newly appointed presidents meet with the chancellor during the first year of service (preferably between the third and ninth month of the executive's incumbency). The president discusses their assessment of the state of the campus, goals and objectives and possible plans for their implementation. During this meeting the president makes an assessment of the needs of the campus and proposes goals and objectives and plans for action. After discussion with the chancellor, an agreement is reached on needs and expectations.

Approximately oOne year later, there is a discussion between the president and the chancellor on progress, achievements, any changes in original plans or directions and general performance.

Approximately two years later, the president becomes part of the regular three year review processStarting in the third year of the president's tenure, reviews are conducted as described below.

B. Annual Conference:

Each president has a review conference with the chancellor once a year. These meetings focus on progress toward meeting campus missions and goals, program accomplishments, campus activities, problems and proposed solutions, the state of the campus and supplement the continuing interchanges about campus and system events between the president and the chancellor. The chancellor, following completion of an annual conference, may report results and findings to the Board of Trustees.

C. Triennial Review:

At the outset of the third academic year of the president's tenure, and every three years thereafter, the chancellor will conduct a review based upon the information collected as described below which will be discussed with the president in their annual conference. The chancellor, following completion of the triennial review, will report results and findings to the Board of Trustees. The chancellor will distribute to the board a summary document which also defines goals and criteria for subsequent reviews.



Depending on the circumstances, the board ~~or the chancellor, with the concurrence of the board, may initiate a brief meeting of the board~~ may meet with the president and the chancellor in conjunction with the review.

The triennial review is based on information about activities of the campus collected by the chancellor ~~in whatever manner the chancellor or the board deems appropriate~~. The president being reviewed presents information about the progress being made and the state of the campus.

The chancellor will request factual information from appropriate sources in the CSU community including, but not limited to, the leadership of the local academic senate, student representatives, the alumni organization and an appropriate community-based advisory group. The chancellor will also request information from other faculty of distinction, alumni or community individuals, campus administrators, and Chancellor's Office personnel. The chancellor may utilize information gained from sources such as everyday working relations with the president, and internal and external reports on programs, operations and achievements.

The chancellor will issue an "open letter" to the applicable university community to describe the (routine) review, the time frame, the criteria, and the methodology. The letter will also instruct anyone who was not invited to participate (is not contacted either randomly or by virtue of office held) how to provide input, but wishes to participate. ~~Petitions and unsigned letters will not be considered as part of the review.~~

After the Board of Trustees has received and discussed the triennial review, the chancellor will prepare a brief report to the university community that brings closure to the review and informs the community of the major findings and the goals for the president and the university for the next period.

The chancellor ~~and the president have the option to~~ may (including at the president's request) augment the triennial review framework when deemed beneficial for the president, the campus, or both. Aspects of the six-year review methodology or other models may be appropriate.

#### D. Six-Year Review

A regular review of the campus and the stewardship of the president, involving an off-campus committee, occurs approximately every six years. The chancellor, the board, or

the president may request an accelerated or other off-cycle review.

The six-year review will utilize assessments made by a chancellor's advisory committee composed of individuals from off-campus. The chancellor, in consultation with the president, will appoint three persons to the advisory committee, two of whom may be from outside the CSU. The chair of the Board of Trustees will select a fourth member from the current membership of the board to join the chancellor's advisory committee.

When assessing a campus, the advisory committee utilizes information obtained from visits to the campus, review of written reports and interviews with members of the campus community, the community at large and appropriate CSU personnel. The advisory committee's assessment is directed toward the review of campus operations and the president's stewardship. The review shall be in the same academic year as the WASC review, whenever possible.

The advisory committee makes a confidential written report of its findings to the chancellor. Prior to submitting its final report to the chancellor, the committee furnishes a draft copy of its findings to the president of the campus being reviewed and affords an opportunity for the president to make a written response and to discuss the findings with the committee. Upon receipt of the committee's final report, the chancellor furnishes a copy of the final report to the president and affords the president an opportunity to make a written response. The chancellor discusses the committee's findings and the response with the president.

Following completion of a six-year review of a campus, the president of that campus will be invited to meet with the Board of Trustees in closed session.

#### ~~E. Salary Assessment~~

- ~~1. During the triennial and six-year performance reviews, or at other times for compelling reasons, a salary assessment will be conducted by the chancellor.~~
- ~~2. The assessment will be based on criteria established in the November 2019 Board of Trustees Policy on Compensation (codified in RUF 11-19-10).~~
- ~~3. Following completion of the triennial and six-year reviews, the chancellor will report the findings of the salary assessment to the Board of Trustees and the trustees may evaluate the appropriateness of any salary adjustment.~~

~~4. The chancellor, with the concurrence of the board, shall present the recommended salary adjustment later during that meeting or at the next open meeting of the Board of Trustees.— The salary adjustment will be retroactive to the presidential appointment anniversary date.~~

## V. CRITERIA FOR PRESIDENTIAL ASSESSMENT

General criteria for consideration of both the operations and condition of the campus as well as the leadership and management effectiveness of the president include, but are not limited to, such factors as the following:

### A. General Administrative Effectiveness Including Management of Human, Fiscal and Physical Resources:

Consistent with shared governance practices, evidence in campus operations of effective planning and decision making; development of and delegation to a management team; accomplishment of plans and objectives; flexibility in approach to solving problems and willingness to change programs and methods to keep up with current needs and developments; commitment to equal employment and programmatic opportunities and wise utilization of faculty and staff; commitment to hiring and retaining a diverse workforce.

### B. Working Relations with the System and the Campus:

Evidence in campus operations that there are open lines of communications; work is accomplished effectively with and through others; the suggestions of ~~others-system staff~~ are solicited and considered in good faith and that the executive and the management team have established credibility with the system staff.

Evidence that the president, in serving as executive officer of the campus, maintains a perspective of the mission of the CSU and cognizance of the special demands placed on the system; participates productively in deliberations in systemwide academic and administrative matters.

### C. Educational Leadership and Effectiveness:

Consistent with shared governance practices, evidence in campus operations of development, maintenance and renewal of academic plans and programs that meet long-range needs; periodic evaluation of educational progress and accomplishments; the establishment of an environment that stimulates teaching, learning, scholarship,

professional development and the pursuit of support to enhance academic programs and innovation.

D. Community Relations:

Evidence in campus operations of community understanding of and support for the campus; good relations with the media; service to and from the community, alumni support, effective “Town and Gown” activities; state and federal advocacy efforts; local, regional and national reputation; and an effective institutional advancement program, including fundraising consistent with mutually agreed upon goals with the chancellor.

E. Major Achievements of the Campus and the President.

F. Personal Characteristics:

Evidence in campus operations of the president’s knowledge of the job, judgment, leadership, planning and organizing ability, drive, vision, human relations and communications skills, objectivity and fairness, ability to articulate ideas and concepts, ability to innovate, ability to take into account the public relations and political implications of his/her actions, ability to deal with many different problems and events at the same time, ability to withstand any criticism and to direct opposition into productive channels, ability to get to the key parts of complex problems, evidence of having facts before making decisions and ability to promote coordination and efficiency of programs and operations.

Adopted January 25-26, 1994  
Modified November 13-14, 2001  
Modified January 28-29, 2020  
Modified <date>  
Board of Trustees CSU

**COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL**

**Executive Compensation: President – California State University, Fullerton**

**Presentation By**

Mildred García  
Chancellor

**Summary**

Compensation for the president of California State University, Fullerton will be presented and recommended for approval.

**COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL**

**Update on Civil Rights (Title IX and Other Nondiscrimination) Programs and Services**

**Presentation By**

Leora D. Freedman  
Vice Chancellor  
Human Resources

Hayley Schwartzkopf  
Associate Vice Chancellor  
Civil Rights Programming and Services

**Summary**

This item reports on the university's Civil Rights (Title IX and other nondiscrimination) programs and services.

**COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL**

**Update on Employee Relations: Response to Other Conduct of Concern**

**Presentation By**

Leora D. Freedman  
Vice Chancellor  
Human Resources

Sarah Fried-Gintis  
Senior Systemwide Director  
Academic & Staff Human Resources

**Summary**

This information item will update the board on the status of the written guidance being prepared that describes how members of the CSU community should report – and how the university will respond – to unprofessional behavior and other forms of harmful conduct that do not violate CSU’s Non-Discrimination Policy (referred to as “Other Conduct of Concern”).

The amended agenda item provides the draft guidance in Attachment A.

# California State University

## Systemwide Guidance: Responding to Other Conduct of Concern at the CSU

April 2024



## Statement of Purpose

As the nation’s largest and most diverse four-year public university, the California State University’s (CSU) [mission](#) is to provide students access to quality education that empowers them to become leaders in the changing workforce and to contribute to the public good. **Rooted in our university’s mission is the expectation that CSU faculty, staff, and students treat all members of the campus community with respect and are responsible stewards of CSU resources.** The CSU holds students, employees, and the administration accountable for addressing conduct that jeopardizes the living, learning, and working environment of the CSU.

Professional standards include the expectation that employees treat others fairly and respectfully and avoid engaging in “abusive conduct.”<sup>1</sup> Similarly, as stated in CSU’s [Student Conduct Code](#), students are expected to be good citizens, engage in responsible behaviors that reflect well upon their university, be civil to one another and to others in the campus community, and contribute positively to student and university life.”<sup>2</sup>

In order to maintain an inclusive and positive environment where students and employees thrive, and in accordance with federal and state law, CSU prohibits discrimination, harassment and retaliation based on a person’s protected status. See: [CSU Policy Prohibiting Discrimination, Harassment, Sexual Misconduct, Sexual Exploitation, Dating Violence, Domestic Violence, Stalking, and Retaliation](#) (“CSU Nondiscrimination Policy”).

The CSU also recognizes that members of our community may (knowingly or unknowingly) engage with one another in ways that are hurtful or offensive. In some instances, conduct may violate university policy or be unprofessional; in other instances, conduct may fall into the category of protected speech, which the university cannot limit or inhibit through discipline. Other forms of conduct may not violate university policy even when they are hurtful or offensive. As a result, individual and community expectations about how people should treat each other are not always enforceable through disciplinary action. In particular, principles of free speech and academic freedom require that the CSU community acknowledge the rights of others to freely express their opinions and beliefs, even when those expressions may be controversial, incendiary, and/or upsetting. In many cases, speech that does not present an imminent threat to the health or safety of others or is not “severe,” “persistent” or “pervasive” as defined by state and federal civil rights (nondiscrimination) laws and the CSU Nondiscrimination Policy is not subject to disciplinary action.

However, when hurtful or offensive conduct **is not** addressed, the cumulative effect of such conduct can fray the fabric of the learning, living, and working environment of the CSU and in turn impede **our institution’s mission and goals.**

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<sup>1</sup> Cal. Govt Code section 12950.1(h)(2) defines “abusive conduct as follows: “Abusive conduct may include repeated infliction of verbal abuse, such as the use of derogatory remarks, insults, and epithets, verbal or physical conduct that a reasonable person would find threatening, intimidating, or humiliating, or the gratuitous sabotage or undermining of a person’s work performance.”

<sup>2</sup> See 5 Cal. Code Regs. section 41301(a) and [CSU’s Student Code of Conduct policy](#).

Thus, even when the university may not impose discipline or prohibit members of the university community from engaging in harmful conduct (which the CSU refers to as Other Conduct of Concern or OCC), the university should respond in other ways. A critical goal of this guidance is to reinforce the importance of acknowledging and responding to OCC on our campuses by clearly communicating the CSU's expectations to the university community, supporting those who experience OCC, and taking steps to remedy or address the conduct. This may include direct communication with those who engaged in OCC, so that they are aware of the consequences of their actions and choices and have the opportunity to grow professionally and personally.

**How a CSU university responds to OCC will depend on the nature and scale of the reported conduct.** Most times, OCC involving employees can be addressed directly by a supervisor and will not necessarily involve disciplinary action. If discipline is warranted, supervisors should consult with the designated administrator in Human Resources, Faculty Affairs or Student Affairs before taking action. In all instances, if conduct raises concerns about potential discrimination or harassment based on protected status, the report must be referred promptly to the university's office responsible for addressing Discrimination, Harassment, and Retaliation (DHR).

Each CSU university will address OCC within its unique organizational structure. This guidance addresses the following topics:

1. CSU shared values.
2. How to recognize OCC.
3. How members of the CSU community can share concerns about OCC.
4. What the community can expect after concerns about OCC have been shared with the university.
5. Administrative guidance for university professionals in responding to OCC.
6. Possible solutions for resolving OCC.
7. Prevention strategies to reduce instances of OCC.

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## CALIFORNIA STATE UNIVERSITY SHARED VALUES

The CSU is committed to promoting and maintaining a respectful and professional working, living, and learning environment. All members of the CSU community are therefore expected to:

- communicate with respect;
- not discriminate against, harass, or treat another individual differently based on their identities or protected personal characteristics;
- treat each other fairly;
- take responsibility for their actions or lack thereof, and consider how their conduct impacts others; and
- honor principles of free speech and academic freedom.

## RECOGNIZING OTHER CONDUCT OF CONCERN

### What is Other Conduct of Concern?

The CSU refers to conduct that is incongruous with CSU’s shared values as “Other Conduct of Concern” (OCC). OCC includes one or more of the following:

- Conduct that is directed at a person because of their protected status, but that does not violate CSU’s Nondiscrimination Policy because the conduct is not “severe,” “pervasive” or “persistent” as defined by CSU policy and federal and state law.
- Conduct that is materially disruptive to the learning, living, or working environment of the CSU, but for which discipline likely may not be imposed because it constitutes protected speech or conduct.
- Conduct that is considered “abusive” as defined in Cal. Govt Code section 12950.1(h)(2) or otherwise unprofessional, for which discipline may be imposed in accordance with Education Code section 89535(b).

### Why does the CSU address Other Conduct of Concern?

Left unaddressed, OCC can jeopardize the learning, living, and working environment at the CSU. Universities are marketplaces of ideas where principles of free speech and free scholarly inquiry are cherished and protected. These bedrock principles must be safeguarded along with CSU’s commitment to maintaining a culture of mutual respect. The CSU will not discipline employees or students for engaging in legally protected speech, but neither will it ignore the impacts of protected activity on our community and culture. Individuals who exercise personal rights of expression and inquiry in ways that are hurtful or offensive to others should be made aware of the effects of their actions and any harm they may knowingly or unknowingly have caused. Strategies for raising awareness about the effects of protected speech and other conduct include communicating and engaging with those involved in the exchange of concern,

providing individual supportive measures, and developing community remedies through such activities as education and preventive programming. This work has always been a fundamental responsibility of supervisors, guided by human resources, faculty affairs, and student affairs professionals. This guidance affirms and reinforces the CSU's commitment to thoughtfully and proactively fostering and maintaining a climate that is anchored in respect and empathy in order to support the CSU's educational mission.

Through support services, policy, guidance, oversight, training, and action, the CSU supports the university community by fostering a thriving and positive community, and seeking to reduce instances of OCC. Collectively, we will work together to safeguard principles of protected speech and at the same time maintain a culture of care, consideration, and accountability.

*What is the CSU doing to reduce instances of Other Conduct of Concern?*

The CSU provides training to supervisors and administrators in effectively responding to concerns raised by employees. Management, employee relations, and conflict resolution training, as well as other measures to support CSU leaders in this important and challenging work are critical to reducing and appropriately responding to instances of OCC.

<p style="text-align: center;"><b>SHARING INFORMATION ABOUT OTHER CONDUCT OF CONCERN WITH THE UNIVERSITY COMMUNITY</b></p>
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*Who may report concerns about Other Conduct of Concern?*

Anyone may report concerns or share information about OCC at the CSU, including students, faculty, staff, volunteers, and visitors. Employees and students who experience or witness OCC are encouraged to promptly discuss their experience with a supervisor or, if necessary, an administrator in human resources, faculty affairs, student affairs or another relevant department as appropriate. It is important that the university learns about the experience so that it can respond appropriately based on the facts and circumstances.

*With whom should information about Other Conduct of Concern be shared?*

**Threats of physical harm should be reported immediately to campus safety/security or 911.**

Conduct that might be based on an individual's protected status should be reported to the university office responsible for discrimination, harassment, and retaliation to evaluate whether the conduct implicates the CSU Nondiscrimination Policy. For all other conduct:

- **Employees** should notify a supervisor, human resources or faculty affairs professional, or an administrator charged with responding to OCC.
- **Students** should notify a dean (if the conduct occurred in the classroom), resident advisor (for conduct that occurs in the residence hall), dean of students or other student affairs professional.
- **Volunteers** or visitors may notify campus safety/security or human resources.

OCC may also be brought to the attention of any CSU president, vice president, associate or assistant vice president, director-level manager, or administrator in any of the following offices:

- Human Resources
- Faculty Affairs
- Academic Affairs
- Civil Rights
- Title IX
- Discrimination, Harassment and Retaliation (DHR)
- Diversity, Equity, and Inclusion
- Student Life
- Residential Life
- Campus Security
- Athletics

If the conduct could potentially violate CSU’s Nondiscrimination Policy, the employee who receives the report must promptly engage with the office at their university responsible for addressing Discrimination, Harassment, and Retaliation (DHR).

The Title IX Coordinator or DHR Administrator will determine if the reported conduct, if substantiated, would violate CSU’s Nondiscrimination Policy. Following the conclusion of their assessment, if it is determined that the conduct constitutes OCC, or is governed by other university policies, the case will be referred back to the original administrator for resolution. In “mixed” cases, where some conduct would violate CSU’s Nondiscrimination Policy and other conduct constitutes OCC, the Title IX Coordinator or DHR Administrator will coordinate with the original administrator to ensure a thorough response to all reported conduct.

Any such referrals or coordinated efforts must be memorialized in writing and maintained in accordance with systemwide and university records retention policies.

<b>AFTER INFORMATION ABOUT OTHER CONDUCT OF CONCERN IS REPORTED TO THE UNIVERSITY</b>
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*Who is responsible for responding to OCC?*

Who is responsible for addressing OCC depends on the organizational structure of each university campus, how administrative responsibilities are assigned, and the nature and seriousness of the reported conduct. It is the responsibility of campus leadership to identify administrators who are responsible for receiving reports of OCC on each university campus. Campuses should provide employees, students and visitors with instructions about how to share concerns or information about OCC – and to whom. This information should be easy to find on relevant campus websites.

As a general rule, supervisors are responsible for responding to OCC reported by employees, and deans of student affairs are responsible for responding to OCC involving students. Appropriate administrators in human resources, faculty affairs and student affairs will provide direction and guidance as needed.

*How are reports of Other Conduct of Concern assessed?*

The supervisor or other administrator who receives the information about OCC will assess the extent and impact of the conduct and identify a range of appropriate resolutions. OCC includes a broad spectrum of conduct, and the necessary and appropriate response will depend on many factors, including the nature, frequency, and severity of the conduct. Considerations for assessing appropriate courses of action may include, but are not limited to:

- Could the conduct pose ongoing, imminent harm to community members, and does it need to be addressed immediately?
- Does the conduct potentially violate systemwide or campus policy?
- Is the conduct protected by principles of free speech or academic freedom? University Counsel should be consulted when the speech or conduct is, or might be, protected.
- Is the conduct subject to corrective action or formal discipline, or is it more appropriately resolved via education, coaching, mentoring, training, mediation, or other resolution process?
- Who is best positioned to address and resolve the conduct and/or provide support?
- Does the incident require further fact-finding? Should the supervisor or a campus administrator conduct fact-finding, or might a specially trained internal or external investigator be warranted?
- Might the provisions of a collective bargaining agreement apply?
- Can the conduct be reasonably addressed by an employee's supervisor in the first instance?
- Can the conduct be reasonably addressed by a student's academic advisor, resident advisor or dean, as appropriate?

Based on the roles of the parties or the nature of the conduct, representatives from human resources, faculty affairs, student affairs, and/or the Office of General Counsel should be consulted when evaluating these criteria and making determinations about how to proceed.

*What actions are taken after information about Other Conduct of Concern is reported to the University?*

Some incidents involving OCC can be resolved promptly and without additional fact-finding. For example, the supervisor or administrator who is notified of the OCC might determine that the concern can be reasonably addressed through non-disciplinary measures such as mentoring, counseling, education, and/or training. In other cases, the supervisor or administrator may find it necessary to interview bystanders/witnesses and conduct fact-finding. In general, before beginning a fact-finding process, the supervisor should consult with human resources and/or faculty affairs. In cases where the supervisor is unable to resolve the matter through non-disciplinary measures or is considering issuing a letter of reprimand or counseling memo, they should promptly consult with human resources and/or faculty affairs.

*How quickly will OCC be addressed?*

OCC should be addressed as soon as possible. Unlike complaints that are governed by CSU's Nondiscrimination Policy, the university's response to reports of OCC is not governed by a specific process or timeline. The university's response will depend on the specific circumstances of the conduct, including the nature of the conduct, the extent of fact-finding required, and the willingness of the involved

parties to be reflective and self-aware. In all cases, the university’s goal is to remediate any harm, offer supportive measures to the affected individuals and the community, and prevent repetition or escalation of the same or similar conduct.

*What should a person do when an incident of Other Conduct of Concern involves them?*

Any member of the university community who learns that they are the subject of a report of OCC should read this guidance and is encouraged to speak with their supervisor (for employees) or the dean of student affairs (for students). Retaliation against any individual for reporting OCC will not be tolerated and could result in corrective action or formal disciplinary action. Community members are expected to cooperate during any fact-finding process and to uphold CSU’s expectations of conduct.

<b>ADMINISTRATIVE GUIDANCE IN RESPONDING TO OCC</b>
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*Who is responsible for resolving reports of Other Conduct of Concern?*

Supervisors are expected to promptly respond to and address a report of OCC. If there is an impediment to timely resolution, the supervisor must seek guidance from, or refer the matter to, an appropriate campus-designated administrator. As a general rule, students should report information about OCC to the Office of Student Affairs. If a CSU student worker is the subject of the concern, the campus must determine if the incident happened in the individual’s capacity as an employee or as a student. If it is found that the incident occurred while the student was working for the CSU, the matter will be referred to human resources.

*How should information about Other Conduct of Concern be handled?*

Information about OCC should always be received and handled with care and sensitivity to all individuals involved. Those university representatives who are responsible for responding to OCC should promptly meet with the person who shared the information to hear concerns, assess the need for any time-sensitive intermediary actions, and discuss next steps. They should also discuss if and when other individuals impacted by the OCC will be notified of the report, including the individual who reportedly engaged in the conduct. Soon after the initial meeting, the supervisor or administrator should notify in writing the person who came forward about next steps, including whether they will take action themselves or will instead refer the report to another appropriate administrator on campus for response and action. Reports, notifications, and notes must be maintained in accordance with system and campus records retention policies.

*How should the CSU support members of the university community who experience Other Conduct of Concern?*

The supervisor or administrator responding to the OCC should promptly identify any reasonable supportive or remedial measures available to assist the impacted parties. Examples of such measures include:



1. Encouraging open communication with the individuals involved in the report, facilitated by supervisors, human resources or faculty affairs, and/or student affairs representatives.
2. Providing information about how to access employee assistance programs or student counseling services to support the well-being of any person involved in the report during what can be a stressful period.
3. Considering *temporary* modified working/learning/living arrangements while the concern is being addressed.
4. Facilitating any necessary communications to maintain normal business operations between the parties and impacted witnesses while the concern is being addressed.

Supportive measures are intended to be reasonable *temporary* modifications tailored to each instance and designed to maintain a respectful and professional environment while reports of OCC are addressed. Determination of appropriate supportive measures should be ongoing while the incident of OCC is assessed. The campus should periodically reassess whether to take additional measures, alter existing measures, or end any measures. Supportive measures should be documented in writing by the supervisor or other appropriate administrator and will typically conclude at the point OCC is resolved. Records should be maintained in accordance with system and campus records retention policies.

*When and how should fact-finding into Other Conduct of Concern be undertaken?*

Fact-finding is not required in every case of OCC. For example, if there is no factual disagreement about the incident, there would be no need for fact-finding (unless there is evidence of a pattern of similar conduct that warrants further review). When fact-finding is warranted, the extent of fact-finding and the process to be used during fact-finding will depend on the specific circumstances of the incident. Any OCC fact-finding should be undertaken by an individual who can gather and evaluate information objectively and impartially. The fact-finder should not be someone who witnessed the events leading up to the report. If the nature of the conduct is such that there is no risk of immediate physical harm or danger to an individual or the community, OCC fact-finding (that is not part of a broader investigation that is governed by the CSU Nondiscrimination Policy or other investigative process) may be completed by an employee's supervisor, or in matters involving students, a professional in the Office of Student Affairs or resident advisor.

Although there is no timeline for completing OCC fact-finding, it should be completed as promptly as possible.

All individuals contacted in connection with any instance of OCC will be reminded that retaliation is prohibited by [CSU's Nondiscrimination Policy](#) and that all employees and students are expected to cooperate with fact-finding.

<p style="text-align: center;"><b>HOW SHOULD REPORTS OF OTHER CONDUCT OF CONCERN BE RESOLVED?</b></p>
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After any fact-finding is complete, the supervisor or administrator will recommend next steps, examples of which include discussions with the parties involved in the incident (separately or jointly, facilitated by

a university representative), education, counseling, coaching, mentoring, training or corrective action. The processes used to address OCC are not governed by CSU’s Nondiscrimination Policy and will be determined on a case-by-case basis, in consultation with human resources, faculty affairs, student affairs, and/or the Office of General Counsel, as appropriate. Formal discipline can only be undertaken by administrators to whom the campus president has delegated such authority. As a result, it is important that these offices be engaged early in the resolution process if formal discipline is a potential outcome.

Regardless of how OCC is resolved, the concern, as well as any report and outcomes, should be documented in writing and retained in accordance with CSU and campus record retention procedures to allow for follow-up and monitoring. If an employee is determined to have engaged in OCC, this should be noted in the employee’s annual performance evaluation subject to any restrictions under any applicable law, policy or CBA.

Potential resolutions may include:

- Education, Counseling, Coaching, Mentoring & Training  
Education and training are reasonable and appropriate resolutions for less severe instances of OCC. For example, a responding party may need to be informed or reminded about the impacts of their behavior and expectations of professional behavior in the workplace. Training may be individualized, may use existing CSU resources or outside resources, and may be combined with other forms of resolution.
- Restorative Processes  
In some situations, depending on the nature and/or severity of the OCC, a restorative process such as mediation may be appropriate. If both parties are receptive to such measures, this non-disciplinary method may help establish or reestablish healthy relationships and communication. Restorative processes are facilitated by a supervisor or professional trained in conflict resolution. Restorative processes are voluntary for all involved and should not go forward without consultation with an appropriate administrator in human resources, academic affairs or student affairs, or if any party expresses reluctance or a concern about the voluntariness of their participation.
- Corrective Action or Discipline  
A person who engaged in OCC may be counseled either verbally or in writing about their conduct and the impact on others. Counseling, followed by a written memo, may be appropriate in some cases, and in others a formal written reprimand or other corrective action may be warranted. Formal discipline in the CSU refers to suspension, demotion, or dismissal. University Counsel should always be consulted before initiating formal discipline.

The authorities that govern corrective action/discipline for employees are outlined below:

<b>Represented Employees</b>	Education Code sections 89535 – 89540 and applicable CBA.
<b>Confidential Employees</b>	Education Code sections 89535 – 89540.
<b>MPPs and Executives</b>	At Will. Can be dismissed/non-retained at any time and for any reason that is not prohibited by law.
<b>Student Workers</b>	Any applicable CBA (when relevant).

**Note:** Non-faculty probationary employees are not subject to the formal discipline process set forth in the CBA; therefore, as a general rule, probationary employees can be released from employment at any time. Recommendations regarding probationary employees should be made to HR.

- Violation of Student Conduct Code  
 If the administrator determines that a student may have violated the Student Conduct Code, the administrator will refer the matter to the campus Student Conduct Administrator for further handling in accordance with CSU policy.

How should information about and responses to Other Conduct of Concern be documented?

The extent and level of detail in documenting incidents of OCC will be commensurate with the scale and scope of the conduct. The nature of the concern and the outcome and any findings should always be documented. The content and detail of any written report of fact-finding may vary but should include a summary of the concerns, the positions of the parties, evidence considered, findings of fact, and any policies violated. Such documentation should normally be placed in the employee’s personnel file (subject to the requirements or restrictions in any applicable CBAs). If formal discipline is warranted, the report of findings should be prepared with the expectation that they will be attached to a notice of discipline. If formal discipline is not warranted, the findings and any outcomes should be documented in writing and preserved in accordance with applicable document retention policies; these findings should only be accessible to those charged with taking appropriate follow-up actions, to monitoring the situation or with another need-to-know justification or rationale.

What happens after an incident involving Other Conduct of Concern has been fully addressed?

All parties should be informed when the university’s response is complete. Where corrective action or discipline is issued, notice will be given in accordance with the Education Code, the applicable collective bargaining agreement, and CSU policies and practices. In the event that disciplinary action is taken, the person impacted by the OCC will be informed when the disciplinary process has concluded. However, unless otherwise required by law or the CSU Nondiscrimination Policy, the impacted person will not be informed of any confidential personnel actions, student sanctions or specific outcomes of the process. When appropriate, witnesses may be informed that the matter is concluded but information regarding outcomes will not be shared. Notification that the matter has concluded helps individuals understand that the university took responsive action and appropriately addressed and resolved the report.

Fact-finding can be disruptive and stressful to employees, and tensions sometimes remain after the matter is resolved. Regardless of the outcome, reasonable supportive measures should always be considered so that a culture of trust, accountability, and care is maintained. Supervisors and administrators must

maintain effective communication, monitor the workplace, take reasonable steps to prevent recurrence, and address any ongoing concerns. They must also convey to all parties that retaliation for reporting instances of OCC is expressly prohibited in [CSU's Nondiscrimination Policy](#) and will not be tolerated. If the person impacted by the OCC is a student, the administrator responsible for responding to OCC should work with student affairs to ensure the student receives appropriate and reasonable ongoing support.

*Are reports of Other Conduct of Concern confidential?*

Employees responding to OCC should treat the report as confidentially as possible. Information may only be shared with supervisors or administrators who have a responsibility for responding to OCC or university officials with a business “need to know.” Subject to privacy considerations, all relevant parties should be informed when a report of OCC is concluded. However, the outcome of the report and details related to any corrective action, disciplinary process, student sanction, or other consequences should be kept private (unless disclosure is otherwise required by law or the CSU Nondiscrimination Policy).

## PREVENTING OTHER CONDUCT OF CONCERN

Educational initiatives regarding university and campus values are an important means of maintaining a culture of respect and professionalism. Campuses are expected to provide ongoing education and awareness programs to maintain a culture of care and community and to prevent misconduct. In addition to trainings required by California law (including training required by Cal Govt Code section 12950.1), additional prevention efforts may include trainings on subject such as:

- Understanding and applying policies and procedures governing workplace conduct
- Recognizing and reducing implicit bias
- Healthy relationships
- Effective communication
- Effective conflict resolution
- Effective performance management
- Having difficult conversations

To ensure that concerns about OCC are fully addressed, each CSU university is responsible for:

1. Explaining how members of the university community should share information about OCC with university representatives, and how the university will respond. Such information should be prominently placed on campus human resources, faculty affairs, student affairs, Title IX/DHR/Whistleblower-related web pages.
2. Prominently disclosing the contact information for all administrators (other than supervisors, faculty and resident advisors) responsible for responding to OCC for all populations of the CSU community on campus human resources, faculty affairs, student affairs, Title IX/DHR/Whistleblower-related web pages.
3. Providing all parties involved in incidents involving OCC with reasonable supportive measures as determined by the supervisor or appropriate administrator in consultation with human resources during any fact-finding process.

4. Making all parties involved in incidents involving OCC aware of relevant CSU policies, including prohibitions against retaliation.
5. Maintaining appropriate records and documentation that are accessible to all with a business need to know to allow for appropriate follow-up, monitoring and potential future need to address or report on the matter.

<b>RELEVANT CSU POLICIES AND RESOURCES</b>
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- [CSU Policy Prohibiting Discrimination, Harassment, Sexual Misconduct, Sexual Exploitation, Dating Violence, Domestic Violence, Stalking and Retaliation \(Nondiscrimination Policy\)](#)
- [Complaint Procedures for Protected Disclosure of Improper Governmental Activities and/or Significant Threats to Health or Safety](#)
- [Complaint Procedures for Allegations of Retaliation for Having Made a Protected Disclosure under the California Whistleblower Protection Act](#)

**Trainings**

- “Recognizing and Addressing Micro-Behaviors in the Workplace,” [CSU Learn Training Module](#)
- “Principles of Supervision,” a training for new supervisors, offered by Systemwide Learning and Development
- “Chairing for Success,” a training for new department chairs, offered by Systemwide Learning and Development
- CSU Academy, a training for emerging leaders in higher education, offered by Systemwide Learning and Development
- The Deans’ Academy, a training for new deans, offered by Systemwide Human Resources

**Other Resources**

- [Cal. Education Code section 89535](#)
- [Collective Bargaining Agreements](#)
- [Title 5, Cal. Code Regs., Section 42723 \(a\)](#)

<b>ADDITIONAL RESOURCES</b>
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Guidance on the following subjects is available from the Chancellor’s Office. Requests should be made to the Senior Systemwide Director for Academic and Staff Human Resources.

1. Centralized and Coordinated Structure Models and Reporting Expectations
2. Assessment Practices
3. Fact-finding Practices
4. Documentation Practices and Standards
5. Case Studies

**COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL**

**Executive Compensation: FY 2023-2024 Executive Salary Increases**

**Presentation By**

Mildred García  
Chancellor

**Summary**

Fiscal year 2023-2024 salary increases for CSU Executives will be presented for consideration and possible approval.

**COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL**

**Executive Compensation: Triennial Performance Reviews - Equity Adjustments**

**Presentation By**

Mildred García  
Chancellor

**Summary**

Equity adjustments will be recommended for specific presidents resulting from salary assessments during their triennial performance review.

**TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY**

**California State University  
Office of the Chancellor  
Glenn S. Dumke Auditorium  
401 Golden Shore  
Long Beach, CA 90802**

**Wednesday, May 22, 2024**

*Presiding: Wenda Fong, Chair*

**9:40 a.m.\***

**Board of Trustees**

**Dumke Auditorium**

**Call to Order**

**Roll Call**

**Consent**

*Action* 1. Approval of the Minutes of the Board of Trustees Meeting of March 26, 2024 and March 27, 2024

*Action* 2. Approval of Committee Resolutions as follows:

**Committee on Institutional Advancement**

2. Naming of the John Madden Football Center – California Polytechnic State University, San Luis Obispo
3. Naming of the Noyce School of Applied Computing – California Polytechnic State University, San Luis Obispo

**Joint Committee on Finance and Campus Planning, Buildings and Grounds**

2. California State University, Fullerton Student Housing, Phase 5 Schematic Design and Debt Issuance Approval

**Committee on Finance**

2. Approval to Issue Debt for the California Polytechnic State University, San Luis Obispo Football Center

**Committee on Campus Planning, Buildings and Grounds**

2. San José State University Speed City & Spirit of '68 Track Facility Development Project and Grant Assignment

\*The Board of Trustees is a public body, and members of the public have a right to attend and participate in its meetings. This schedule of meetings is established as a best approximation of how long each scheduled meeting will take to complete its business. Each meeting will be taken in sequence, except in unusual circumstances. Depending on the length of the discussions, which are not possible to predict with precision in advance, the scheduled meeting times indicated may vary widely. For two-day meetings, items scheduled for one day may be heard either the day before or the day after depending upon the time spent on each matter. The public is advised to take this uncertainty into account in planning to attend any meeting listed on this schedule.

**Agendas, notices, and information on addressing the Board of Trustees may be found on Board of Trustees website: <https://www.calstate.edu/csu-system/board-of-trustees/Pages/default.aspx> .**



### **Committee on University and Faculty Personnel**

2. Policy on Compensation
3. Policy and Procedures for Review of Presidents
4. Executive Compensation: President – California State University, Fullerton
7. Executive Compensation: FY 2023-2024 Executive Salary Increases
8. Executive Compensation: Triennial Performance Reviews – Equity Adjustments

### **Discussion**

*Action* 3. Approval of Board of Trustees' Standing Committee Assignments for 2024-2025

*Action* 4. Election of the Chair and Vice Chair of the Board of Trustees for 2024-2025

**MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES**

**Trustees of the California State University  
Office of the Chancellor  
Glenn S. Dumke Auditorium  
401 Golden Shore  
Long Beach, California**

**March 26, 2024**

**Trustees Present**

Wenda Fong, Chair  
Jack Clarke, Jr., Vice Chair  
Larry L. Adamson  
Diana Aguilar-Cruz  
Raji Kaur Brar  
Douglas Faigin  
Jean Picker Firstenberg  
Mark Ghilarducci  
Leslie Gilbert-Lurie  
Lillian Kimbell  
Julia I. Lopez  
Jack McGrory  
Anna Ortiz-Morfit  
Lateefah Simon  
Christopher Steinhauser  
Jose Antonio Vargas  
Darlene Yee-Melichar  
Mildred García, Chancellor

Chair Wenda Fong called the meeting of the Board of Trustees to order.

**Public Comment**

In an effort to provide accessibility and flexibility for the public, all public comment took place at the beginning of open session prior to all committees.

The board heard from the following individuals who provided public comment in person: Thomas Norman, CSUDH; Adam Swenson, CSUN; Gwen Urey, CPP; Vincent Rasso, Dagoberto Argueta, Steven Filling, Stanislaus State; AngelMarie Taylor; Vaugh Wilbur; Jack Welch; Dorhean Gaffney; Joshua Gallardo; Jensen Walsh; Tyrone Jefferies; Saba Houshang; Luis Ortiz; Oliver Solares; Emily Raab; Elizabeth Flores; Daniel Clayton; Ana Schugurensky, CPP; Erick Padilla, CPP;

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Alejandra Lopez, CPP; Ian Orazco, CPP; Neveen Makhail, CPP; Gabriela Aguilar-Flores, CPP; Kenia Urbina Cruz, CPP; Marissa Arrendondo, CPP; Fatima Zeferino, CSULB; Theresa Limbeek; Biany Ortiz Fortanel; Olive Bui, Cal State Fullerton; Alan Ruelas; Jennifer Chavez; Elizabeth Boyd; Drew Scott.

The board also heard from the following individuals who provided public comment virtually: Lisa Kawamura, Cal Poly SLO; Michelle Ramos Pellicia, CSUSM; Erik Johnson, SJSU; Ryan Carter, Cal Poly SLO; Mikala Purugganan, Cal Poly SLO; Dakota Andersen, CSUMB; Zoe Reed, CPH; Aimee Escalante, CSUMB; Koni Stone, Stanislaus State; Ann Strahm, Stanislaus State; Karen Munoz-Christian, Cal Poly SLO; Charles Toombs, SDSU; Sharon Elise, CSUSM; Eniko Csomay, SDSU; Nolan Calara, CSUEB; Renee Maria Martinez, CSUN; Jessica Westbay.

### **Chair's Report**

Chair Fong's report is available online at the following link: <https://www.calstate.edu/csu-system/board-of-trustees/reports-of-the-chair/Pages/march-2024.aspx>

### **Report of the Academic Senate CSU**

CSU Academic Senate Chair Beth A. Steffel's report is available online at the following link: <https://www2.calstate.edu/csu-system/faculty-staff/academic-senate/Pages/ASCSU-Chairs-Report.aspx>

### **Report of the California State Student Association**

CSSA President Dominic Quan Treseler's report is available online at the following link: <https://www.calstatestudents.org/public-documents/#president>

### **Report of the California State University Alumni Council**

Alumni Council President John Poli's report is available online at the following link: <https://www2.calstate.edu/impact-of-the-csu/alumni/council/board-of-trustee-reports/Pages/default.aspx>

### **Chancellor's Report**

Chancellor Mildred García's report is available online at the following link: <https://www.calstate.edu/csu-system/board-of-trustees/chancellor-reports/Pages/March-24-27-2024.aspx>

## **MINUTES OF THE MEETING OF BOARD OF TRUSTEES**

**Trustees of the California State University  
Office of the Chancellor  
Glenn S. Dumke Auditorium  
401 Golden Shore  
Long Beach, California**

**March 27, 2024**

### **Trustees Present**

Wenda Fong, Chair  
Jack Clarke, Jr., Vice Chair  
Larry L. Adamson  
Diana Aguilar-Cruz  
Diego Arambula  
Douglas Faigin  
Jean Picker Firstenberg  
Mark Ghilarducci  
Leslie Gilbert-Lurie  
Lillian Kimbell  
Julia Lopez  
Jack McGrory  
Jonathan Molina Mancio  
Anna Ortiz-Morfit  
Christopher Steinhauser  
Jose Antonio Vargas  
Darlene Yee-Melichar  
Mildred García, Chancellor  
Lieutenant Governor Eleni Kounalakis

Chair Fong called the meeting of the Board of Trustees to order.

### **Consent Agenda**

No items were removed from the consent agenda. Chair Fong called for a motion to approve all items listed on the consent agenda. There was a motion and a second.

The minutes of the meeting of January 30, and January 31, 2024, were approved as submitted.

The Board of Trustees approved the following resolutions:

**COMMITTEE ON ORGANIZATION AND RULES**

**Approval of Proposed Revisions to the Rules Governing the CSU Board of Trustees  
(ROR 03-24-01)**

**RESOLVED**, by the Board of Trustees of the California State University, that the changes to the Rules Governing the Board of Trustees reflected on Attachment A of item 3 of the Committee on Organization and Rules at the March 24-27, 2024 meeting of the Board of Trustees, are adopted; and further

**RESOLVED**, that the Committee finds that the advance notice requirement set forth in Section V of the Rules Governing the Board of Trustees is waived because the changes being adopted are not controversial and require no further discussion at a subsequent meeting.

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**Approval of the California State University Board of Trustees' Meeting Date for 2025  
(ROR 03-24-02)**

**RESOLVED**, by the Board of Trustees of the California State University, that the following schedule of meetings for 2025 is adopted:

**2025 Meeting Dates**

January 28-29, 2025	Tuesday – Wednesday	Chancellor's Office
March 25-26, 2025	Tuesday – Wednesday	Chancellor's Office
May 20-21, 2025	Tuesday – Wednesday	Chancellor's Office
July 22-23, 2025	Tuesday – Wednesday	Chancellor's Office
September 9-10, 2025	Tuesday – Wednesday	Chancellor's Office
November 18-19, 2025	Tuesday – Wednesday	Chancellor's Office

## COMMITTEE ON INSTITUTIONAL ADVANCEMENT

### **Naming of the Federated Indians of Graton Rancheria Learning Center – Sonoma State University (RIA 03-24-03)**

**RESOLVED**, by the Board of Trustees of the California State University, that the visitor center at Sonoma State University’s Fairfield Osborn Preserve be named the Federated Indians of Graton Rancheria Learning Center.

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## COMMITTEE ON FINANCE

### **Approval to Issue Debt for a Capital Project at California State University, Dominguez Hills (RFIN 03-24-03)**

In coordination with CSU’s Office of General Counsel, Orrick, Herrington & Sutcliffe LLP, as outside bond counsel, prepared resolutions that were distributed to the Board prior to the March 2024 meeting that authorize interim and permanent financing for the Project described in this agenda. The proposed resolutions achieve the following:

1. Authorize the sale and issuance of the Trustees of the California State University Systemwide Revenue Bonds, and/or the sale and issuance of related Systemwide Revenue Bond Anticipation Notes, and/or the issuance of related debt instruments, including shorter term debt, variable rate debt, floating rate loans placed directly with banks, or fixed rate loans placed directly with banks, in an aggregate principal amount not-to-exceed \$73,655,000 and certain actions relating thereto.
2. Provide a delegation to the chancellor; the executive vice chancellor and chief financial officer; the assistant vice chancellor, Financial Services; and the assistant vice chancellor, Financing, Treasury, and Risk Management; and their designees to take any and all necessary actions to execute documents for the sale and issuance of the bond anticipation notes, the revenue bonds, and the related debt instruments. Approval of the financing resolutions for this project as described in this Agenda Item 4 of the Committee on Finance at the March 24-27, 2024, meeting of the CSU Board of Trustees is recommended for:

**California State University, Dominguez Hills Health, Wellness, and Recreation Center**

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**COMMITTEE ON CAMPUS PLANNING, BUILDINGS AND GROUNDS**

**California Polytechnic State University, San Luis Obispo Football Center Capital Outlay  
Amendment and Schematic Design Approval  
(RCPBG 03-24-04)**

**RESOLVED**, by the Board of Trustees of the California State University, that:

1. The California Polytechnic State University, San Luis Obispo Football Center project will benefit the California State University.
  2. The February 2024 Finding of Consistency for the California Polytechnic State University, San Luis Obispo Football Center project has been prepared in accordance with the requirements of the California Environmental Quality Act (CEQA).
  3. The California Polytechnic State University, San Luis Obispo Football Center project is within the scope of the Campus Master Plan approved in May 2020 and was adequately analyzed in the Campus Master Plan Final EIR certified in May 2020.
  4. Applicable mitigation measures adopted in conjunction with the Campus Master Plan Final EIR certified in May 2020 shall be implemented, monitored, and reported in accordance with the requirements of CEQA (Cal. Pub. Res. Code § 21081.6).
  5. The 2023-2024 Capital Outlay Program is amended to include \$45,000,000 for preliminary plans, working drawings, construction, and equipment for the California Polytechnic State University, San Luis Obispo Football Center project.
  6. The schematic plans for the California Polytechnic State University, San Luis Obispo Football Center project is approved at a project cost of \$45,000,000 at CCCCI 10461.
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## COMMITTEE ON EDUCATIONAL POLICY

### Academic Master Plan (REP 03-24-01)

**RESOLVED**, by the Board of Trustees of the California State University, that the amended projections to the Academic Plans for the California State University campuses (as identified in Agenda Item 3 of the March 24-27, 2024 meeting of the Committee on Educational Policy) be approved and accepted for addition to the CSU Academic Master Plan and as the basis for necessary facility planning; and be it further

**RESOLVED**, that those projected degree programs proposed to be included in Campus Academic Plans be authorized for implementation, at approximately the dates indicated on Attachment A, subject in each instance to the Chancellor's review, approval, and confirmation that there exists sufficient societal need, student demand, feasibility, financial support, qualified faculty, facilities and information resources sufficient to establish and maintain the programs; and be it further

**RESOLVED**, that degree programs not included in the Campus Academic Plans be authorized for implementation only as pilot or fast-track programs or as modifications of existing degree programs, subject in each instance to Chancellor's approval and CSU policy and procedures.

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### Proposed Amendments to Title 5: Implementation of the Student Transfer Achievement Reform Act of 2021 (REP 03-24-02)

**RESOLVED**, that the Board of Trustees shall review Title 5 educational program requirements related to General Education and its relationship to student retention, progression and degree completion outcomes indicators every five years; and be it further

**RESOLVED**, by the Board of Trustees of the California State University, acting under the authority prescribed herein and pursuant to Section 89030 and 89030.1 of the Education Code, that sections 40803, 40803.1, 40804, 40804.1, 40405, 40405.1, 40405.2 and 40405.5 of Title 5 of the California Code of Regulations are amended as follows:



**Title 5, California Code of Regulations**  
**Division 5 – Board of Trustees of the California State Universities**  
**Chapter 1 – California State University**  
**Subchapter 3 – Admission Requirements**  
**Article 5 – Admission as Undergraduate Transfer**

**5 CCR § 40803**

**§ 40803. Applicants Who Are California Residents and Who Have Completed the Prescribed Number of Units of College Credit.**

(a) An applicant who is a resident of California may be admitted to a campus as an undergraduate transfer, if the applicant:

(1) Commencing with admission to the fall term 2025, has completed with a grade of C- or better: courses in English composition; oral communication; critical thinking and composition, and mathematical concepts and quantitative reasoning at a level satisfying general education requirements;

(24) For admission prior to the fall term 2025 or for those who remain in attendance as defined by 5 CCR Section 40401 has completed with a grade of C- or better: courses in written communication in the English language; oral communication; critical thinking, and mathematics or quantitative reasoning at a level satisfying general education requirements;

(23) has completed at least 60 semester (90 quarter) units of transferable college credit, of which 30 semester (45 quarter) units are at a level equivalent to general education breadth courses;

(34) has attained a grade point average of 2.0 (~~grade of C~~) or better ~~in~~ across all transferable college courses attempted; and

(45) is in good standing at the last college attended.

(b) Impacted campuses or programs may require supplemental admission criteria, including an overall higher grade point average and/or the completion of additional specified courses.

(c) Eligible students who meet the above admission requirements and who earn an appropriate Associate Degree for Transfer from a California Community College will receive a guarantee of admission with junior status to the California State University but not to any particular campus or academic program. Students admitted with an Associate

Degree for Transfer will receive priority over all other community college transfer students and will have priority for admission to a program or major that is determined by the campus to be similar to their Associate Degree for Transfer major or area of emphasis. ~~similar to his or her their college major or area of emphasis, as determined by the campus to which the student is admitted.~~

#### Credits

NOTE: Authority cited: Sections ~~66749.8~~, 66746, 66747 and 89030, Education Code.  
Reference: Section 89030, Education Code.

### 5 CCR § 40803.1

#### § 40803.1. Applicants Who Are Not California Residents and Who Have Completed the Prescribed Number of Units of College Credit.

(a) An applicant who is not a resident of California may be admitted to a campus as an undergraduate transfer upon satisfaction of the requirements ~~of subdivisions (1), (2), and (3)~~ outlined below ~~(1), (3), and (4), as appropriate:~~

(1) Commencing with admission to the fall term 2025, the applicant has completed satisfactorily at least 30 semester (or equivalent quarter) units in courses at a level at least equivalent to the California General Education Transfer Curriculum (Cal-GETC), including courses in English composition, oral communication, critical thinking and composition, and mathematical concepts and quantitative reasoning;

~~(2) For admission prior to fall term 2005, the applicant has completed at least 56 semester (84 quarter) units of transferable college credit and has attained a grade point average in all units of transferable college credit which places the applicant among the upper one-half of eligible California residents who are applicants for admission under Section 40803, the required minimum grade point average to be determined by the Chancellor;~~

~~(3) For admission prior to the fall term 2025 or for those who remain in attendance as defined by 5 CCR Section 40401, the applicant has completed satisfactorily at least 30 semester (or equivalent quarter) units or 45 units in courses at a level at least equivalent to General Education Breadth courses, including courses in English composition, oral communication in the English language, critical thinking and composition, and mathematical concepts and quantitative reasoning;~~

~~(3) Commencing with admission to the fall term 2005, the applicant has attained a grade point average of 2.0 (grade of C) or better in at least 60 semester (or equivalent quarter) units or 90 units of transferable college credit and has attained a grade point average in all units of transferable college credit which places the~~

applicant among the upper one-half of eligible California residents who are applicants for admission under, the required minimum Section 40803 grade point average to be determined by the Chancellor;

(4) The applicant ~~was~~is in good standing at the last college attended.

~~(b) Commencing with admission to the fall term 2006, an applicant who has attended a California community college and who has committed to a major and campus of the California State University before earning more than 45 semester (68 quarter) units will receive the highest priority for admission to that campus and major if the applicant has completed successfully the systemwide lower-division transfer pattern for that major and the campus-specific lower-division transfer pattern for that major and campus, as defined in Section 40530. "Highest priority" as used herein means a guarantee of admission subject to enrollment demand, available space, and satisfactory completion of any impaction criteria for that campus and major.~~

Note: Authority cited: Section 89030, Education Code. Reference: Section 89030, Education Code.

#### 5 CCR § 40804

#### **§ 40804. Applicants Who Were Eligible for Admission As First-Time ~~Freshmen~~ First-Year Student and Who Have Completed Fewer Than the Prescribed Number of Units of College Credit.**

Subject to restrictions on admission due to impaction, an applicant who has completed fewer than 60 semester (90 quarter) units of college credit may be admitted to a campus as an undergraduate transfer upon satisfaction of the requirements of each of the following lettered subdivisions:

(a) The applicant was eligible for admission to a campus as a first-time ~~freshman~~ first-year students, either

(1) on the basis of the admission requirements in effect at the time of the application, other than the provisions of Sections 40757, 40758, 40900, or 40901, and including satisfactory completion of the comprehensive pattern of college preparatory subjects as defined in subsection (n) of Section 40601 or an alternative program determined by the Chancellor to be equivalent; or

(2) on the basis of the admission requirements in effect at the time of the applicant's graduation from high school, other than the provisions of Sections 40757, 40758, 40900, or 40901, including satisfactory completion of any college preparatory course requirements in effect at that time or an

alternative program determined by the Chancellor to be equivalent, if the applicant has been in continuous attendance at a college since graduation;

(b) Commencing with admission to the fall term 2025, the applicant shall have completed, with a grade of C- or better, a course in English composition and a course in mathematical concepts and quantitative reasoning at a level satisfying California General Education Transfer Curriculum (Cal-GETC) Area 1A and Area 2, respectively.

(c) For admission prior to the fall term 2025 or for those who remain in attendance as defined by 5 CCR Section 40401, the applicant shall have completed, with a grade of C- or better, a course in written communication in the English language and a course in mathematics or quantitative reasoning at a level satisfying CSU General Education Breadth Area A2 and B4 requirements, respectively.

(~~e~~) The applicant has attained a grade point average of 2.0 (~~grade of C~~) or better in across all transferable college units attempted; and

(~~e~~) The applicant ~~was~~ is in good standing at the last college attended.

Note: Authority cited: Section 89030, Education Code. Reference: Section 89030, Education Code.

#### **5 CCR § 40804.1**

#### **§ 40804.1. Applicants Who Were Ineligible for Admission As First-Time, First-Year Students ~~Freshmen~~ for Failure to Meet Course Requirements and Who Have Completed Fewer Than the Prescribed Number of Units of College Credit.**

Subject to restrictions on admission due to impaction, an applicant who has completed fewer than 60 semester (or equivalent quarter) units of college credit and who was not eligible for admission to a campus as a first-time, ~~freshman~~ first-year student solely because of failure to complete satisfactorily the comprehensive pattern of college preparatory subjects defined in subdivision (n) of Section 40601 or an alternative program determined by the Chancellor to be equivalent may be admitted to a campus as an undergraduate transfer upon satisfaction of each of the following lettered subdivisions:

(a) Except for satisfactory completion of the comprehensive pattern of college preparatory subjects defined in subdivision (n) of Section 40601 or an acceptable alternative program, the applicant who was eligible for admission to a campus as a first-time, first-year ~~freshmen~~, either

(1) on the basis of the admission requirements in effect at the time of the application, other than the provisions of Sections 40757, 40758, 40900, or 40901; or

(2) on the basis of the admission requirements in effect at the time of the applicant's graduation from high school, other than the provisions of Sections 40757, 40758, 40900, or 40901, if the applicant has been in continuous attendance at a college since graduation;

(b) Subsequent to high school graduation, the applicant has completed satisfactorily whatever college preparatory course requirements were in effect at the time of the applicant's graduation from high school, or an alternative program determined by the Chancellor to be equivalent;

(c) Commencing with admission to the fall term 2025, the applicant shall have completed, with a grade of C- or better, a course in English composition and a course in mathematical concepts and quantitative reasoning at a level satisfying California General Education Transfer Curriculum (Cal-GETC) Area 1A and Area 2, respectively.

(ed) For admission prior to the fall term 2025 or for those who remain in attendance as defined by 5 CCR Section 40401, the applicant shall have completed, with a grade of C- or better, a course in written communication in the English language and a course in mathematics or quantitative reasoning at a level satisfying CSU General Education Breadth Area A2 and B4 requirements, respectively.

(de) The applicant has attained a grade point average of 2.0 (grade of C) or better in across all transferable college units attempted; and

(ef) The applicant is in good standing at the last college attended.

NOTE: Authority cited: Section 89030, Education Code. Reference: Section 89030, Education Code.

**Title 5, California Code of Regulations  
Division 5 – Board of Trustees of the California State Universities  
Chapter 1 – California State University  
Subchapter 2– Educational Program  
Article 5– General Requirements for Graduation**

**5 CCR § 40405**

**5 CCR § 40405 - General Education –~~Breadth~~ Objectives**

General education requirements in The California State University are so designed that, taken with the major depth program and elective credits presented by each candidate for the bachelor's degree, they will assure that graduates from the several campuses in the system have made noteworthy progress toward becoming truly educated persons. Particularly, the purpose of the ~~breadth~~general education requirements is to provide means whereby graduates:

- (a) will have achieved the ability to think clearly and logically, to find and critically examine information, to communicate orally and in writing, and to perform quantitative functions;
- (b) will have acquired appreciable knowledge about their own bodies and minds, about how human society has developed and how it now functions, about the physical world in which they live, about the other forms of life with which they share that world, and about the cultural endeavors and legacies of their civilizations;
- (c) will have come to an understanding and appreciation of the principles, methodologies, value systems, and thought processes employed in human inquiries. It is the intent of this section that the general education requirements be planned and organized in such a manner that students will acquire the abilities, knowledge, understanding, and appreciation suggested as interrelated elements and not as isolated fragments.

~~There are three a~~Acceptable programs include: The California State University General Education Requirements (Section 40405.1), the Intersegmental General Education Transfer Curriculum (Section 40405.2), the California General Education Transfer Curriculum (Section 404045.5), and General Education Reciprocity with the University of California (Section 40405.3).

Note: Authority cited: Section 89030, Education Code. Reference: Section 89030, Education Code.

#### **5 CCR § 40405.1**

#### **5 CCR § 40405.1 – California State University General Education -- Breadth Requirements**

(a) Each recipient of the bachelor's degree completing the California State University General Education ~~Breadth~~ Requirements pursuant to this subdivision (a) shall have completed a program which includes a minimum of ~~48~~483 semester ~~(or quarter equivalent) units or 72-64 quarter units~~ of which 9 semester ~~(or quarter equivalent) units or 12 quarter units~~ shall be upper division level and ~~should~~shall be taken no sooner than the term in which the candidate achieves upper division status. ~~At least 9 of the 48 semester units or 12 of the 72 quarter units shall be earned at the campus granting the degree.~~ The ~~48~~483 semester ~~(or quarter equivalent) or 64 quarter~~ units shall be distributed as follows:

(1) A minimum of 9 semester (or quarter equivalent) units ~~or 12 quarter units~~ in communication in the English language, to include both oral communication and ~~written communication~~ English composition, and in critical thinking, ~~to include consideration of common fallacies in reasoning.~~

(2) A minimum of ~~12~~ 3 semester (or quarter equivalent) units ~~or 18~~ 19 quarter units, including 3 semester (or quarter equivalent) units at the upper-division level, to include inquiry into the physical universe and its life forms, which includes a 1 semester (or quarter equivalent) unit ~~which includes with some immediate participation~~ in laboratory activity, and ~~into~~ mathematical concepts and quantitative reasoning and their applications.

(3) A minimum of ~~12~~ 9 semester (or quarter equivalent) units ~~or 12 quarter units~~, including 3 semester (or quarter equivalent) or 4 quarter units at the upper-division level, among the arts, literature, philosophy and foreign languages.

(4) A minimum of ~~12~~ 9 semester (or quarter equivalent) units ~~or 12 quarter units~~, including 3 semester (or quarter equivalent) or 4 quarter units at the upper-division level, dealing with human social, political, and economic institutions and behavior and their historical background.

(5) A minimum of ~~3 semester units or 4 quarter units~~ in study designed to equip human beings for lifelong understanding and development of themselves as ~~integrated physiological, social, and psychological entities.~~

(~~6~~) A minimum of 3 semester (or quarter equivalent) units ~~or 4 quarter~~ lower-division units ~~at the lower division in study designed to focusing on~~ ethnic studies. The specification of numbers of units implies the right of discretion on each campus to adjust reasonably the proportions among the categories in order that the conjunction of campus courses, credit unit configurations and these requirements will not unduly exceed any of the prescribed semester or quarter unit minima. However, the total number of units in General Education ~~Breadth~~ accepted for the bachelor's degree under the provisions of this subdivision (a) shall not be less than ~~48~~ 43 semester (or quarter equivalent) units ~~or 64 quarter units~~ unless the Chancellor grants an exception.

(b) The president or an officially authorized representative of a college which is accredited in a manner stated in Section 40601 (d) (1) may certify the extent to which the requirements of subdivision (a) of this section have been met up to a maximum of ~~39~~ 34 lower-division semester (or equivalent) ~~58~~ units. Such certification shall be in terms of explicit objectives and procedures issued by the Chancellor.

(c) In the case of a baccalaureate degree being pursued by a post-baccalaureate student, the requirements of this section shall be satisfied if:

(1) The student has previously earned a baccalaureate or higher degree from an institution accredited by a regional accrediting association; or

(2) The student has completed equivalent academic preparation, as determined by the appropriate campus authority.

Note: Authority cited: Section 89030, Education Code. Reference: Sections 66055.8, 89030 and 89032, Education Code.

### **5 CCR § 40405.2**

#### **§ 40405.2 – Intersegmental General Education Transfer Curriculum**

(a) Students transferring from California Community Colleges under the provisions of this subdivision may satisfy General Education-Breadth requirements for the California State University bachelor's degree through satisfactory completion of the Intersegmental General Education Transfer Curriculum and a minimum of 9 semester (or quarter equivalent) units ~~or 12 quarter units~~ of upper division general education coursework. All upper division general education requirements shall be completed no sooner than the term in which the candidate achieves upper division status at the California State University campus granting the degree.

All lower division requirements can be fulfilled by completing the Intersegmental General Education Transfer Curriculum which shall include lower division courses completed and distributed as follows:

(1) A minimum of 9 semester units (or quarter equivalent) ~~or 12 quarter units~~ in English communication; to include one course in English composition of no fewer than 3 semester (or quarter equivalent) units ~~or 4 quarter units~~, one course in oral communication of no fewer than 3 semester (or quarter equivalent) units ~~or 4 quarter units~~, and one course in critical thinking-English composition of no fewer than 3 semester (or quarter equivalent) units ~~or 4 quarter units~~.

(2) A minimum of 3 semester (or quarter equivalent) units ~~or 4 quarter units~~ in mathematical concepts and quantitative reasoning.

(3) At least three courses totaling a minimum of 9 semester (or quarter equivalent) units ~~or 12 quarter units~~ in arts and humanities, to include at least one course in the arts and at least one course in the humanities.

(4) At least two courses totaling a minimum of 6 semester (or quarter equivalent) units ~~or 8 quarter units~~ in the social and behavioral sciences, including courses in a minimum of two disciplines or in an interdisciplinary sequence.



(5) At least two courses totaling a minimum of 7 semester (or quarter equivalent) units ~~or 9 quarter units~~ in the physical and biological sciences, to include at least one course in physical science and one course in biological science, at least one of which incorporates a laboratory.

(6) At least one course totaling a minimum of 3 semester (or quarter equivalent) units ~~or 4 quarter units~~ in ethnic studies.

(b) The president or an officially authorized representative of a California Community College may certify that the requirements of subdivision (a) of this section have been met through the satisfactory completion of courses approved by the California State University and the University of California for inclusion in the Intersegmental General Education Transfer Curriculum. California State University campuses shall accept certification of the fully completed Intersegmental General Education Transfer Curriculum as meeting all lower division general education requirements for the baccalaureate degree.

Note: Authority cited: Section 89030, Education Code. Reference: Sections 89030 and 89032, Education Code.

#### **5 CCR § 40405.5**

#### **§ 40405.5 – California General Education Transfer Curriculum**

(a) Commencing with students admitted in fall 2025, students transferring from California Community Colleges under the provisions of this subdivision may satisfy General Education-Breadth requirements for the California State University bachelor's degree through satisfactory completion of the California General Education Transfer Curriculum and a minimum of 9 semester units of upper division general education coursework. All upper division general education requirements should be completed no sooner than the term in which the candidate achieves upper division status.

All lower division requirements can be fulfilled by completing the California General Education Transfer Curriculum which shall include lower division courses distributed as follows:

(1) A minimum of 9 semester (or quarter equivalent) units in English communication, to include one course in English composition of no fewer than 3 semester (or quarter equivalent) units, one course in oral communication of no fewer than 3 semester (or quarter equivalent) units, and one course in critical thinking and composition of no fewer than 3 semester (or quarter equivalent) units.

(2) One course totaling a minimum of 3 semester units or 4 quarter units in mathematical concepts and quantitative reasoning.

(3) A minimum of 6 semester (or quarter equivalent) unit in arts and humanities, to include one course in the arts of no fewer than 3 semester (or quarter equivalent) units and one course in the humanities of no fewer than 3 semester (or quarter equivalent) units.

(4) A minimum of 6 semester (or quarter equivalent) units in the social and behavioral sciences, which includes two courses in a minimum of two disciplines.

(5) A minimum of 7 semester (or quarter equivalent) units in the physical and biological sciences, to include at least one course in physical science of no fewer than 3 semester (or quarter equivalent) units and one course in biological science of no fewer than 3 semester (or quarter equivalent) units, and at least one of the two courses must be associated with a laboratory of no fewer than 1 semester (or quarter equivalent) unit.

(6) One course totaling a minimum of 3 semester (or quarter equivalent) units in ethnic studies. This course must be in ethnic studies or in a similar field provided that the course is cross-listed with ethnic studies.

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(b) The president or an officially authorized representative of a California Community College may certify that the requirements of subdivision (a) of this section have been met through the satisfactory completion of courses approved by the California State University and the University of California for inclusion in the California General Education Transfer Curriculum. California State University campuses shall accept certification of the fully completed California General Education Transfer Curriculum as meeting all of the lower division general education requirements for the baccalaureate degree.

Note: Authority cited: Section 66749.8, 89030, Education Code. Reference: Sections 66749.8, 89030 and 89032, Education Code.

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## COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

### **CSU Salary Schedule (RUF 03-24-02)**

**RESOLVED**, by the Board of Trustees of the California State University, that the CSU Salary Schedule as cited in item 2 of the Committee on University and Faculty Personnel at the March 24-27, 2024 meeting of the Board of Trustees, is approved.

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**Employment Policy Governing Administrator Employees' Option to Retreat  
(RUFP 03-24-03)**

**RESOLVED**, by the Board of Trustees of the California State University, that the Employment Policy Governing Administrator Employees' Option to Retreat provided in Attachment A of Item 3 of the Committee on University and Faculty Personnel at the March 24-27, 2024 meeting of the Board of Trustees, is adopted; and be it further

**RESOLVED**, that all California State University campuses are to review their existing policies to ensure compliance with these updated requirements; and be it further

**RESOLVED**, that any and all previous versions of policies related to retreat options for administrator employees are superseded.

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**Employment Policy Governing Employee References  
(RUFP 03-24-04)**

**RESOLVED**, by the Board of Trustees of the California State University, that the Employment Policy Governing Employee References provided in Attachment A of Item 3 of the Committee on University and Faculty Personnel at the March 24-27, 2024 meeting of the Board of Trustees, is adopted; and be it further

**RESOLVED**, that all California State University campuses are to review their existing policies to ensure compliance with these updated requirements; and be it further

**RESOLVED**, that any and all previous versions of policies related to retreat options for administrator employees are superseded.

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**Executive Compensation: President – California State University, Stanislaus  
(RUFP 03-24-05)**

**RESOLVED**, by the Board of Trustees of the California State University, that Dr. Britt Rios-Ellis shall receive a salary set at the annual rate of \$370,319 effective July 1, 2024, the date of appointment as president of California State University, Stanislaus; and be it further

**RESOLVED**, that Dr. Britt Rios-Ellis shall receive an annual housing allowance of \$50,000; and be it further

**RESOLVED**, that Dr. Britt Rios-Ellis shall receive additional benefits as cited in Agenda Item 5 of the Committee on University and Faculty Personnel at the March 24-27, 2024 meeting of the Board of Trustees.

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**Executive Compensation: Other Salary Increase  
(RUFP 03-24-06)**

**RESOLVED**, by the Board of Trustees of the California State University, that Executive Vice Chancellor Steve Relyea shall receive the temporary salary as stated in Item 7 of the Committee on University and Faculty Personnel at the March 24-27, 2024 meeting of the Board of Trustees.

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**BOARD OF TRUSTEES**

**Appointment of Five Members to the Committee on Committees for 2024-2025  
(RBOT 03-24-01)**

**RESOLVED**, by the Board of Trustees of The California State University, that the following trustees are appointed to constitute the Board's Committee on Committees for the 2024-2025 term:

Diego Arambula, Chair  
Lillian Kimbell, Vice Chair  
Larry L. Adamson  
Mark Ghilarducci  
Lateefah Simon

**BOARD OF TRUSTEES**

**Approval of Board of Trustees' Standing Committee Assignments for 2024-2025**

**Presentation By**

Diego Arambula  
Chair, Committee on Committees

**Summary**

The following resolution is recommended for approval:

**RESOLVED**, by the Board of Trustees of The California State University, on recommendation by the Committee on Committees that the following appointments be made to the Standing Committees for 2024-2025 to take effect immediately following the conclusion of the May 19-22, 2024 board meeting:

**AUDIT**

Lillian Kimbell, Chair  
Anna Ortiz-Morfit, Vice Chair  
Jean Picker Firstenberg  
Yammilette Rodriguez  
Christopher Steinhauser  
Darlene Yee-Melichar

**CAMPUS PLANNING, BUILDINGS  
AND GROUNDS**

Jack McGrory, Chair  
Mark Ghilarducci, Vice Chair  
Larry L. Adamson  
Raji Kaur Brar  
Douglas Faigin  
Anna Ortiz-Morfit  
Jose Antonio Vargas

**COLLECTIVE BARGAINING**

Larry L. Adamson, Chair  
Chris Steinhauser, Vice Chair  
Wenda Fong  
Julia I. Lopez  
Jack McGrory

**EDUCATIONAL POLICY**

Diego Arambula, Chair  
Darlene Yee-Melichar, Vice Chair  
Raji Kaur Brar  
Douglas Faigin  
Wenda Fong  
Mark Ghilarducci  
Lillian Kimbell  
Jonathan Molina Mancio  
Yammilette Rodriguez  
Christopher Steinhauser

**Action Item**

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**FINANCE**

Julia I. Lopez, Chair  
Jonathan Molina Mancio, Vice Chair  
Larry L. Adamson  
Douglas Faigin  
Mark Ghilarducci  
Leslie Gilbert-Lurie  
Jack McGrory  
Anna Ortiz-Morfit  
Christopher Steinhauser  
Darlene Yee-Melichar

**GOVERNMENTAL RELATIONS**

Yammilette Rodriguez, Chair  
Raji Kaur Brar, Vice Chair  
Douglas Faigin  
Leslie Gilbert-Lurie  
Lillian Kimbell  
Julia I. Lopez  
Jonathan Molina Mancio  
Jose Antonio Vargas  
Darlene Yee-Melichar

**INSTITUTIONAL ADVANCEMENT**

Leslie Gilbert-Lurie, Chair  
Jean Picker Firstenberg, Vice Chair  
Mark Ghilarducci  
Jonathan Molina Mancio  
Yammilette Rodriguez  
Jose Antonio Vargas

**ORGANIZATION AND RULES**

Jean Picker Firstenberg, Chair  
Leslie Gilbert-Lurie, Vice Chair  
Diego Arambula  
Wenda Fong  
Jack McGrory  
Anna Ortiz-Morfit  
Jose Antonio Vargas

**UNIVERSITY AND FACULTY  
PERSONNEL**

Wenda Fong, Chair  
Lillian Kimbell, Vice Chair  
Larry L. Adamson  
Diego Arambula  
Raji Kaur Brar  
Jean Picker Firstenberg  
Julia I. Lopez

**BOARD OF TRUSTEES**

**Election of the Chair and Vice Chair of the Board of Trustees for 2024-2025**

**Presentation By**

Diego Arambula  
Chair, Committee on Committees

**Summary**

The following resolutions are recommended for approval:

**RESOLVED**, by the Board of Trustees of the California State University, on recommendation by the Committee on Committees, that Jack B. Clarke, Jr. be elected chair for 2024-2025 to take effect immediately following the conclusion of the May 19-22, 2024 board meeting.

**RESOLVED**, by the Board of Trustees of the California State University, on recommendation by the Committee on Committees, that Diego Arambula be elected vice chair for 2024-2025 to take effect immediately following the conclusion of the May 19-22, 2024 board meeting.