

**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 21-24, 2023**

<b>Time**</b>	<b>Committee</b>	<b>Location<sup>1</sup></b>
<b>SUNDAY, MAY 21, 2023</b>		
<b>8:30 a.m.</b>	<b><u>Board of Trustees—Closed Session</u></b> Executive Personnel Matters Government Code §11126	<b>Hilton Long Beach</b>
<b>MONDAY, MAY 22, 2023</b>		
<b>8:30 a.m.</b>	<b><u>Board of Trustees—Closed Session</u></b> Executive Personnel Matters Government Code §11126	<b>Hilton Long Beach</b>
<b>TUESDAY, MAY 23, 2023</b>		
<b>8:00 a.m.</b>	<b><u>Call to Order</u></b>	
<b>8:00 a.m.</b>	<b><u>Board of Trustees—Closed Session</u></b>  Executive Personnel Matters Government Code §11126  Pending Litigation Abdullah v. CSU, et al. Robbins v. CSU, et al.  Anticipated litigation: 3 potential matters	<b>Munitz</b>

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

**\*In compliance with the Bagley-Keene Act, this meeting will also be held via teleconference.**

\*\*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/csusystem/board-of-trustees/Pages/default.aspx>.**

*TUESDAY, MAY 23, 2023 (cont.)*

- 10:45 a.m.     **Committee on Collective Bargaining—Closed Session**     **Munitz**  
Government Code §3596(d)
- 11:30 a.m.     **Luncheon**
- 12:30 p.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— Krishan Malhotra***  
**California State University Alumni Council Report: *President— Jeremy Addis-Mills***  
**Chancellor’s Report**
- 3:15 p.m.     **Break**
- 3:30 p.m.     **Committee on Collective Bargaining**  
**Consent**  
*Action*            1. Approval of Minutes  
*Action*            2. Adoption of Initial Proposals for a Successor Collective Bargaining Agreement with Bargaining Unit 11, United Auto Workers, Local 4123 (UAW)
- 3:35 p.m.     **Committee on Institutional Advancement**  
**Consent**  
*Action*            1. Approval of Minutes  
**Discussion**  
*Action*            2. Naming of Landmark Hall – California State University, Fullerton  
*Action*            3. Naming of the Philip and Christina Bailey College of Science and Mathematics – California Polytechnic State University, San Luis Obispo
- 4:05 p.m.     **Committee on Educational Policy**  
**Consent**  
*Action*            1. Approval of Minutes  
**Discussion**  
*Information*    2. Professional and Continuing Education (PaCE)

WEDNESDAY, MAY 24, 2023

**8:30 a.m. Committee on University and Faculty Personnel**

**Consent**

*Action* 1. Approval of Minutes

**Discussion**

*Action* 2. Approval of Recommended Revision of Title 5 California Code of Regulations, Article 2.2, Management Personnel Plan, Section 42723 Employment Status

*Action* 3. Executive Compensation: President – California State University, Chico

*Action* 4. Executive Compensation: President – California State University, Sacramento

*Action* 5. Executive Compensation: Interim Presidents

*Information* 6. Report on CSU Systemwide Title IX and DHR Assessment by Cozen O'Connor

**10:00 a.m. Break**

**10:15 a.m. Committee on Finance**

**Consent**

*Action* 1. Approval of Minutes

*Action* 2. Approval to Issue Trustees of the California State University, Systemwide Revenue Bonds and Related Debt Instruments for a Capital Project at California State Polytechnic University, Humboldt

*Information* 3. California State University Quarterly Investment Report

**Discussion**

*Information* 4. 2023-2024 Operating Budget Update

*Information* 5. Sustainable Financial Model Workgroup

**11:20 a.m. Committee on Campus Planning, Buildings and Grounds**

**Consent**

*Action* 1. Approval of Minutes

**Discussion**

*Action* 2. California State University, San Marcos Village Housing and Dining Schematic Design Approval

*Action* 3. California State University, Dominguez Hills Health, Wellness, and Recreation Center Approval to Amend the Capital Outlay Program and Approval of Schematic Design

**12:00 p.m. Luncheon**

**WEDNESDAY, MAY 24, 2023 (cont.)**

**12:45 p.m. Committee on Organization and Rules**

**Consent**

*Action* 1. Approval of Minutes

**Discussion**

*Information* 2. Final Report on the Board of Trustees' Review

**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 2023-2024 Audit Plan

*Information* 4. Audited Financial Statements and Single Audit Report

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

**Consent**

*Action* 1. Approval of Minutes

**Discussion**

*Information* 2. State Legislative Update

**2:30 p.m. Board of Trustees**

**Call to Order**

**Roll Call**

**Consent**

*Action* 1. Approval of the Minutes of the Board of Trustees Meeting of March 20, 2023, March 21, 2023, and March 22, 2023

*Action* 2. Approval of Committee Resolutions as follows:

**Committee on Institutional Advancement**

2. Naming of Landmark Hall – California State University, Fullerton
3. Naming of the Philip and Christina Bailey College of Science and Mathematics – California Polytechnic State University, San Luis Obispo

**Committee on University and Faculty Personnel**

2. Approval of Recommended Revision of Title 5 California Code of Regulations, Article 2.2, Management Personnel Plan, Section 42723 Employment Status
3. Executive Compensation: President – California State University, Chico
4. Executive Compensation: President – California State University, Sacramento
5. Executive Compensation: Interim Presidents

### **Committee on Finance**

2. Approval to Issue Trustees of the California State University, Systemwide Revenue Bonds and Related Debt Instruments for a Capital Project at California State Polytechnic University, Humboldt

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

2. California State University, San Marcos Village Housing and Dining Schematic Design Approval
3. California State University, Dominguez Hills Health, Wellness, and Recreation Center Approval to Amend the Capital Outlay Program and Approval of Schematic Design

### **Discussion**

- Action* 3. Approval of Board of Trustees' Standing Committee Assignments for 2023-2024
- Action* 4. Election of the Chair and Vice Chair of the Board of Trustees for 2023-2024
- Action* 5. Conferral of Title of President Emeriti – Gayle E. Hutchinson, Thomas A. Cropper

## 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 23**, at the start of the Board of Trustees' open session (**scheduled to begin at approximately 12:30 p.m.**)
- **Written comments** may be emailed in advance of the meeting by **12:00 p.m. on Monday, May 22** to [trusteesecretariat@calstate.edu](mailto:trusteesecretariat@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 22** to [trusteesecretariat@calstate.edu](mailto:trusteesecretariat@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: [trusteesecretariat@calstate.edu](mailto:trusteesecretariat@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 23, 2023**

*Presiding: Wenda Fong, Chair*

<b>12:30 p.m.*</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 A. Steffel</i></b>	
	<b>California State Student Association Report: <i>President—Krishan Malhotra</i></b>	
	<b>California State University Alumni Council Report: <i>President—Jeremy Addis-Mills</i></b>	
	<b>Chancellor’s Report</b>	

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## AGENDA

### COMMITTEE ON COLLECTIVE BARGAINING

**Meeting:**     **10:45 a.m., Tuesday, May 23, 2023**  
                  **Munitz Conference Room —Closed Session**  
                  **Government Code §3596(d)**

**3:30 p.m., Tuesday, May 23, 2023**  
**Glenn S. Dumke Auditorium —Open Session**

Christopher Steinhauser, Chair  
Jack Clarke, Jr., Vice Chair  
Larry L. Adamson  
Julia I. Lopez  
Lateefah Simon

#### **Open Session—Glenn S. Dumke Auditorium**

- Consent**
1. Approval of Minutes of the Meeting of November 15, 2022, *Action*
  2. Adoption of Initial Proposals for a Successor Collective Bargaining Agreement with Bargaining Unit 11, United Auto Workers, Local 4123 (UAW), *Action*

**MINUTES OF THE MEETING OF  
COMMITTEE ON COLLECTIVE BARGAINING**

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

**November 15, 2022**

**Members Present**

Christopher Steinhauser, Chair  
Jack Clarke, Jr., Vice Chair  
Larry L. Adamson  
Julia I. Lopez  
Lateefah Simon

Wenda Fong, Chair of the Board  
Jolene Koester, Interim 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 September 14, 2022 meeting were approved as submitted.

Agenda Item 2, Adoption of Initial Proposals for a Successor Collective Bargaining Agreement with Bargaining Unit 6, Teamsters Local 2010, 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 Successor Collective Bargaining Agreement with Bargaining Unit 11, United Auto Workers, Local 4123 (UAW)**

**Presentation By**

Leora D. Freedman  
Vice Chancellor  
Human Resources

**Summary**

The initial proposals for a successor collective bargaining agreement between the California State University and Bargaining Unit 11, United Auto Workers, Local 4123 (UAW), will be presented to the Board of Trustees for adoption. The proposals are attached to this item.

**Recommended Action**

The following resolution is recommended for adoption:

**RESOLVED**, by the Board of Trustees of the California State University, that the initial proposals for a successor collective bargaining agreement between the California State University and Bargaining Unit 11, United Auto Workers, Local 4123 (UAW), is hereby adopted.

**The California State University's  
Initial Collective Bargaining Proposals**

**between**

**The Board of Trustees of  
The California State University**

**and**

**United Auto Workers Local 4123  
(Bargaining Unit 11)**

**May 2023**

**Bargaining Unit 11**  
**2023 Successor Agreement Negotiations**  
**California State University Bargaining Proposals**

**Article 2 – Appointments, Posting and Notification**

- The University will make proposals to amend appointments, posting, and notification.

**Article 3 – Benefits**

- The University will make proposals to amend benefits.

**Article 5 – Concerted Activities**

- The University may make proposals to amend prohibited activities.

**Article 10 – Grievance Procedure**

- The University will make proposals to amend the grievance procedure.

**Article 12 – Holidays**

- The University will make proposals to amend holidays.

**Article 14 – Leaves of Absence**

- The University will make proposals to amend leaves of absence.

**Article 16 – Non-Discrimination**

- The University will make proposals to amend the non-discrimination article to be consistent with CSU Executive Order processes and prevailing law.

**Article 18 – Salary**

- The University may make proposals to amend salary.

**Article 20 – Sick Leave**

- The University may make proposals to amend sick leave.

**Article 22 – Training**

- The University will make proposals to amend training.

**Article 23 – Union Access**

- The University will make proposals to amend union access.

**Article 24 – Union Security**

- The University will make proposals to amend outdated references.

**Article 26 – Workload**

- The University will make proposals to amend workload.

**Article 27 – Duration**

- The University will make proposals to amend duration.

**Appendices and Side Letters**

- The CSU will review all Appendices and Side Letters, and make proposals to amend, retain, or delete as appropriate.

**The University reserves the right to add to, modify, or delete proposals for any/all Articles during the course of negotiations, in accordance with applicable laws.**



## UAW 4123 2023 Initial Bargaining Demands

### Preamble

The CSU serves as a gateway to higher education for working class and historically marginalized communities in California. These groups have disproportionately felt the negative and *continuing* impacts of the COVID-19 pandemic, including its lingering economic effects<sup>[1,2]</sup>. Two years from the onset of the COVID-19 pandemic, student worker purchasing power has declined drastically, student debt has skyrocketed, and campus fees and tuition continue to rise. And yet, the CSU has repeatedly prioritized executive pay increases and benefits, with some campus presidents receiving as much as a 28% pay increase in 2022,<sup>[3]</sup> in addition to combined housing and vehicle stipends of around \$72,000 per year.<sup>[4]</sup> The patterns are clear; it is crucial that the CSU shift its priorities from the top of the organization hierarchy to the workers that allow the CSU to function.

### Student Worker Take Home Pay

**Fair Compensation.** We demand that the CSU recognize the vital role of Academic Student Workers by increasing Academic Student Worker pay in order to eliminate rent burden, food insecurity, and the need to take on oppressive debt.

**Tuition & Fees.** Paying tuition costs and fees while working for the CSU siphons worker pay back into the pockets of the university. No worker should pay to work at CSU. All Academic Student Workers should be provided full tuition and fee waivers in order to receive the full measure of our salary.

**Appointments.** Disable short-term job precarity: Provide Academic Student Workers with appointments that are at least one academic school year long, and that ensure a weekly minimum income.

**Housing.** Ensure access to affordable, quality housing near work and housing subsidies appropriate to the local cost of living.

## **Attachment B**

CB – Agenda Item 2

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### **Benefits to Balance Student Workers' Lives**

**Sick Leave.** We demand that the CSU learn from the lessons of the ongoing pandemic and provide all Academic Student Workers with paid sick leave in order to support a safe, healthy, and equitable workplace.

**Priority Registration.** Provide priority registration to facilitate the ability of Academic Student Workers to balance work and class schedules and graduate in a timely manner.

**Healthcare and Caregiver Support.** Improve access to healthcare for all Academic Student Workers, including campus health centers. Support the diverse Academic Student Worker population through enhanced paid (family) leave, vacation, and child care assistance.

**Transit & Parking.** We demand that the CSU reduce the burden of commuting costs by guaranteeing Academic Student Workers' access to staff and employee parking, while ensuring sustainability and environmental justice by providing Academic Student Workers with free public transit passes.

### **Supporting Academic Student Workers**

**Protections From Harassment & Bullying.** Expand Academic Student Workers rights to have a safe work environment free from discrimination, harassment, bullying, excessive workloads, and academic retaliation and provide access to paid peer-led training for Academic Student Workers.

**International Student Workers.** Demonstrate the contributions International Student Workers make to the University by eliminating Nonresident Tuition for all International Academic Student Workers. Improve University healthcare and housing options offered to International Student Workers. Improve resources and support for International Student Workers to help navigate living and working in a new country.

**Protect Jobs.** We demand that the CSU recognize the value of employing students from within the campus community to carry out the CSU's mission, and ensure no third-party companies (such as outside tutoring services) are used to provide work otherwise provided by Academic Student Workers.

**Workers Rights.** Strengthen Academic Student Workers' ability to enforce our rights, which includes ensuring all Academic Student Workers have access to a paid union orientation every term that they are employed by the CSU, and that hiring departments are trained in Academic Student Workers' rights and protections.

*NOTE: The Union reserves the right to submit proposals on additional bargaining topics not specifically listed here.*



## AGENDA

### COMMITTEE ON INSTITUTIONAL ADVANCEMENT

**Meeting:** 3:35 p.m., Tuesday, May 23, 2023  
Glenn S. Dumke Auditorium

Lillian Kimbell, Chair  
Jean Picker Firstenberg, Vice Chair  
Diego Arambula  
Leslie Gilbert-Lurie  
Anna Ortiz-Morfit  
Yammilette Rodriguez  
Jose Antonio Vargas

- Consent**
- Discussion**
1. Approval of Minutes of the Meeting of March 21, 2023, *Action*
  2. Naming of Landmark Hall – California State University, Fullerton, *Action*
  3. Naming of the Philip and Christina Bailey College of Science and Mathematics – California Polytechnic State University, San Luis Obispo, *Action*

**MINUTES OF THE MEETING OF  
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 21, 2023**

**Members Present**

Lillian Kimbell, Chair  
Jean Picker Firstenberg, Vice Chair  
Diego Arambula  
Leslie Gilbert-Lurie  
Anna Ortiz-Morfit  
Yammilette Rodriguez

Wenda Fong, Chair of the Board  
Jolene Koester, Interim Chancellor

Trustee Kimbell called the meeting to order.

**Approval of Minutes**

The minutes of January 25, 2023, were approved as submitted.

**Naming of the Ernest E. Tschannen Hall – California State University, Sacramento**

The committee approved the proposed resolution on consent (RIA 03-23-03) that the Engineering Replacement Building at California State University, Sacramento, be named The Ernest E. Tschannen Engineering Teaching and Research Building and, in the interim, to name Santa Clara Hall as The Ernest E. Tschannen Engineering Teaching and Research Building until the replacement building is completed.

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### **Naming of the Autodesk Technology Engagement Center – California State University, Northridge**

Steve Relyea, executive vice chancellor and chief financial officer, reported that the proposed naming recognizes the cumulative \$7,075,000 gift from software company Autodesk to construct a facility that will house academic programs for the College of Engineering and Computer Science as well as CSUN's Global HSI Equity Innovation Hub. The new 30,000-square-foot facility will be designed to accelerate equity through education that both inspires and prepares a diverse body of students to become the innovators and creators of the future.

Dr. Andrew Anagnost, president and chief executive officer of Autodesk, shared remarks remotely, and CSUN President Erika Beck and Interim Chancellor Koester thanked Dr. Anagnost for his visionary leadership and the transformative gift from Autodesk.

The committee recommended approval by the board of the proposed resolution (RIA 03-23-04) that this facility at California State University, Northridge be named as the Autodesk Technology Engagement Center for a term of 35 years.

Trustee Kimbell adjourned the meeting.

## **COMMITTEE ON INSTITUTIONAL ADVANCEMENT**

### **Naming of Landmark Hall – California State University, Fullerton**

#### **Presentation By**

Steve Relyea  
Executive Vice Chancellor and  
Chief Financial Officer

Framroze Virjee  
President  
California State University, Fullerton

#### **Summary**

This item will consider naming the planned Center for Leadership building at California State University, Fullerton as Landmark Hall for a term of 25 years.

This proposal, submitted by Cal State Fullerton, meets the criteria and other 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 proposed naming recognizes the gifts of Mr. Terry Giles '70 and Landmark Worldwide Corporation, of which Mr. Giles is chairman emeritus, to support the construction of the Center for Leadership building at Cal State Fullerton. The cumulative giving of \$9,100,000 toward this project includes a \$1,000,000 personal pledge by Mr. Giles, an additional \$2,000,000 directly from Landmark Worldwide, and an additional \$6,100,000 from Landmark licensees. The total giving to Cal State Fullerton from Terry and his wife Kalli exceeds \$4,000,000.

The proposed naming recognizes the significant contributions of Mr. Terry Giles '70 and Landmark Worldwide Corporation. Landmark Worldwide is a company headquartered in San Francisco that offers personal-development programs. Landmark Education started in 1991 with the licensing right to use intellectual property owned by Werner Erhard.

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**Recommended Action**

The following resolution is recommended for approval:

**RESOLVED**, by the Board of Trustees of the California State University, that the planned Center for Leadership Building at California State University, Fullerton be named as Landmark Hall for a term of 25 years.

## **COMMITTEE ON INSTITUTIONAL ADVANCEMENT**

### **Naming of the Philip and Christina Bailey College of Science and Mathematics - California Polytechnic State University, San Luis Obispo**

#### **Presentation By**

Steve Relyea  
Executive Vice Chancellor and  
Chief Financial Officer

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

#### **Summary**

This item will consider the naming of the College of Science and Mathematics at California Polytechnic State University, San Luis Obispo as the Philip and Christina Bailey College of Science and Mathematics.

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 Executive Committee.

#### **Background**

The Philip and Christina Bailey College of Science and Mathematics honors and recognizes Drs. Philip and Christina Bailey, longtime, dedicated faculty, critical volunteers and stalwart supporters of students, Cal Poly and the College of Science and Mathematics (CSM).

Dr. Philip “Phil” S. Bailey, Jr. and Dr. Christina “Tina” A. Bailey are and were Cal Poly champions with a deep belief in Learn by Doing—a belief that inspired Bill and Linda Frost’s generosity to Cal Poly. Working closely with Phil through the years, the Frosts envisioned transforming science and mathematics education at Cal Poly by greatly enhancing the resources for undergraduate research.

Phil is currently the director of Frost Endowment, as well as a member of the Cal Poly Foundation Board. He retired in 2017 after 48 years of service to Cal Poly as professor and dean of the College of Science and Mathematics. Phil's vision for the College of Science and Mathematics inspired historic amounts of philanthropic investment, including the largest gift in CSU history received from the Frosts in May 2017. It is the desire of William and Linda Frost that their gift recognizes the legacy of Drs. Philip and Christina Bailey.

Phil has had a significant physical impact on campus with the science buildings that he helped to conceptualize, construct, plan, and then activate through his teaching and mentoring. Without Phil's incredible dedication to these projects—and so many more—the Warren J. Baker Center for Science and Mathematics, Faculty Offices East and the William and Linda Frost Center for Research and Innovation would not have come to fruition nor had the impact on students, faculty, and staff that they continue to have today.

Tina, professor emerita and former chair of the Chemistry and Biochemistry Department, passed away in 2020. Tina was one of only a few women faculty members in science when she began teaching at Cal Poly in the 1970s. Tina received national recognition for her development of the studio classroom model where “lecture” and “laboratory” are integrated in the same space. She received the university's Distinguished Teaching Award and was a beloved teacher and colleague who will be remembered as a pioneer for women in science.

It is impossible to overstate the positive impact Phil and Tina have had on Cal Poly and on the thousands of people they have mentored and inspired, including Bill and Linda Frost, as stalwart role models and advocates for those who have been historically excluded from science.

### **Recommended Action**

The following amended resolution is recommended for approval:

**RESOLVED**, by the Board of Trustees of the California State University, that the College of Science and Mathematics at California Polytechnic State University, San Luis Obispo be named the Philip and Christina Bailey College of Science and Mathematics.

## AGENDA

### COMMITTEE ON EDUCATIONAL POLICY

**Meeting:** 4:05 p.m., Tuesday, May 23, 2023  
Glenn S. Dumke Auditorium

Romey Sabalius, Chair  
Diego Arambula, Vice Chair  
Douglas Faigin  
Jean Picker Firstenberg  
Leslie Gilbert-Lurie  
Maria Linares  
Julia I. Lopez  
Yammilette Rodriguez  
Christopher Steinhauser

**Consent** 1. Approval of Minutes of the Meeting of March 21, 2023, *Action*  
**Discussion** 2. Professional and Continuing Education (PaCE), *Information*



**MINUTES OF MEETING OF  
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 21, 2023**

**Members Present**

Romey Sabalius, Chair  
Diego Arambula, Vice Chair  
Douglas Faigin  
Jean Picker Firstenberg  
Leslie Gilbert-Lurie  
Maria Linares  
Julia I. Lopez  
Yammilette Rodriguez

Wenda Fong, Chair of the Board  
Jolene Koester, Interim Chancellor

Trustee Sabalius called the meeting to order.

**Approval of the Consent Agenda**

A motion to approve the consent agenda without discussion passed. The minutes from the meeting on January 25, 2023 were approved as submitted.

**Academic Planning**

Executive Vice Chancellor Dr. Sylvia A. Alva introduced the proposed resolution to adopt the updated CSU Academic Master Plan (AMP). She explained that the CSU AMP includes projected, suspended, or discontinued degree program updates established through the universities' academic planning processes. Dr. Alva invited Dr. Laura Massa, interim associate vice chancellor for Academic and Faculty Programs, to provide a broad summary of this year's updates to the CSU AMP as well as an update on WASC Senior College and University Commission accreditation visits.

Dr. Massa began by describing the current academic landscape in the State of California and across the CSU. She continued to outline the comprehensive list of each university's academic planning documents that make-up the CSU AMP. The documents include: a Ten-Year Overview of Planned Programs, also referred to as "projected academic degree programs"; the Campus Academic Plan, which documents every academic degree program, and each program's delivery mode, support mode, and whether it is externally accredited; a list of suspended and discontinued degree programs; and a list of externally accredited degree programs.

The proposed updates for board approval included 64 new degree programs; 12 degree programs that were projected, but that have since expired and are removed; 25 existing degree programs that have suspended admissions of new students; and six existing degree programs that have been discontinued. Dr. Massa noted that of the 64 projected academic programs, nearly all are planned for state-support instruction which supports the university's overall enrollment goals. Further, 38 are programs to be offered in online or hybrid modalities, demonstrating a continued responsiveness to students' needs for greater flexibility.

To exemplify program innovation and the strategic academic planning processes, Dr. Massa invited CSU Channel Islands President Richard Yao to highlight the university's Academic Master Plan goals and projected outcomes, and how these efforts align with enrollment and broader university planning. The presentation concluded with a brief overview from Dr. Massa of the four universities that successfully reaffirmed their WASC Senior College and university Commission accreditation this year and a call for board action on the presented resolution authorizing the new program projections.

Following the presentation, trustees made several comments in support of new degree programs and asked about the turnaround time for rolling out a new degree program following board approval. In addition, trustees noted the need to address any barriers to timely completion that can be addressed to reduce the degree approval process. There was also a question for President Yao regarding forecasting and program development at CSU Channel Islands.

The proposed Academic Master Plan resolution passed unanimously. (REP 03-23-03)

### **Transfer Success Pathway Program: Dual Admission to the CSU**

The presentation began with Executive Vice Chancellor of Academic and Student Affairs Dr. Sylvia A. Alva sharing an overview of California's transfer student population and how the CSU collaborates with the California Community Colleges to meet their needs. Dr. Alva invited Dr. April Grommo, assistant vice chancellor for Strategic Enrollment Management, and Dr. Ginger Reyes, systemwide director of Admissions and Outreach, to provide an update on the Associate Degree for Transfer (ADT) program, introduce the new Transfer Success Pathway dual admission program and the launch of the CSU Transfer Planner.

Dr. Reyes described the ADT and the Upper Division Transfer (UDT) transfer pathways, both current academic paths that students can follow from a community college to the CSU. In addition, Dr. Reyes shared important transfer admission data that supports the need to make transfer options accessible to more students.

Dr. Grommo, continued to provide an in-depth summary of the new Transfer Success Pathway program. The program is the CSU's version of dual admission and is intended to expand access to a CSU degree by allowing high school students entering a California community college to subsequently enter into an agreement with a specific CSU with the intent to transfer within three years. To support the features of the new transfer program, Dr. Grommo demonstrated the CSU Transfer Planner, a new tool that will be launched to assist students in navigating the new transfer pathway as well as provide community college counselors with detailed information to help students facilitate their path to graduation.

Following a brief video that captured the voices of current CSU transfer students and their incredible journey to the CSU, Dr. Grommo highlighted some of the upcoming changes to the student transfer landscape in California.

At the conclusion of the presentation, Trustee Diego Arambula and others applauded the new pathway program and common course numbering system as viable interventions in removing administrative barriers and improving access. Trustees suggested addressing the transfer student yield rate and voiced support for using data to address gaps in the college going rate of high school students. They also posed questions regarding financial aid, outreach and recruitment for the new program.

Trustee Sabalius adjourned the Committee on Educational Policy.

## **COMMITTEE ON EDUCATIONAL POLICY**

### **Professional and Continuing Education (PaCE)**

#### **Presentation By**

Sylvia A. Alva  
Executive Vice Chancellor  
Academic and Student Affairs

Jane C. Conoley  
Chair  
The Commission on Professional and Continuing Education

Erika D. Beck  
Vice Chair  
The Commission on Professional and Continuing Education

#### **Summary**

As higher education adapts to support the diverse needs of adult learners, Professional and Continuing Education (PaCE) plays a vital role in increasing pathways and access to the California State University (CSU). It does so by designing programs that “meet students where they are,” providing degrees that align with adult learners seeking alternative pathways through higher education today. Specifically, PaCE offers degree and non-degree programs, certificates, credentials and other professional development opportunities that extend the university’s reach to students who traditionally have been unable to pursue state-supported degree programs.

Leveraging its flexible models of learning, including online programs, PaCE meets the needs of working professionals while addressing the state’s growing workforce demands through innovative partnerships with regional employers. These programs also help the CSU position itself in a growing marketplace of fully online programs for adult learners. In a 2022 report by management consulting firm McKinsey & Company, it is noted that between 2019 and 2020 the four largest online educational providers grew by 11% compared to an overall decline of 3% for all degree programs in the U.S.

As the CSU implements strategic and tactical actions to expand state-supported enrollment access, improve student continuation patterns and increase new student yield, PaCE provides a complementary opportunity to serve other prospective student populations and meet emerging workforce needs. Based on projected market demand, PaCE could grow from its current enrollment of 17,000 students to potentially 100,000 students annually. This growth, however, is dependent on the removal of key administrative and statutory barriers.

## **Background**

In 1971 the Continuing Education Reserve Fund (CERF) Act required each university within the CSU system to create extended education units to meet the emerging needs of a changing workforce featuring academic flexibility and supplementary delivery methods. Between 2010-2014, PaCE awarded approximately 50,000 professional development certificates in areas such as business, information technology, health care and trade and transportation. Today PaCE offers 200 degree programs and more than 150 professional certificates with an enrollment that culminated in more than 17,000 students in 2021. Of those students, nearly 11,000 were served by only eight universities.

The Commission on Professional and Continuing Education is charged by the CSU Board of Trustees to facilitate, promote and self-support programs within the CSU. It focuses on policies, procedures and student success strategies pertaining to PaCE programs and the improvement of access, equity and utilization of the educational resources of the CSU system.

The Commission's leadership is comprised of:

- Two university presidents, appointed by the Chancellor for a three-year term
- Four full-time faculty members, appointed for one-year terms
- Two provosts/vice presidents, appointed for two-year staggered terms
- Three university deans of PaCE, appointed for three-year, non-consecutive staggered terms
- Three members of the Chancellor's Office Staff with subject matter expertise
- Two campus level directors-at-large, appointed for two-year terms
- The assistant vice chancellor and employer partners as ex-officio members of the commission

## **Self-Support Model and Enrollment Implications**

Unlike CSU state-supported degree programs, PaCE does not depend on state general fund appropriations. Instead, PaCE collects student fees for degree programs as well as revenue from contracts with businesses and organizations for customized trainings. These funds meet the cost of maintaining PaCE's operations, and any additional revenue that exceeds the cost of operations are reinvested in program development and other key aspects of student support. PaCE fees are regulated by Executive Order 1102 and Education Code sections 89704 and 89708. Given its self-support model, PaCE enrollment is not considered in overall CSU FTE enrollment goals currently articulated in the Governor's Budget Compact. PaCE offerings cannot supplant existing CSU degree programs; instead, they serve to fill in gaps that are not currently addressed by state-supported offerings.

## **Workforce Aligned**

As an innovation hub, PaCE provides both CSU faculty and industry partners an opportunity to reimagine the role higher education plays in addressing key economic and workforce needs. In fact, PaCE has served as an important “sandbox” for creative program development, allowing the CSU to quickly and strategically respond to both the needs of employers as well as students seeking to advance their education and careers. This is accomplished in part by focusing on accessible, flexible programs designed for adult learners and working professionals and developing strong business and community relationships.

### *Accessible, Flexible Programs*

PaCE programs are designed for broad accessibility, whether for degree completion, graduate professional programs or securing workforce credentials. These programs provide a schedule that does not fit the historical semester calendar of most universities, offering opportunities for students to begin more quickly and more often. This is necessary to respond to the broader market as well, which has moved away from traditional semester-based programs for adult learners and other students who are not likely to be full-time, residential students. Regardless of the format, PaCE degree and credential programs undergo the same comprehensive review process as traditional CSU degree programs. Professional development or customized training contracted with a business or community client do not require a formal academic review process. More than half of CSUs currently offer fully online degree completion programs in areas such as business, nursing, computer science, leadership studies and social sciences.

San José State University’s SJSU Online, for example, enrolls 13 percent of all the Master in Library and Information Science (MLIS) students in the U.S. annually. The MLIS program features courses, internships, academic advising, faculty office hours, guest speaker presentations and research assistant opportunities delivered exclusively online. Students interact with peers and faculty through web conferencing, social networking platforms, a web-based learning management system and other interactive environments. Most course content is asynchronous, providing students the freedom to access the course at any time they choose, from any location. This program continues to adapt to meet the unique needs of its students, including transitioning to a rolling admission cycle every eight to 10 weeks to create multiple opportunities for working professionals to pursue their education.

### *Programmatic Innovation*

PaCE units are also known for their programmatic innovation, such as San Francisco State University's College of Professional & Global Education (CPaGE). Formerly the College of Extended Learning, CPaGE supports degree-seeking San Francisco State students, working professionals, students who have completed their formal education and students wanting to take a program that is not offered as a degree. The college offers academic units, continuing education units, online classes and non-credit courses. Some programs are also available for students who

want to complete bachelor's degrees, including earning general education credit for the Golden Four courses (A1, A2, A3, B4) fully online. This program provides adult learners who seek to move ahead in a field that requires a bachelor's degree, including criminal justice, cybersecurity, life sciences and the fire service, the flexibility they need to advance professionally.

Developed in consultation with subject matter experts both on- and off-campus, PaCE also innovates offerings to align with changes in the market. One area of emerging popularity and growth is the development of workforce credentials that range from stackable certificates and micro-credentials to digital badges. These offerings are timely and align with specific skills needed by employers. They are also an example of how PaCE's self-supported model allows it to be highly responsive to market demand. For example, PaCE units at Cal State Long Beach, Cal State LA and Cal State Fullerton have joined together to meet the growing need for qualified biomanufacturing technicians in Southern California. They have partnered with the BioCom California Institute to develop the California State University Biomanufacturing Technician (BMT) program. The BMT program prepares students for entry-level positions in the fields of biomanufacturing, biotechnology and biopharmaceuticals. Upon completion of the program, students are awarded exclusive digital badges highlighting their accomplishments on their resume, portfolio, LinkedIn page and other online platforms.

#### *Strong Regional Workforce Partnerships*

In order to remain relevant and forward-leaning in its offerings, PaCE maintains strong workforce partnerships with both public and private sector employers. They turn to PaCE when organizations have reduction in force, when employees need customized upskilling or when regions need educational solutions to workforce shortages. An example of such partnerships is the Fire and Emergency Services Higher Education (FESHE) Consortium which PaCE co-leads and that includes the Office of the State Fire Marshal (OSFM), the California Department of Forest and Fire Protection (Cal Fire) and the State Fire Training division. The consortium helps to address California's need for a training and education to meet its increasing fire and emergency service challenges.

The purpose of the consortium is to collaborate systemwide to provide: a comprehensive training and education program for prospective entry-level career candidates; continuing education for mid-career professionals; traditional track undergraduate and graduate education; and research supporting risk reduction/mitigation, preparedness, response and recovery efforts. Cal Poly Humboldt's College of Extended Education's bachelor's degree in Interdisciplinary Studies, with a concentration in Leadership Studies, has created additional pathways and opportunities for entry-level and mid-career professionals within Fire and Emergencies Services to engage in career-relevant coursework. As courses are held fully online, it provides the flexibility needed for working professionals.

PaCE can also be a key community partner. In response to the COVID-19 pandemic, PaCE created COVID-19 Courses for Causes—a statewide program to offer select free courses to support first responders, healthcare workers, working adults and community members. CSUs identified select courses they would offer for free for a specified time. In total, 13 universities participated in fall 2020 with more than 7,000 course sections offered, more than 2,000 enrollments and nearly 200 certificates awarded. PaCE also serves youth, traditional and non-traditional students, those seeking ongoing professional development and upskilling, and retirees and encore career seekers.

### **A Challenging Workforce Landscape**

Governor Gavin Newsom has set the goal that at least 70% of all Californians will hold a bachelor's degree or certificate by the year 2030. To effectively meet that objective, California would need 1.5 million more adults with advanced education credentials. Yet currently the nation is experiencing historic labor shortages. Prior to the pandemic, the U.S. faced a forecasted talent deficit of six million people by the end of the decade. Following the pandemic, that deficit trend has accelerated—resulting in a record 11 million job openings nationwide. It is also estimated that more than five million workers remain unemployed due to a mismatch of skills. What's more, an estimated 39 million adults nationwide who had enrolled in college but left before completing their degree. And California tops the nation with nearly 6.4 million adults who began college but left without a degree.

### **Removing Barriers to Growth**

As the landscape of the traditional four-year degree model changes, PaCE is well positioned to help the CSU expand its reach by providing additional offerings for the adult learner. Currently the system, through both state-supported and self-support instruction, educates nearly 500,000 students per year, graduating more than 100,000 on an annual basis. PaCE has the potential to add an additional 100,000 students through its self-supported model. As a result, a more fully integrated PaCE in the CSU's strategic enrollment efforts could ensure that it is well positioned to serve as a leading force in economic and workforce development regionally and statewide. While PaCE enrollment does not contribute toward meeting state-support enrollment targets set in the state's annual budget, it does provide a complementary opportunity to meet unique educational and workforce needs in California and beyond. What's more, inclusion of PaCE enrollment in the CSU's Graduation Initiative 2025 goals could help better illustrate how the system is supporting students in completing their degrees.

Another opportunity is to remove restrictive administrative and statutory barriers that have impeded PaCE's growth historically. Potential incorporation into the CSU's legislative agenda could address reviewing and making recommendations to amend legal restrictions which limit PaCE's ability to support out-of-state students due to current National Council for State Authorization Reciprocity Agreements (NC-SARA). California is the only state that is not a member of NC-SARA, resulting in additional costs and administrative steps for each university seeking to help Californians who moved out-of-state complete their CSU degree program.



Additional barriers that could be addressed either through statutory or institutional policy changes include concerns regarding supplanting, financial flexibility in the use of PaCE revenue, human resource capacity and student enrollment restrictions. For example, the CSU could address Educational Code §89704 in order to create more options for the use of self-support funds to meet the system's missions. The CSU could also review and reconsider practices governed by CCR §40202 and CSU Executive Order 1099 to allow more nimble and responsive approaches to addressing students' diverse educational needs. Other possible areas to explore is enacting regulations through a Title 5 amendment that would permit universities to provide program-specific pricing for partner organizations and student groups (e.g., active-duty military students) at discounted rates (e.g., without having to provide scholarships to cover those cost differences).

### **Conclusion**

Higher education has evolved toward more flexible models of learning, leveraging technologies and new pedagogical practices to attract and retain students not served by more traditional enrollment approaches. As noted in the McKinsey & Company's 2022 report on online education, "...new offerings are blurring the lines between degree and nondegree learning, creating a new category of educational competitors." As the CSU invests in increasing state-funded enrollment opportunities, PaCE offers the potential for the CSU to respond to market changes and needs and scale offerings tailored to the uniqueness of each of the 23 universities. In order to achieve this bold goal and further its impact, the CSU's PaCE community invites deeper engagement on and support in addressing barriers limiting growth and innovation in this important educational space.

## AGENDA

### COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

**Meeting:** 8:30 a.m., Wednesday, May 24, 2023  
Glenn S. Dumke Auditorium

Jack Clarke, Jr., Chair  
Douglas Faigin, Vice Chair  
Larry L. Adamson  
Jean Picker Firstenberg  
Maria Linares  
Jack McGrory  
Anna Ortiz-Morfit

**Consent**

1. Approval of Minutes of the Meeting of March 22, 2023, *Action*

**Discussion**

2. Approval of Recommended Revision of Title 5 California Code of Regulations, Article 2.2, Management Personnel Plan, Section 42723 Employment Status, *Action*
3. Executive Compensation: President – California State University, Chico, *Action*
4. Executive Compensation: President – California State University, Sacramento, *Action*
5. Executive Compensation: Interim Presidents, *Action*
6. Report on CSU Systemwide Title IX and DHR Assessment by Cozen O’Connor, *Information*

**MINUTES OF THE MEETING OF  
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 22, 2023**

**Members Present**

Jack Clarke, Jr., Chair  
Douglas Faigin, Vice Chair  
Larry L. Adamson  
Jean Picker Firstenberg  
Maria Linares  
Jack McGrory  
Anna Ortiz-Morfit

Wenda Fong, Chair of the Board  
Jolene Koester, Interim Chancellor

**Public Comment**

All public comments took place at the beginning of the meeting's open session, prior to all committees.

Trustee Jack Clarke called the meeting to order.

**Approval of the Consent Agenda**

A motion to approve the consent agenda without discussion passed. The minutes from the meeting on January 25, 2023 were approved as submitted.

Before proceeding to the discussion agenda, Trustee Clarke noted that due to the Board of Trustees' extending the timeline for the Cal State LA presidential search, item 5 was removed from the committee's agenda.

## **Report on Mercer's CSU Faculty Compensation Study**

The presentation began with Vice Chancellor Leora Freedman speaking to CSU's commitment in late 2021 to undertake a compensation study for all faculty ranks and disciplines, including lecturers, coaches, counselors, and librarians. A work group was identified to develop the scope of work and to provide direction to Mercer; the firm retained to conduct the study. The work group included Trustees Jean Firstenberg, Romey Sabalius, Maria Linares; and Executive Vice Chancellor Sylvia Alva; Jason Conwell from CFA; Steven Filling, CSU Stanislaus faculty; and from systemwide human resources – Beth Ryan, Lety Hernandez, Karin Jenkins, Gene Howard, and Carl Fischer. Serving as project lead was Al Liddicoat, vice president for university personnel at Cal Poly San Luis Obispo. Vice Chancellor Freedman commended the work group for their hard work throughout the project and acknowledged the support received from presidents and university leaders as well. The Mercer team was introduced, and the presentation was turned over to Lyn Harper, senior principal at Mercer.

Note: The trustees were provided a separate handout of Mercer's detailed PowerPoint presentation.

The Mercer team provided an overview of the project and a report on their findings. The market study included approximately 29,000 CSU faculty members. Overall, the project involved reviewing data and policies related to CSU faculty; gathering opinions and viewpoints from various stakeholders; identifying comparison markets; organizing CSU instructional faculty into disciplines to reflect the market; collecting market data to benchmark and analyzing pay gaps.

Virtual listening sessions with faculty members and administrators (over 2,000 people in seven sessions) centered around hearing from participants on base pay, benefits, career and pay advancement, pay practices and administration. Between 70-80% of participants reported that they are dissatisfied with their base pay; only 5% indicated they are paid fairly. Depending on the group, 60-80% are satisfied with CSU benefits overall. Tenure-track faculty participants favored funding for a merit pool and annual service salary increases. A key takeaway was that consideration be given to cost of living when determining pay.

Detailed information was presented on the survey methodology. The study reflects that overall, CSU tenure-track faculty compensation is aligned to the market median; however, this does not mean that every faculty member is paid at the median. CSU salaries are above market for lower paid disciplines; the higher the market data for a particular discipline, the less competitive are CSU salaries. Campuses in high cost markets (San Francisco, East Bay and San Jose) are shown to be the least competitive.

With respect to pay differences, Ms. Harper noted that the study reflects that for CSU Faculty overall, the pay differences for gender and race/ethnicity were a fraction of one percent. Given these results, Mercer did not find any material pay differences among faculty overall to be attributable to protected classifications.

The study also included a review of faculty core (and voluntary) benefits. CSU benefits were perceived as valuable – total benefits were second highest in the market.

The presentation concluded with Mercer's recommendations: 1) align pay based on both discipline and location – this aligns with market practices; 2) allocate a separate budget for merit – 100% of faculty participants wanted a differentiation for merit; 3) have clear and consistent guidelines for the initial placement of pay, for pay advancement and promotional awards – it was important for faculty to have a mechanism to advance in their pay range to recognize their experience and contribution; and 4) recognize that the market will continue to grow – keep up with market movement or wage stagnation already seen will continue. Other areas noted were systemwide data enhancements, dashboards, and regular training on classification, performance, and the administration of pay.

Following the presentation, there was a discussion related to the pay equity results (shown in slide #26) regarding the overall count number when comparing male to female for tenure-track and male to female for lecturers. Mercer estimated that for tenure-track faculty, it was 50/50 male to female; and for lecturers, slightly more female employees. There was further discussion on the pay equity analysis and pay differentials between gender and ethnicity, benchmark methodologies, as well as competing for a diverse faculty (and limits imposed by Proposition 209). Trustees also discussed compression (or wage stagnation), particularly at the full professor rank.

Several important themes were pointed out by Chancellor Koester: 1) the current salary structure for faculty is the result of years of bargaining between the CSU and the California Faculty Association and the result of available resources; 2) the study presents aggregate data that at times is not aligned with an individual faculty member's compensation; 3) next steps – to join with CFA and look at understanding what the data means, from CFA's perspective and from management's perspective.

State Superintendent of Public Instruction Tony Thurmond spoke to the point raised by trustees about pay and the high cost of living in California. He noted that when negotiating with the legislature for funding, the university can look at programs that historically were made to support affordable housing for educators (although these programs are not currently funded).

Chair Fong thanked Mercer for the comprehensive report, as well as the workgroup and Vice Chancellor Freedman for leading the study. She suggested a deep dive and clarification of data as discussed and closed by thanking the Board for their questions and concerns. Trustee Clarke thanked the California Faculty Association for their collaboration during the project.

### **Approval of Recommended Revision of Title 5, California Code of Regulations, Article 4.1, Holidays**

Vice Chancellor of Human Resources, Leora D. Freedman, recommended for action a revision to Section 42920 of Article 4.1 of Title 5 which addresses holidays. The revision updates Title 5 to include June 19 as an officially recognized paid CSU holiday.

Vice Chancellor Freedman explained that June 19, also known as Juneteenth, honors the day that Union General Gordon Granger led troops into Galveston, Texas in 1865 to announce the end of the Civil War and proclaim freedom for slaves in Texas. Assembly Bill 1655, chaptered on September 29, 2022, officially added Juneteenth to the list of state holidays. Section 42920 of Title 5 is being amended so that June 19 may be observed by the CSU as a paid holiday.

Trustee Clarke announced that because this item involved amending Title 5 of the California Code of Regulations, the proceedings were deemed a public hearing under the provisions of the California Education Code. During the 45-day notice period no written comments were received. Additionally, any comments related to this action item received during the public comment period at the beginning of the board meeting would be incorporated as part of the official record. (Note: There was no public comment related to this item.) Trustee Clarke concluded that the public hearing was closed. A motion to approve the recommended action was passed (RUF 03-23-05).

### **Recommended Revision of Title 5, California Code of Regulations, Article 2.2, Management Personnel Plan, Section 42723 Employment Status**

Vice Chancellor of Human Resources, Leora D. Freedman, proposed two non-substantive revisions to Section 42723 of Article 2.2 of Title 5 which addresses Management Personnel Plan (MPP) employees, also known as “at-will” employees.

The first proposed amendment would update language to align with current employment vernacular by stating that MPP employees serve “at the will of” rather than “at the pleasure of” the campus President or the Chancellor. The second proposed amendment would remove unnecessary language concerning layoff in subsection (e), which applies to MPP employees hired on or after January 1, 1984. She explained that those employees serve “at will” and are not eligible for layoff. Instead, they may be terminated with three months’ notice (or equivalent pay in lieu of notice).

Vice Chancellor Freedman noted that as a proposed revision to Title 5, this information will be noticed for public hearing and presented for action at the May 2023 Board of Trustees’ meeting.

Trustee Clarke adjourned the meeting of the Committee on University and Faculty Personnel.

**COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL**

**Approval of Recommended Revision of Title 5, California Code of Regulations, Article 2.2, Management Personnel Plan, Section 42723 Employment Status**

**Presentation By**

Leora D. Freedman  
Vice Chancellor  
Human Resources

**Summary**

It is proposed that Article 2.2 of Title 5, which addresses the Management Personnel Plan, be revised to update Section 42723 in two non-substantive respects.

The first proposed amendment updates language to conform with current employment vernacular by stating that MPP employees serve at the will of the campus President or the Chancellor.

The second proposed amendment removes unnecessary language concerning layoff in subsection (e), which applies to MPP employees hired on or after January 1, 1984. Those employees serve “at will” and are not eligible for layoff. Instead, they may be terminated with three months’ notice (or equivalent pay in lieu of notice.)

**Recommended Action**

Adoption of Resolution

**Proposed Revision**

The following resolution is recommended for adoption:

**RESOLVED**, by the Board of Trustees of the California State University, acting under the authority prescribed herein and pursuant to Section 89030.1 of the Education Code, that the board hereby amends its regulations in Section 42723, Article 2.2, Subchapter 7, Chapter 1, Division 5 of Title 5 of the California Code of Regulations as follows:

**Title 5, California Code of Regulations**  
**Division 5 – Board of Trustees of the California State Universities**  
**Chapter 1 – California State University**  
**Subchapter 7 – Employees**  
**Article 2.2 – Management Personnel Plan**

**§ 42723. Employment Status.**

(a) A Management Personnel Plan employee serves at the ~~pleasure~~will of the campus President or the Chancellor, as appropriate. A Management Personnel Plan employee shall not serve a probationary period and shall not receive permanent status.

(b) Athletic personnel who are appointed to positions in the Management Personnel Plan may be given appointments for a definite term. Any such appointment must be in writing and contain the initial date of appointment, the date on which the appointment expires, and a statement that the appointment may be terminated by the appointing authority at any time on terms set forth in the appointment document.

(c) A Management Personnel Plan employee who had permanent status in a class prior to January 1, 1984 shall retain permanent status in the class despite inclusion as a Management Personnel Plan employee. A Management Personnel Plan employee who prior to January 1, 1984 was serving a probationary period may be awarded permanent status by the appointing power upon the successful conclusion of the probationary period. Upon acquisition of permanent status such an employee shall retain permanent status in the same manner as an employee who has permanent status prior to January 1, 1984.

(d) A Management Personnel Plan employee who retains permanent status under subdivision (c) and who is placed in or promoted to a position under the Management Personnel Plan shall retain retreat rights as described in this subdivision (d) to the former class in which permanent status is held. Should the appointing power terminate the Management Personnel Plan employee's service in a Management Personnel Plan position, the employee shall have the right to return to the former class in which permanent status is held at the salary last received in the permanent class.

(e) ~~Except in the case of layoff, t~~ With respect to employees who were hired on or after January 1, 1984, the President or Chancellor, as appropriate, shall give a Management Personnel Plan employee, with the exception of athletic personnel appointed to definite terms under (b) above, notice of termination at least three months prior to the employee's separation date or shall give a Management Personnel Plan employee, with the exception of athletic personnel appointed to definite terms under (b) above, corresponding salary in lieu of notice.

Note: Authority cited: Sections 89030 and 89500, Education Code. Reference: Section 89500, Education Code.



And be it further

**RESOLVED**, That the Board of Trustees has determined that the adoption of the proposed amendment will not impose a cost or savings on any state agency; will not impose a cost or savings on any local agency or school district that is required to be reimbursed under Section 17561 of the Government Code; will not result in any nondiscretionary cost or savings to local agencies; will not result in any cost or savings in federal funding to the state; and will not impose a mandate on local agencies or school districts.

And be it further

**RESOLVED**, That the Board of Trustees delegates to the Chancellor of the California State University authority to further adopt, amend, or repeal this revision pursuant to the Administrative Procedure Act if further adoption, amendment, or repeal is required and is nonsubstantial or solely grammatical in nature, or sufficiently related to the original text that the public was adequately placed on notice that the change could result from the originally proposed regulatory action.

**COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL**

**Executive Compensation: President – California State University, Chico**

**Presentation By**

Jolene Koester  
Interim Chancellor

**Summary**

This action item establishes the compensation for Dr. Stephen J. Perez as president of California State University, Chico.

**Executive Compensation**

This item recommends that Dr. Stephen J. Perez receive an annual salary of \$454,757 effective July 1, 2023, the date of his appointment as president of California State University, Chico. Additionally, Dr. Perez will receive an annual housing allowance of \$50,000.

In accordance with existing policy of the California State University, Dr. Stephen J. Perez will receive the following benefits:

- An auto allowance of \$1,000 per month;
- Standard benefit provisions afforded CSU Executive classification employees;
- Reimbursement for reasonable actual and necessary travel and relocation expenses in accordance with university policy.

Subject to faculty consultation and approval in accordance with systemwide and university policy, Dr. Stephen J. Perez will hold an appointment with the academic rank of full professor with tenure at Chico State.

**Recommended Action**

The following resolution is recommended for adoption:

**RESOLVED**, by the Board of Trustees of the California State University, that Dr. Stephen J. Perez shall receive a salary set at the annual rate of \$454,757 effective July 1, 2023, the date of his appointment as president of California State University, Chico; and be it further

**AMENDED**

U&FP

Agenda Item 3

May 21-24, 2023

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**RESOLVED**, that Dr. Stephen J. Perez shall receive an annual housing allowance of \$50,000; and be it further

**RESOLVED**, that Dr. Stephen J. Perez shall receive additional benefits as cited in Agenda Item 3 of the Committee on University and Faculty Personnel at the May 21-24, 2023 meeting of the Board of Trustees.

**COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL**

**Executive Compensation: President – California State University, Sacramento**

**Presentation By**

Jolene Koester  
Interim Chancellor

**Summary**

This action item establishes the compensation for Dr. J. Luke Wood as president of California State University, Sacramento.

**Executive Compensation**

This item recommends that Dr. J. Luke Wood receive an annual salary of \$476,225 effective July 16, 2023, the date of his appointment as president of California State University, Sacramento. Additionally, Dr. Wood will receive an annual housing allowance of \$60,000.

In accordance with existing policy of the California State University, Dr. J. Luke Wood will receive the following benefits:

- An auto allowance of \$1,000 per month;
- Standard benefit provisions afforded CSU Executive classification employees;
- Reimbursement for reasonable actual and necessary travel and relocation expenses in accordance with university policy.

Subject to faculty consultation and approval in accordance with systemwide and university policy, Dr. J. Luke Wood will hold an appointment with the academic rank of full professor with tenure at Sacramento State.

**Recommended Action**

The following resolution is recommended for adoption:

**RESOLVED**, by the Board of Trustees of the California State University, that Dr. J. Luke Wood shall receive a salary set at the annual rate of \$476,225 effective July 16, 2023 the date of his appointment as president of California State University, Sacramento; and be it further

**AMENDED**

U&FP

Agenda Item 4

May 21-24, 2023

Page 2 of 2

**RESOLVED**, that Dr. J. Luke Wood shall receive an annual housing allowance of \$60,000; and be it further

**RESOLVED**, that Dr. J. Luke Wood shall receive additional benefits as cited in Agenda Item 4 of the Committee on University and Faculty Personnel at the May 21-24, 2023 meeting of the Board of Trustees.

## **COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL**

### **Executive Compensation: Interim Presidents**

#### **Presentation By**

Jolene Koester  
Interim Chancellor

#### **Summary**

This action item establishes the compensation for the following interim presidents:

- Dr. Leroy M. Morishita, interim president of California State University, Los Angeles;
- Vice Admiral Michael J. Dumont, interim president of California State University Maritime Academy;
- Dr. Sylvia A. Alva, interim president of California State University, Fullerton; and
- Dr. Susan E. Borrego, interim president of California State University, Stanislaus.

#### **Executive Compensation**

Trustee approval of the proposed compensation for the four (4) newly appointed interim presidents is recommended as presented below.

*Dr. Leroy M. Morishita, interim president, Cal State LA*

This item recommends that Dr. Leroy M. Morishita receive a salary set at the annual rate of \$496,213 effective July 31, 2023, the date of appointment as interim president of California State University, Los Angeles. Dr. Morishita is a rehired annuitant of the California State University, and pursuant to CalPERS regulations, he is restricted to working 960 hours in a fiscal year. This temporary appointment is expected to last through January 12, 2024. As a CalPERS retiree, Dr. Morishita is not eligible for standard employee benefit programs and additional compensation beyond his presidential salary.

*Vice Admiral Michael J. Dumont, interim president, Cal Maritime*

This item recommends that Vice Admiral Michael J. Dumont receive an annual salary of \$370,241 effective July 7, 2023, the date of appointment as interim president of California State University Maritime Academy. Vice Admiral Dumont will be required to live in the university's presidential residence located in Vallejo, California, as a condition of employment as interim president.

*Dr. Sylvia A. Alva, interim president, Cal State Fullerton*

This item recommends that Dr. Sylvia A. Alva receive an annual salary of \$476,223 effective August 1, 2023, the date of appointment as interim president of California State University, Fullerton. Dr. Alva will be required to reside in the university's presidential residence located in Fullerton, California, as a condition of employment as interim president. Subject to systemwide and university policy, Dr. Alva remains eligible to participate in the Transition II Program, and she retains the option to retreat to a tenured faculty position at California State Polytechnic University, Pomona.

*Dr. Susan E. Borrego, interim president, Stanislaus State*

This item recommends that Dr. Susan E. Borrego receive an annual salary of \$370,319 effective August 2, 2023, the date of appointment as interim president of California State University, Stanislaus. Dr. Borrego will receive a monthly housing allowance of \$4,166.67 (\$50,000 annually) while serving as interim president.

In accordance with existing policy of the California State University, Interim Presidents Michael Dumont, Sylvia Alva, and Susan Borrego will receive the following benefits:

- An auto allowance of \$1,000 per month;
- Standard benefit provisions afforded CSU Executive classification employees;
- Reimbursement for reasonable actual and necessary travel and relocation expenses in accordance with university policy.

### **Recommended Action**

The following resolution is recommended for adoption:

**RESOLVED**, by the Board of Trustees of the California State University, that the compensation for Interim Presidents Leroy Morishita, Michael Dumont, Sylvia Alva, and Susan Borrego are approved as cited herein; and be it further

**RESOLVED**, that Interim Presidents Michael Dumont, Sylvia Alva, and Susan Borrego shall receive additional benefits as cited in Agenda Item 5 of the Committee on University and Faculty Personnel at the May 21-24, 2023 meeting of the Board of Trustees.

**COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL**

**Report on CSU Systemwide Title IX and DHR Assessment by Cozen O'Connor**

**Presentation By**

Leora D. Freedman  
Vice Chancellor  
Human Resources

Institutional Response Group, Cozen O'Connor  
Gina Maisto Smith, Chair  
Leslie M. Gomez, Vice Chair

**Summary**

The Board of Trustees will be presented with the findings and recommendations of Cozen O'Connor's Systemwide Title IX and DHR Assessment.

**Background**

In March 2022, the California State University's Board of Trustees engaged Cozen O'Connor to conduct a systemwide assessment of the university's implementation of its Title IX and Discrimination, Harassment and Retaliation (DHR) programs. The goal of the assessment is to strengthen CSU institutional culture by assessing current practices and providing insights, recommendations, and resources to advance CSU's Title IX, and other antidiscrimination and civil rights training, awareness, prevention, intervention, compliance, and support systems.

Cozen O'Connor will present an overview of findings and proposed recommendations to the Board of Trustees. A written report will be publicly released soon after the board meeting.



## AGENDA

### COMMITTEE ON FINANCE

**Meeting:** 10:15 a.m., Wednesday, May 24, 2023  
Glenn S. Dumke Auditorium

Jack McGrory, Chair  
Julia I. Lopez, Vice Chair  
Larry L. Adamson  
Diana Aguilar-Cruz  
Leslie Gilbert-Lurie  
Lillian Kimbell  
Anna Ortiz-Morfit  
Romey Sabalius  
Christopher Steinhauser

- Consent**
1. Approval of Minutes of the Meeting of March 22, 2023, *Action*
  2. Approval to Issue Trustees of the California State University, Systemwide Revenue Bonds and Related Debt Instruments for a Capital Project at California State Polytechnic University, Humboldt, *Action*
  3. California State University Quarterly Investment Report, *Information*
- Discussion**
4. 2023-2024 Operating Budget Update, *Information*
  5. Sustainable Financial Model Workgroup, *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 22, 2023**

**Members Present**

Jack McGrory, Chair  
Julia I. Lopez, Vice Chair  
Larry L. Adamson  
Diana Aguilar-Cruz  
Leslie Gilbert-Lurie  
Lillian Kimbell  
Anna Ortiz-Morfit  
Romey Sabalius  
Christopher Steinhauser

Wenda Fong, Chair of the Board  
Jolene Koester, Interim 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.

**Approval of the Consent Agenda**

The minutes of the January 25, 2023 meeting of the Committee on Finance were approved as submitted. Items on the consent agenda were approved.

- Annual Debt Report, Information
- Quarterly Investment Report, Information
- California State University Master Investment Policy Revisions, Action
- Approval to Issue Trustees of the California State University, Systemwide Revenue Bonds and Related Debt Instruments for a Project at San Francisco State University, Action

### **University Cost Reduction Initiatives**

This information item provided an update on cost saving initiatives that have occurred since the March 2019 presentation (formally named Operational Effectiveness Initiatives) to the California State University Board of Trustees.

The California State University (CSU) strategically and routinely evaluates and improves university operations to support the academic mission and deliver quality education to students. The CSU's commitment to good stewardship requires the 23 universities and system office to continuously look for opportunities that optimize operations. Additionally, the CSU does not receive funding for inflationary cost increases, including the growing cost of compliance. Therefore, the 23 universities and system office must reduce costs to balance the budget. Current initiatives to reduce costs and enhance effectiveness include exploring and implementing strategic procurement, simplifying, and streamlining administrative processes, and consolidating services to lower costs and enhance services.

Interim Chancellor Koester shared that the Presidents have identified further exploring shared services as a high priority for the CSU.

Trustee Steinhauser requested to see a breakdown of savings segmented by university and chancellor's office.

### **Sustainable Financial Model Workgroup**

This information item provided an update on the progress of the Workgroup in projecting costs and considering strategies to increase revenues to achieve long-term financial sustainability. The Workgroup was charged to recommend a multi-year strategy to achieve stable and predictable revenues to support the California State University (CSU) mission, maintain affordability for its students, and recognize the differing needs of its 23 universities. The Workgroup determined that a strategy for long-term financial sustainability must consider revenues in the context of projected future costs so that strategies for raising revenues can be realistic in terms of overall budgetary needs.

Trustee Lopez shared that the workgroup was very conservative when building the cost model that is reflective of the CSU today.

Trustee Cruz expressed concern about raising tuition.

Lieutenant Governor Eleni Kounalakis suggested that the workgroup perform an analysis on the effect that tuition increase will have on enrollment. Trustee Lopez addressed this comment and shared that the workgroup performed many scenarios when building the cost model.

Trustee Arambula suggested that the CSU needs to identify what the CSU revenue philosophy is.

Trustee Rodriguez requested additional insight into financial aid that gets left on the table.

Trustee Lopez ended the discussion by acknowledging that students are front and center in terms of the work and she will be meeting with them on April 1, 2023 to discuss any concerns they may have.

Workgroup recommendations will be presented at the May board meeting as an information item.

Trustee McGrory adjourned the meeting of the Committee on Finance.

## **COMMITTEE ON FINANCE**

### **Approval to Issue Trustees of the California State University, Systemwide Revenue Bonds and Related Debt Instruments for a Capital Project at California State Polytechnic University, Humboldt**

#### **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's commercial paper (CP) program, in an aggregate amount not-to-exceed \$79,315,000 to provide financing for a campus project:

#### **California State Polytechnic University, Humboldt Student Housing Project**

#### **Background**

The SRB program provides capital financing for projects of the CSU – student housing, parking, student union, health center, 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 State Polytechnic University, Humboldt Student Housing Project**

The California State Polytechnic University, Humboldt Student Housing Project (the “Project”) was presented to the Board of Trustees Committee on Campus Planning, Buildings and Grounds for schematic approval during the January 2023 meeting. The proposed Project will be located approximately one mile north of the main campus and immediately west of Highway 101. The site is the former Craftsman’s Mall, which provided leasable workspace and storage for the local community and businesses, and an adjacent parcel, bounded by St. Louis Road to the north and west of the site and Eye Street to the south. To the south and west are single-family neighborhoods. The project site will be developed following acquisition of the site by the campus from the Cal Poly Humboldt Foundation.

The Project will consist of the site acquisition and construction of a 303,000 gross square foot student housing complex of two buildings, with a seven-story building on the east side of the site and a six-story building on the west, organized along a central promenade and providing a total of 964 apartment-style beds. Shared community spaces include study rooms, student lounge and multipurpose rooms, fitness space, cafe/retail space, indoor bicycle parking, and residential laundry. The Project includes administrative offices and apartments for housing staff. Exterior site features include green space, recreational facilities, and an outdoor barbecue area. The Project will also include 340 surface parking spaces and covered bicycle parking.

The not-to-exceed principal amount of the proposed bonds is \$79,315,000, based on a total project budget of \$221,698,000 with \$124,691,000 funded by 2021-2022 State appropriation for the polytechnic transition and grant funding of \$27,107,000 awarded from the State’s Higher Education Student Housing Grant Program in the current fiscal year. Additional net financing costs, such as capitalized interest and cost of issuance (estimated at \$9,415,000), will be funded from bond proceeds. The Project site preparation started in April 2023 and the vertical construction of the facilities is scheduled to start in August 2023 with completion expected in July 2025 for the east tower and December 2025 for the west tower.

The following table summarizes key information about this financing transaction.

Not-to-exceed principal amount	\$79,315,000
Amortization	Approximately level debt service over 30 years
Projected maximum annual debt service	\$5,559,992
Projected debt service coverage including the Project:	
Net revenue – Humboldt pledged revenue programs: <sup>1</sup>	1.34
Net revenue – Projected campus housing program:	1.19

1. Combines 2026-27 projected information for campus pledged revenue programs with 2026-27 projections 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 5.90 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 net revenue debt service coverage of 1.19 in fiscal year 2026-27, the first full year of operations, which is better than the CSU benchmark of 1.10 for the program. When combining the Project with information for all campus pledged revenue programs, the campus' overall net revenue debt service coverage for the first full year of operations is projected to be 1.34, which is slightly below the CSU benchmark of 1.35 for a campus, however the campus projects that its overall net revenue debt service coverage for the campus will exceed the CSU benchmark in the following fiscal year and continue improving thereafter.

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 amount not-to-exceed \$79,315,000 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 21-24, 2023, meeting of the CSU Board of Trustees is recommended for:

**California State Polytechnic University, Humboldt Student Housing Project**

## **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 that ended December 31, 2022. The information in Attachment A provides the entire quarterly investment report regarding CSU investments as required by Education Code § 89726.

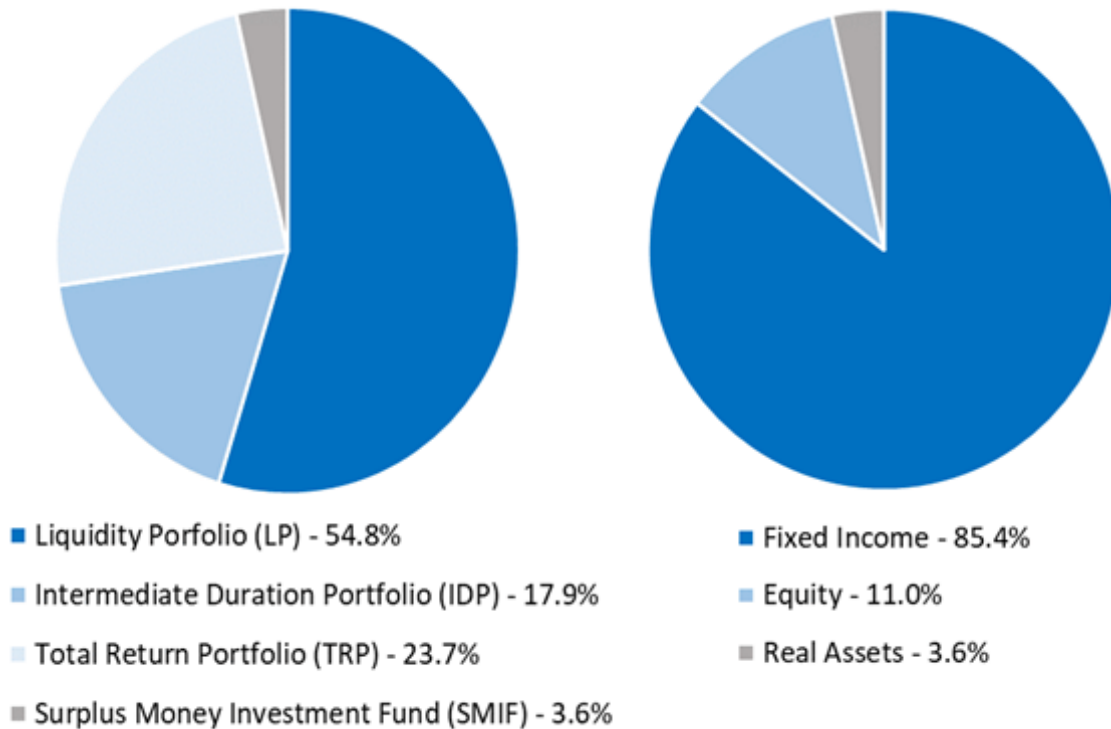
#### **Background**

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, 2022 consisted of investments in the Liquidity Portfolio, 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 \$1.27 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, 2022**

	<b>Balance</b>	<b>% of CSU Investments</b>	<b>Twelve Month Returns</b>
Liquidity Portfolio (LP)	\$3.765 billion	54.8%	-1.51%
Intermediate Duration Portfolio (IDP)	\$1.230 billion	17.9%	-9.71%
Total Return Portfolio (TRP)	\$1.629 billion	23.7%	-15.54%
Surplus Money Investment Fund (SMIF)	\$0.245 billion	3.6%	1.01%
<b>CSU Investments</b>	<b>\$6.87 billion</b>	<b>100%</b>	



**CSU Investment Portfolios**

For detailed information on the investment performance and characteristics of the CSU investment portfolios please see Attachment A.

### **CSU Liquidity Portfolio**

The purpose of the Liquidity Portfolio is to provide sufficient and immediate liquidity to meet the operating needs of the CSU. The investment objective is safety of principal and liquidity.

The Liquidity Portfolio 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 Liquidity Portfolio, 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 Liquidity Portfolio investment policy. Consistent with state law, the Liquidity Portfolio is restricted to high quality, fixed income securities.

### **CSU Intermediate Duration Portfolio (IDP)**

As reported to the Board of Trustees at its March 2022 meeting, the Intermediate Duration Portfolio launched on October 1, 2021, with an initial investment of \$675 million. 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)**

Legislation effective January 1, 2017, expanded the CSU investment authority to allow investment in mutual funds (including equity mutual funds) and real estate investment trusts. The Total Return Portfolio was created to take advantage of the new investment authority.

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.

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	

The IAC has adopted an investment schedule for the TRP that utilizes a dollar-cost averaging approach and provides regular monthly contributions to the TRP. An initial investment of \$33.5 million into the TRP was made on April 1, 2018, and additional investments allowed the TRP to reach the fiscal year 2018-2019 statutory limit of \$600 million in the first half of 2019. After June 30, 2019, a new investment schedule was adopted by the IAC and staff, with the goal of funding the TRP to as much as 30 percent of CSU investments by mid-2020. However, in April of 2020, the IAC approved a reduced investment schedule in the amount of \$20 million total between April and July of 2020, and in August of 2020, the IAC suspended further contributions to the TRP for the time being. Both of these actions were taken in order to preserve liquidity in the CSU Liquidity Portfolio in response to the COVID-19 pandemic. In January of 2022, the IAC approved an additional \$900 million investment into the TRP scheduled over the next eighteen months. 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, 2022, the TRP investment earnings were approximately \$148.1 million. During this period, the TRP total return exceeded the Liquidity Portfolio total return by 3.53% annualized (net of fees) or a cumulative \$126.3 million, which was about 6.8 times higher than Liquidity Portfolio investment earnings.

In October 2022, the IAC approved the fourth annual TRP distribution to the system of approximately \$48.8 million, bringing total TRP distributions to the system since inception to \$161.8 million. TRP distributions are allocated to the campuses annually for capital outlay or maintenance. Consistent with state law, specifically Education Code § 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.

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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. In order to facilitate certain expenditures, the CSU maintains small amounts of funds with the State. The portfolio includes Certificates of Deposit, Treasuries, Commercial Paper, Corporate Bonds, and U.S. Government Agencies.

### **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**

With the passage of AB 2422, effective, January 1, 2023, up to 65% of CSU Investments may be invested in the TRP and the TRP may additionally invest in commingled funds and exchange-traded funds. In light of 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 in Agenda Item 4 for the Committee on Finance. The IAC also approved a revised funding schedule for the TRP calling for an additional \$1.25 billion to be invested in the TRP over a twelve-month period.

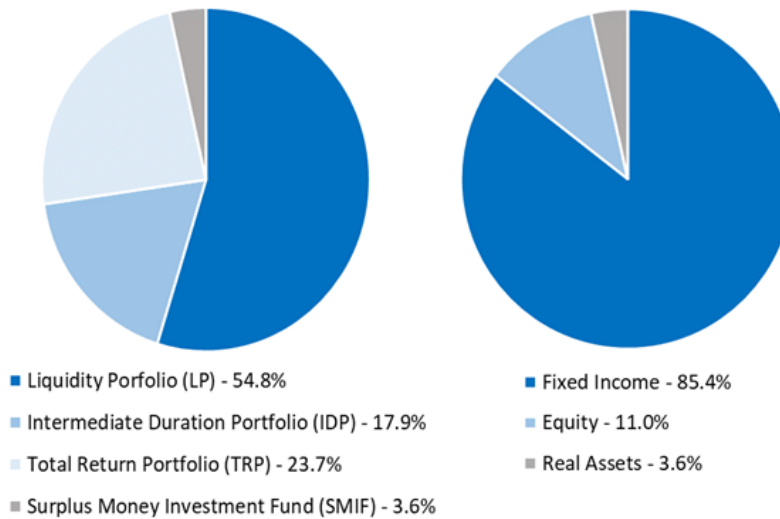
The next investment report to the board is scheduled for the September 2023 meeting and will provide information on the CSU Quarterly Investment Report for the fiscal quarter ending March 31, 2023.

## CSU Quarterly Investment Report For the Fiscal Quarter Ended December 31, 2022

CSU investments as of December 31, 2022, 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 \$1.15 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, 2022

	<b>Balance</b>	<b>% of CSU Investments</b>
Liquidity Portfolio (LP)	\$3.765 billion	54.8%
Intermediate Duration Portfolio (IDP)	\$1.230 billion	17.9%
Total Return Portfolio (TRP)	\$1.629 billion	23.7%
Surplus Money Investment Fund (SMIF)	\$0.245 billion	3.6%
<b>CSU Investments</b>	<b>\$6.87 billion</b>	<b>100%</b>



For the six months ending December 31, 2022, direct investment management fees<sup>1</sup>, advisory, and custodial fees totaled just under \$2.0 million, or about 0.03 percent (about 0.06 percent annualized) on CSU investments' average balance for the six months ending December 31, 2022.

<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.

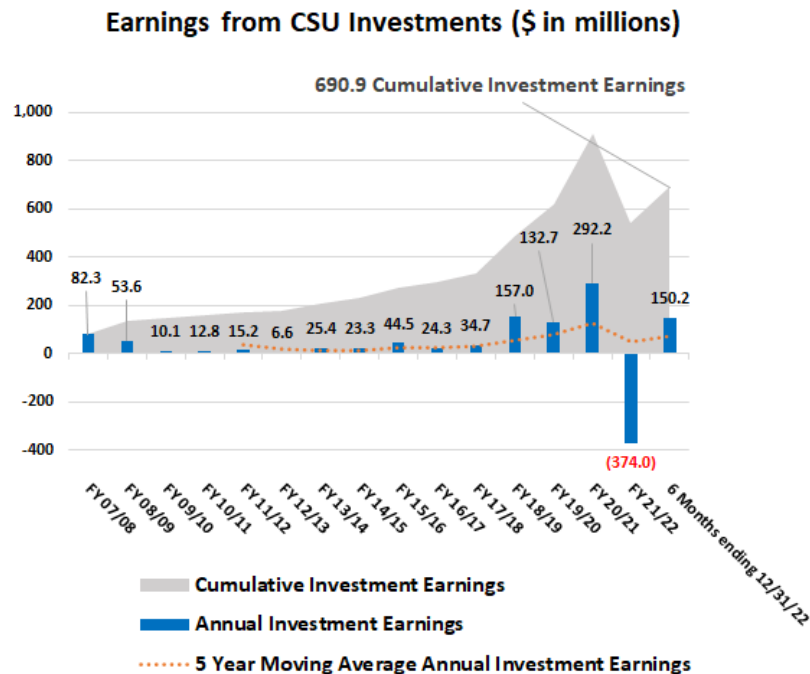
### CSU Consolidated Investment Portfolio

The following table displays performance returns for the CSU Consolidated Investment Portfolio which includes the Liquidity Portfolio, IDP, and TRP.<sup>2</sup>

	CSU Consolidated Investment Portfolio	CSU Total Return Portfolio (TRP)	CSU Intermediate Duration Portfolio (IDP)	CSU Liquidity Portfolio (LP)
1 Year Return	-5.84%	-15.54%	-9.71%	-1.51%
3 Year Annualized Return	0.63%	1.92%	N/A	0.17%
5 Year Annualized Return	1.61%	N/A	N/A	1.06%
10 Year Annualized Return	1.16%	N/A	N/A	0.89%
Since Inception Return <sup>3</sup>	1.36%	4.59%	-8.37%	1.18%

As of December 31, 2022, the TRP since inception investment earnings were approximately \$148.1 million. During this period, the TRP total return exceeded the Liquidity Portfolio total return by 3.53 percent annualized (net of fees) or a cumulative \$126.3 million, which was about 6.8 times higher than Liquidity Portfolio 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; Liquidity Portfolio, July 1, 2007; IDP, October 1, 2021; and TRP, April 1, 2018. CSU Consolidated Investment Portfolio, Liquidity Portfolio, 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 Liquidity Portfolio 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>	-1.51%	-2.27%
3 Year Annualized Return	0.17%	-0.07%
5 Year Annualized Return	1.06%	0.94%
10 Year Annualized Return	0.89%	0.72%
Annualized Since Inception Return <sup>6</sup>	1.18%	1.34%
Yield	4.74%	4.52%
Duration (Years)	0.93	1.35
Average Credit Rating	AA-	Aaa/AA+

**Holdings by Asset Type (% of CSU Liquidity Portfolio):**

Treasuries	49.5%	Certificates of Deposit	3.9%
U.S. Corporate Bonds	27.9%	Agency MBS	2.3%
U.S. Government Agencies	9.9%	Supranationals	0.4%
Cash Equivalents	5.8%	CA Municipal Obligations	0.3%

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<sup>4</sup> Benchmark for the Liquidity Portfolio is the Bank of America Merrill Lynch 0-3 Year Treasury Index.

<sup>5</sup> Liquidity Portfolio Returns reported gross of fees and as total return, including income and gains (realized and unrealized).

<sup>6</sup> Inception Date for the Liquidity Portfolio was July 1, 2007.

**CSU Intermediate Duration Portfolio (IDP)**

The purpose of the Intermediate Duration Portfolio 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>	2.04%	2.05%
1 Year Return	-9.71%	-9.70%
Annualized Since Inception Return	-8.37%	-8.19%
Yield	4.92%	4.77%
Duration (Years)	4.75	4.54
Average Credit Rating	A+	AA-

**Holdings by Asset Type (% of CSU Intermediate Duration Portfolio):**

U.S. Corporate Bonds	57.2%	Cash Equivalents	1.5%
Agency MBS	24.4%	Asset-Backed Securities	1.3%
Treasuries	12.2%	CA Municipal Obligations	1.1%
U.S. Government Agencies	2.2%	Supranationals	0.1%

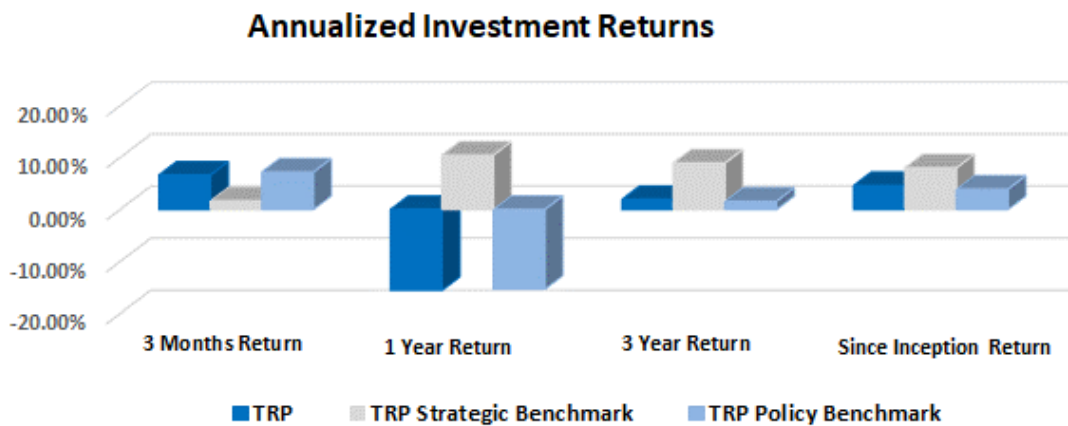
<sup>7</sup> Benchmark for the IDP is 50% Bloomberg Barclays US Corporate 1-10 Year A or Better Ex-Yankee / 30% Bloomberg Barclays US MBS / 20% Bloomberg Barclays US Intermediate Treasury Index.

<sup>8</sup> Inception Date for the IDP was October 1, 2021. IDP Returns reported gross of fees and as total return, including income and gains (realized and unrealized).



**CSU Total Return Portfolio (TRP)**

The purpose of the Total Return Portfolio 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>9</sup></b>	<b>Policy Benchmark<sup>10</sup></b>
3 Months Return	6.62%	1.67%	7.18%
1 Year Return	-15.54%	10.44%	-15.30%
3 Year Annualized Return	1.92%	8.92%	1.57%
Annualized Since Inception Return <sup>11</sup>	4.59%	7.99%	3.89%

In October 2022, the CSU Investment Advisory Committee approved the fourth annual TRP distribution to the system of approximately \$48.8 million, bringing total TRP distributions to the system since inception to \$161.8 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>9</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 2.2% per annum.

<sup>10</sup> The TRP Policy Benchmark is a blend of passive indices whose weights match the TRP target asset allocation.

<sup>11</sup> TRP Inception Date was April 1, 2018.

**Holdings by Asset Type (% of CSU Total Return Portfolio):**

Equity Mutual Funds	46.4%	Passive Index Mutual Funds	74%
Fixed Income Mutual Funds	38.6%	Actively Managed Mutual Funds	26% <sup>12</sup>
Real Asset Mutual Funds	15.0%		

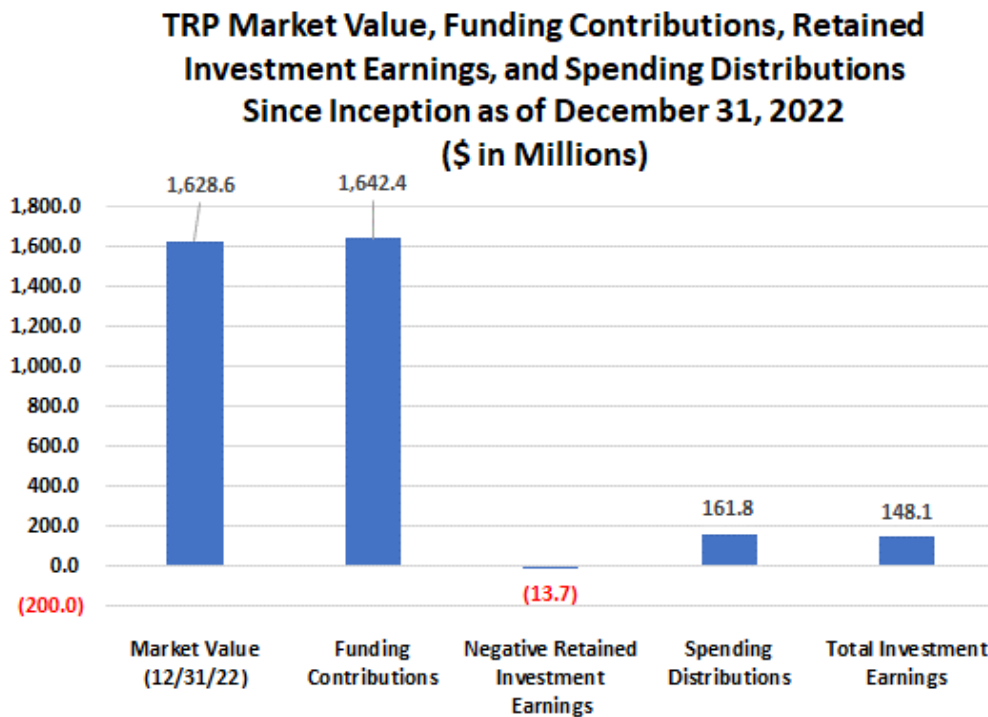
**Values, Holdings & Fees (CSU Total Return Portfolio)**

Asset Class	Strategy Name	Ticker	Value (millions)	% of Total Return Portfolio	TRP Fund Expense Ratio (Fee)	Universe Median Expense Ratio (Fee)
<b>Fixed Income</b>						
	Vanguard Total Bond Market Index Fund	VBMPX	355.3	21.82%	0.03%	0.44%
	Vanguard Inflation-Protected Securities Fd	VIPIX	80.5	4.94%	0.07%	0.36%
	Lord Abbett High Yield Fund	LHYOX	96.4	5.92%	0.59%	0.68%
	Pacific Funds Floating Rate Income Fund	PLFRX	48.3	2.97%	0.72%	0.75%
	Payden Emerging Markets Bond Fund	PYEIX	24.1	1.48%	0.69%	0.81%
	T. Rowe Emerging Markets Bond Fund	TREBX	24.0	1.47%	0.70%	0.81%
<b>Equity</b>						
	Vanguard Total Stock Market Index Fund	VSMPX	391.9	24.06%	0.02%	0.75%
	Vanguard Developed Markets Index Fund	VDIPX	200.8	12.33%	0.04%	0.88%
	Driehaus Emerging Markets Growth Fund	DIEMX	97.6	5.99%	1.08%	1.03%
	DFA Emerging Markets Value Fund	DFEVX	49.4	3.03%	0.45%	1.03%
	Redwheel Global Emerging Equity Fund	RWCEX	16.3	1.00%	1.21%	1.03%
<b>Real Assets</b>						
	Vanguard Real Estate Index Fund	VGSNX	130.1	7.99%	0.10%	0.86%
	Vanguard Materials Index Fund	VMIAX	41.8	2.56%	0.10%	0.94%
	First Sentier Global Listed Infrastructure Fd	FLIIX	72.2	4.44%	0.95%	0.97%
<b>Cash</b>			0.0	0.00%	NA	NA
<b>Total</b>			<b>1,628.62</b>	<b>100%</b>	<b>0.24%</b>	<b>0.73%</b>

<sup>12</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 Universe Median Expense Ratio are weighted averages using the percent of the Total Return Portfolio shown in the table for each fund and their respective universe.

***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, 2022. Total TRP investment earnings equal total TRP spending distributions plus total TRP retained investment earnings.



**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.

<b>Apportionment Annual Yield<sup>13</sup></b>	
Trailing 12 month as of 12/31/22	1.01%
Average (FYE 06/30/07 – 12/31/22)	1.07%

<sup>13</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**

### **2023-2024 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 Board of Trustees with the latest developments on the CSU budget request for 2023-2024.

Informational budget hearings were held in Sacramento by the Senate and Assembly from February through May. The topics discussed were the operating budget request, student enrollment, Graduation Initiative 2025, facilities and infrastructure, student housing, collective bargaining, California State Polytechnic University, Humboldt and the Governor's January budget proposals.

To date, no CSU-related action has been taken by either house. The Assembly and Senate typically act on their budget plans in late May.

The May Revision reflects changes to the Governor's January proposed budget for 2023-2024 based upon the latest economic forecasts and, consequently, could include revisions to state budget expenditure priorities, including the CSU. It is anticipated that the Governor will release the May Revision on May 12, 2023, which is the day after this item is posted. Therefore, there will be insufficient time to review the contents of the May Revision and incorporate information pertinent to the CSU in this item. Instead, details of the May Revision will be shared with the Board of Trustees at the May 2023 meeting.

Final state budget decisions by the Governor, Assembly, and Senate typically occur in the first two weeks of June of each year.

## **COMMITTEE ON FINANCE**

### **Sustainable Financial Model Workgroup**

#### **Presentation By**

Trustee Julia Lopez

Steve Relyea  
Executive Vice Chancellor and  
Chief Financial Officer

Saúl Jiménez-Sandoval  
President, Fresno State

Richard Yao  
President, CSU Channel Islands

#### **Summary**

The Sustainable Financial Model Workgroup submitted its report with recommendations to the Chancellor on May 9, 2023. Attachment A is the final report and related documents.

During the past eight months, the Workgroup conducted a thorough and disciplined examination of California State University (CSU) expenditures and revenues. Members of the Workgroup participated in robust discussions of the issues, informed by analysis, experience, and different perspectives of members from different stakeholders and constituencies.

CSU's financial position is strong, thanks to the continuing support of the state legislature and the governor's multi-year compact. Looking ahead, increasing cost pressures identified in the report are a cause for concern. The Workgroup reached a sobering conclusion: long-term sustainability requires adequate revenues for CSU to fulfill its functions. To thrive, the Workgroup concludes the CSU must regularly conduct systematic and comprehensive assessments to ensure that the CSU can provide a quality, affordable, and accessible education to Californians in the 21st century. A list of the report's recommendations follow.

#### ***Principal recommendation for the Board and the Chancellor:***

- The Board and Chancellor should adopt an action plan that sets forth a vision for the CSU as a 21st Century regional, comprehensive university, addressing priorities for which students to serve;
- How best to provide a quality and affordable education to students;
- The appropriate role of research and scholarship in the CSU;

- How best to function as a system;
- How to align costs with revenues consistent with the above vision, by 2030, with annual milestones which are reported to the Board.

This vision and action plan will guide resource allocations, policies, and practices so that the CSU can align its costs with its revenues and assure its long-term financial sustainability. The new Chancellor should present this plan to the board no later than one year after assuming office.

***Supporting recommendations for system policies:***

1. Adopt a multi-year approach to system budgeting for operating and capital budgets
2. Adopt a tuition policy
3. Appoint a financial aid workgroup to develop a comprehensive financial aid policy
4. Refine policies for campus allocations
5. Review and revise system policies that affect campus capacity to raise revenues and use resources effectively

***Supporting recommendations for system practices:***

1. Adapt internal budgeting practices in support of multi-year budgeting
2. Engage in state budget advocacy on the basis of well-developed cost information and priorities
3. Develop the means to assess instructional costs across the system
4. Provide systemwide guidance and assistance to implement a CSU financial aid program
5. Continue to identify opportunities for cost savings
6. Invest in capacity-building to raise non-state funds

May 9, 2023

Jolene Koester  
Interim Chancellor  
California State University  
401 Golden Shore  
Long Beach, CA 90802

Dear Interim Chancellor Koester,

The Sustainable Financial Model Workgroup is pleased to submit its report with recommendations.

During the past eight months, the Workgroup conducted a thorough and disciplined examination of California State University (CSU) expenditures and revenues. Everyone participated in robust and animated discussions of the issues, informed by analysis, experience, and different perspectives of members from different stakeholders and constituencies.

Everyone agrees on a sobering conclusion: long-term sustainability requires adequate revenues for CSU to fulfill its functions, but to thrive, the Workgroup believes the CSU needs to do a systematic and comprehensive assessment of how the CSU can provide a quality, affordable, and accessible education to Californians in the 21st century. The report's principal recommendation is that the Board and the Chancellor engage in such a process in a thorough and participatory way. The report frames the issues and challenges confronting the CSU and recommends specific system policies and practices that should be examined in reference to its sense of purpose going forward.

You specifically charged us to look for stable and predictable revenues, which our analysis confirmed are needed. The Workgroup focused on General Fund and tuition revenues because they are the principal sources of revenue. Effective advocacy in Sacramento is essential to ensure that our General Fund appropriations realistically consider our needs. The Workgroup believes that this report's analysis of costs and expenditures can support more effective advocacy in Sacramento.

**CSU Campuses**  
Bakersfield  
Channel Islands  
Chico  
Dominguez Hills  
East Bay

Fresno  
Fullerton  
Humboldt  
Long Beach  
Los Angeles  
Maritime Academy

Monterey Bay  
Northridge  
Pomona  
Sacramento  
San Bernardino  
San Diego

San Francisco  
San José  
San Luis Obispo  
San Marcos  
Sonoma  
Stanislaus

Jolene Koester  
May 9, 2023  
Page 2 of 2

The report also recommends adopting a tuition policy that will govern future increases so they are modest, gradual, and predictable for both the CSU and for students and their families. Moreover, should you decide to proceed with a tuition increase, the Workgroup recommends a cohort or hybrid model.


Finally, the Workgroup recommends continued efforts to identify cost savings and make investments to increase philanthropic and other public and private support.

The Workgroup thanks you for the opportunity to participate in this important effort. We hope that the report is helpful to you, your staff, and the Board as you consider ways to ensure CSU's future vitality and excellence.

Sincerely,



Julia Lopez  
Trustee  
California State University

  
Steve Relyea (May 9, 2023 16:09 PDT)

Steve Relyea  
Executive Vice Chancellor/CFO  
California State University



# Sustainable Financial Model Workgroup Report May 2023

Prepared for

Interim Chancellor Jolene Koester

The California State University  
Office of the Chancellor  
May 2023

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# Sustainable Financial Model Workgroup Report

## May 2023

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### Executive Summary

#### Charge to the Workgroup

On July 25, 2022, the Interim Chancellor appointed a Workgroup and charged it to recommend a multi-year strategy to achieve stable and predictable revenues to support the California State University (CSU) mission, maintain affordability for its students, and recognize the differing needs of its 23 universities. The Workgroup quickly came to understand that increasing revenues is only part of the solution. At its first meeting, the Workgroup agreed to pursue its charge in the context of long-term financial sustainability, rather than solely pursue means to increase revenues.

#### How the Workgroup Reframed the Issue

Financial sustainability requires a concerted effort, at all levels of the institution, to have a shared sense of how CSU can best embody its mission as a regional, comprehensive university *system* in the twenty-first century, and how it can bring revenues into alignment with the costs of the shared vision. The Workgroup reached this conclusion after estimating costs to operate the CSU, comparing those costs to actual expenditures, projecting future year costs, and modeling various realistic scenarios for increasing the two core revenue sources – state General Fund and tuition. It was evident to the Workgroup that the gaps between revenues and costs cannot be closed with existing revenue trends, even before specifically accounting for the costs of unfunded mandates and the estimated \$5.8 billion of critical capital renewal backlog.

Especially in the context of the rapidly changing social and economic environments of higher education, it became clear to the Workgroup that the CSU is under real financial stress, with growing cost pressures that will exceed current revenues. The prevailing approach to financing and budgeting within the system is not adequate for current circumstances. Long-standing policies and practices need to be re-examined and new ones developed. A top priority is establishing policies for setting or raising tuition and ensuring affordability for given tuition rates and changes.

Students are increasingly from underrepresented groups and first in their families to go to college, requiring additional educational and support services, including financial aid. The increased demand for graduates in high-cost science, technology, engineering and mathematics (STEM) and health occupations, a larger proportion of transfer students, and growing demand from adults with some college but no degree all translate into increased costs. Campuses are facing very different circumstances regarding enrollment, recruitment and retention of faculty and staff, curricular mix, and ability to generate revenues, among other factors. The current methods for funding enrollments and allocating resources to campuses capture neither these added costs nor the differential impacts of current trends on campuses.

Addressing these issues will require a strategic, multi-year approach to understanding costs, establishing predictable streams of revenues, setting clear priorities, advocating for resources on the basis of costs and priorities, and aligning system policies and practices to support these elements of financial sustainability.

## **Workgroup Recommendations**

The Workgroup recognizes the critical role of system policies and practices to create the right environment and incentives for campuses to excel in the pursuit of their mission, to raise sufficient revenues, address costs, and bring the two into alignment over the next several years. In recognition of the rapidly changing social and economic environment of higher education in the nation, and the ever-growing cost pressures facing the CSU, the Workgroup concluded that such changes to system policies and practices must be guided by a refreshed vision of the CSU in terms of its priorities for how to best serve the needs of students, regions, and the state. Accordingly, the recommendations of the Workgroup consist of one principal recommendation and several supporting recommendations to review, revise, and adopt new policies and practices.

### ***Principal recommendation for the Board and the Chancellor:***

- The Board and Chancellor should adopt an action plan that sets forth a vision for CSU as a 21st century regional, comprehensive university, addressing: Priorities for which students to serve;
- How best to provide a quality and affordable education to students;
- The appropriate role of research and scholarship in the CSU;
- How best to function as a system;
- How to align costs with revenues consistent with the above vision, by 2030, with annual milestones which are reported to the Board.

This vision and action plan will guide resource allocations, policies, and practices so that the CSU can align its costs with its revenues and assure its long-term financial sustainability. *The new Chancellor should present this plan to the board no later than one year after assuming office.*

### ***Supporting recommendations for system policies:***

1. Adopt a multi-year approach to system budgeting for operating and capital budgets
2. Adopt a moderate, gradual, and predictable tuition policy with principles that should apply to campus-based fees as well
3. Appoint a financial aid workgroup to develop a comprehensive financial aid policy
4. Refine policies for campus allocations
5. Review and revise system policies that affect campus capacity to raise revenues and use resources effectively

### ***Supporting recommendations for system practices:***

1. Adapt internal budgeting practices in support of multi-year budgeting
2. Engage in state budget advocacy on the basis of well-developed cost information and priorities

3. Develop the means to assess instructional costs across the system
4. Provide systemwide guidance and assistance to implement a CSU financial aid program
5. Continue to identify opportunities for cost savings
6. Invest in capacity-building to raise non-state funds

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## **Workgroup Charge and Content**

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On July 25, 2022, the Interim Chancellor appointed a Workgroup and charged it to recommend a multi-year strategy to achieve stable and predictable revenues to support the CSU mission, maintain affordability for its students, and recognize the differing needs of its 23 universities. Stable and predictable long-term revenues are sorely needed. Continual and growing cost pressures are acutely felt across the system as it adapts to changing student populations, increased pressure to expand degree offerings for higher cost degrees, unfunded mandates, and finally, human and physical infrastructure needs that accumulate over time.

At its first meeting, the Workgroup agreed to pursue its charge in the context of long-term financial sustainability. They understood that a stream of predictable revenue is part of the solution but is not the answer for something more fundamental: preserving, protecting, and nurturing CSU's ability to continue providing an affordable, accessible, and quality education for the next generation of Californians. This will require a concerted effort, at all levels of the institution, to have a shared sense of mission and how the CSU will go about accomplishing its mission, and then how to pay for doing so.

CSU has two principal sources of revenue – state General Fund and tuition. The state General Fund is the CSU's largest revenue source, but it is volatile, wholly dependent on the state economy. Recessions, even mild ones, often result in state funding shortfalls, which in turn translate into budget cuts or recissions. Tuition is the second largest source of revenue. Historically, significant tuition increases followed state cuts; however, for eleven of the past twelve years there has been no tuition increase. Instead, thanks to a strong economy, General Fund support has grown. The net effect is that, since the last tuition increase, the General Fund revenue share grew 34 percent, while tuition revenue share of total system level funds decreased slightly (-1 percent).

Enrollment growth has been the antidote for increasing costs. As long as enrollments were growing, CSU could expect additional revenue. The additional revenue, however, did not address the fundamental problems created by mounting cost pressures. Faced with costs in excess of revenues, the system and campuses have relied on enrollment growth funds to pay for a portion of ongoing operational costs. When growth funds fall short of new needs, funds are redirected away from basic activities in ways that can erode quality over time. With enrollment having declined during the pandemic and demographic trends pointing to likely declining enrollments, the reliance on growth funds to address growing costs is a highly risky proposition.

Cost pressures continue to grow as the context of higher education in California is changing. Students are increasingly from underrepresented groups and first in their families to go to

college, requiring additional educational and support services. The increased demand for graduates in high-cost STEM and health occupations, a larger proportion of transfer students, and growing demand from adults with some college but no degree all translate into increased costs. The current metric used to fund all enrollments - Full Time Equivalent Students (FTES) - does not capture the added costs of these growing demands.

The CSU's mission is to provide access to an affordable, quality education to Californians; however, CSU is not immune to the changing context of higher education nationally. Increasingly, prospective students are questioning the value of a college degree. There are more competitors, with many reputable online providers aggressively recruiting students in California. CSU's competitive advantage remains its quality, affordability, and regional presence for both families and employers. Nevertheless, the national environment adds another dimension to the financing challenge facing the CSU, as it positions itself to compete successfully for students, maintain the high-quality faculty and staff needed to fulfill its mission, and continue to deliver on its graduation goals to meet California's workforce needs.

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## **Financial Sustainability Requires a Strategic and Multi-year Approach to Budgeting and Financing the CSU**

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While responsive to the importance of identifying new revenues, the Workgroup, at its first meeting, agreed that strategies for additional revenues to cover projected future costs must be part of a broader effort to assure CSU's long-term financial sustainability. To do this, the group discussed the importance of having a financing and budgeting system that is geared toward effective decision-making, and includes the following elements:

1. A statement of purpose that clearly states how CSU intends to fulfill its mission to provide an affordable, accessible, quality education to meet changing state needs in the 21<sup>st</sup> century.
2. Five-year action plans that have (a) specific short, medium, and long-term goals with strategic objectives and timelines; (b) projected revenues and costs to implement these plans, and (c) alternatives to respond to social, economic, or political changes.
3. Annual budgets that clearly articulate priorities to guide performance expectations and allocation of resources, with metrics to assess results.
4. Spending plans that match revenues with ongoing operational costs and necessary investments in physical and human infrastructure to maintain quality and future capacity.
5. A diversified source of revenues, including General Fund, tuition and fees, and other public and private sources, to (a) cover costs and (b) build a reserve to provide institutional resilience to manage economic cycles.
6. Campus budget allocations that reflect different campus missions, costs, circumstances, and demographics, with sufficient autonomy to raise and manage resources to further CSU priorities.

7. Detailed knowledge of costs, spending and performance across the system and its universities to encourage collaborations, dissemination of best practices, and effective use of resources across institutions.
8. Effective advocacy with lawmakers and other stakeholders about priorities and costs, with information that is easily accessible to all stakeholders.

Setting the context of the Workgroup's task in terms of financial sustainability, not just revenues, opened the doors to discussions about policies and practices that can help or hinder the ability of the system to maximize all revenues, be more cost-effective, or avoid unnecessary costs.

Specifically, the Workgroup concluded that the Board and the incoming Chancellor need to engage in a participatory process that will articulate a vision for CSU success in the 21<sup>st</sup> century and commit to a process of informed and transparent decision-making that will set clear goals, objectives, priorities and performance expectations across the system. This will guide resource allocations, policies and practices, so that the CSU can align its costs with its revenues and assure its long-term financial sustainability.

[See the principal recommendation for the Board and the Chancellor.](#)

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## **Additional Revenue Needed for CSU Operating Costs**

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To address why there is a universal sense that the CSU needs more money, the Workgroup began by asking the question: how much does it cost to operate the CSU? The CSU budget reflects expenditures and the revenues it receives, that is, CSU spends what it gets, but these expenditures do not capture what it costs to operate the system.

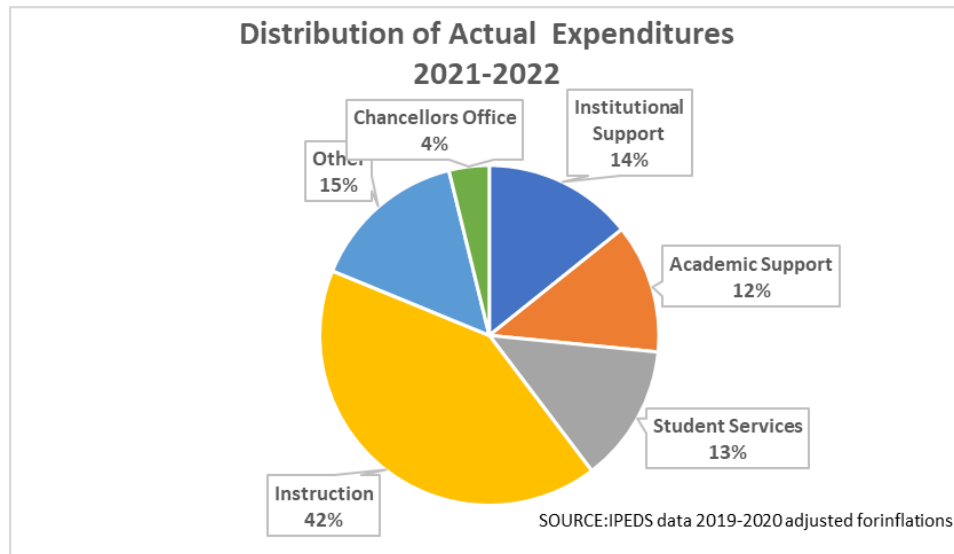
When the CSU receives less revenue than it requests, two things happen: (1) some costs go unaddressed (e.g., critical capital renewal projects, vacant positions, up-to-date instructional equipment) and (2) costs that cannot be deferred are accommodated by redirecting funds from other purposes, which can be short-changed. These two actions result in major disconnects between costs and expenditures.

To better understand costs, not just expenditures, the Workgroup constructed a budget of estimated costs consistent with the CSU's mission, student characteristics, and curriculum. The estimate of costs relies heavily on a model developed for the state of Virginia by the National Center for Higher Education Management Systems (NCHEMS), a leading national organization that consults on higher education finance. It builds the budget in layers, which is in contrast to the current approach that builds annual budget requests using an incremental, "base-plus" budgeting approach. The Workgroup's estimate of costs uses the Department of Education's Integrated Postsecondary Education Data System (IPEDS) expenditure categories (e.g., institutional support, academic support, student services). The Workgroup concluded, from the model of current and projected costs, that bringing revenues in line with costs will require a multi-year strategy for financial sustainability.

Refer to Recommendations [for System Policies #1](#) and Recommendations for [System Practices #1](#).

## Summary of the Cost Model

The model uses the CSU's actual expenditures for 2019-20, (the most recent IPEDS data) adjusted for inflation to get to a 2021-2022 base to make comparisons with actual expenditures and to make projections of future costs. The following chart shows the relative distribution of these expenditures, which remained almost the same when the cost model was completed.



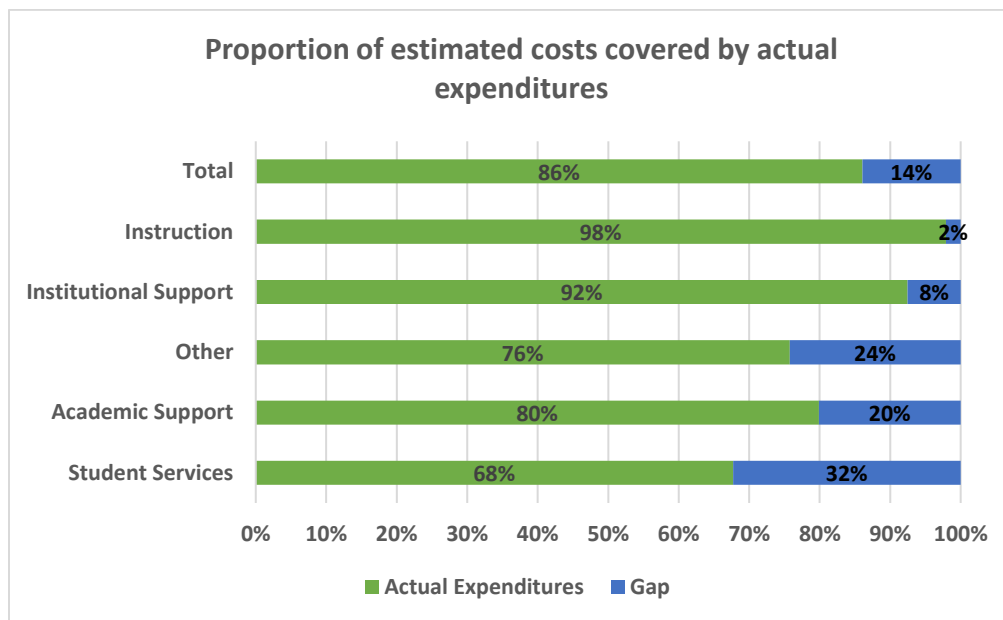
Using the IPEDS categories, the model estimated costs as follows:

- Structural baseline – the institutional, academic, student, and instruction supports necessary to maintain a core infrastructure of operations and preserve human and physical assets at all 23 universities. An amount for capital renewal was included, sufficient to curtail any major increase in deferred maintenance costs.
- Enrollment and Student Support – An estimate of the cost to serve the actual enrollments above the structural baseline (institutional support, academic support, and student services). A premium was added to serve students from underrepresented groups for whom it is well-documented that additional support is required.
- Instructional Costs – an adjustment to instructional costs which came from an analysis of academic offerings and expenditures. The Workgroup examined expenditures and student credit hours by discipline and level of instruction to identify patterns across the CSU system. As a result, the Workgroup made a relatively small upward adjustment to actual reported expenditures to account for underfunding of high-cost, high-need disciplines.
- Other Costs – the model includes other costs such as debt service and capital renewal that reflect reasonable amounts that should be paid rather than what the system is typically able to spend.

See [Appendix A](#) for the detailed cost model.

### There is a Significant Gap between Costs and Expenditures.

The model explains why there never seems to be enough money to pay for what the universities think they need. For example, the model includes the costs associated with supporting the CSU student population and their needs. It also includes funds for capital renewal to prevent the capital renewal backlog from growing. And it adds costs associated with high-demand degrees in health and STEM fields. The following chart illustrates the proportion of total costs modeled for 2021-22 that were reported as actual expenditures that year.



Three factors bear highlighting. First, it's important to acknowledge the efforts made by the Chancellor's Office Cost Reduction Initiatives. As reported in the March 2023 Finance Committee the initiative resulted in \$352 million in cost savings between 2020 and 2022. Individual campuses have undertaken cost savings initiatives, and pursued outside funding vigorously, especially for capital costs, as evidenced by the numerous naming opportunities celebrated at Board meetings. These efforts to identify cost savings and pursue nonstate funding must continue.

Refer to Recommendations for [System Policy #5](#) and Recommendations for [System Practices #5](#) and [#6](#)

Second, expenditures include activities required by federal or state law, even if there were no funds appropriated for those purposes. The model does not identify specific expenditures for such unfunded mandates, or foregone activities that were not undertaken to pay for these unfunded mandates. Consequently, the model may be understating actual costs. See [Appendix B](#) for a listing of major unfunded mandates and estimates of their fiscal impacts.

Documenting the opportunity costs of unfunded mandates should be a routine systemwide task, to help with priority-setting and advocacy at both the state and federal levels. Approximating spending on unfunded mandates is challenging and therefore the conservative estimates provided should be considered a minimum amount, which could understate the actual costs.



Refer to Recommendations for [System Practices #2](#)

Third, the model *excludes* any provision for addressing the backlog of critical capital renewal projects, which the Legislative Analyst's Office (LAO) reports would cost \$750 million annually for ten years. This backlog remains a critical issue that, if not addressed, will continue to get worse as capital renewal dollars are spent to address emergency deferred maintenance repairs. Leaky roofs, obsolete heating, ventilation and air conditioning (HVAC) systems, and 50-year-old buildings in need of repair seriously impede universities' ability to provide an appropriate educational environment. Consistent with the recommendations of the LAO, the Workgroup discussed the importance of having a financing plan to clear the existing backlog over ten years and identifying amounts in the annual budget for capital renewal to prevent more deferred maintenance from accumulating.

Refer to Recommendations for [System Practices #2](#)

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## **Existing Revenue Sources Will Not Close the Gap between Costs and Expenditures**

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The existing gap between costs and revenues is substantial and will likely continue to grow without concerted action to align costs with revenues. The Workgroup's charge to identify stable and predictable revenues is part of the answer; but not the only answer. In this section, we turn to potential revenue sources and the policy and practice changes necessary to capture these funds.

### Realistic General Fund and/or tuition increases will not close the gap.

Comparing the cost model and the 2021-2022 actual expenditures shows that the CSU would need to increase its revenues substantially to close the existing gap. In 2022 it would have required an increase in core revenues (state General Fund plus systemwide tuition) of 21 percent. Extensive modeling of revenues showed that, even with aggressive assumptions about increases in state General Fund and tuition, the gap between revenues and costs cannot be totally closed. Projecting current costs into 2030 and projecting additional salary costs, would result in a gap that is 29 percent to 41 percent of 2022 core funding.

General Fund, under the Governor's compact, is projected to grow by 5 percent every year until 2026-27. This assurance stabilizes an otherwise volatile source of funds; however, as the LAO noted in this year's budget analysis, this increase is insufficient to cover CSU's estimated operating costs, which have risen significantly due to inflation, capital renewal needs, and other cost pressures.

### Additional revenues to narrow the gap are needed.

Tuition is the second-largest component of core revenues and is critical to meet costs. In fact, the LAO notes that the main reason the University of California (UC) can meet operating budget needs with the compact, but CSU cannot, is because the UC is able to draw on significantly more tuition revenue.

The Workgroup discussed the need for a tuition policy that will guide any proposed increases going forward. Such a policy should clearly state CSU's commitment to affordability by ensuring that tuition increases are modest, gradual, and predictable. A portion of any increase in tuition revenues, to be determined by Board policy, should be dedicated to financial aid.

The Workgroup reviewed two different examples of how a policy might be implemented and discussed the implications of each example for students as well as for CSU revenues. Understanding that the choice and specifics of a tuition proposal would be developed as part of the system's budget process, the Workgroup expressed its preference for a cohort-based tuition model. (See [Appendix C](#) for different tuition options and revenues).

The Workgroup recognizes that campus-based fees are the purview of the campuses, with appropriate consultation. Since campus fees can constitute significant costs for students above tuition, the Workgroup discussed the need to review system policies governing fees so they balance campus flexibility in setting such fees with the same attention to principles of modest, gradual, and predictable fee levels that the Workgroup recommends for a tuition policy.

The Workgroup strongly endorsed the need to develop a companion financial aid policy that commits the CSU to maximize federal and state financial aid grants and using its State University Grant (SUG) to further promote affordability where state or federal programs fall short. In a few words, policy, practice, and messaging should be clear about CSU's commitment to maximize financial aid for students in need and minimize loans for all students.

Due to recent changes to the federal financial needs methodology (i.e., Free Application for Federal Student Aid (FAFSA)), the Middle Class Scholarship program, and pending changes to Cal Grant that may come into effect in 2024-25, developing a meaningful financial aid policy and program requires further discussion (see [Appendix D](#)).

*Refer to Recommendations for [System Policies #2, #3](#) and Recommendations for [System Practices #4](#)*

#### Other Revenue Sources.

The Workgroup considered other possible revenues sources; 45 percent of CSU's total revenues in 2021-22 were comprised of other revenues: bond and note proceeds (13 percent), sales and services (7 percent), other revenues (4 percent), gifts, grants and contracts (13 percent), and all the other fees combined (7 percent). Much of this revenue has constraints on its use and would not significantly help to close the identified operational gap. For example, fees for special purposes such as health, housing or student activity centers, and grant revenues are restricted for those purposes.

General obligation bonds were discussed for capital projects. Unless the state issues the bond, the CSU is responsible for the debt service as part of its operating budget, adding to existing cost pressures. Attempts to have a general obligation bond for educational facilities put on the ballot are ongoing.

Similarly, the group touched on the need to increase philanthropic giving, public-private partnerships, and increased research grants with associated overhead. Individual campuses take advantage of these opportunities; however, significantly increasing these efforts would

require investments to support development infrastructure. Each campus should assess the likely return of such an investment since results vary depending on the economic conditions of their regions.

*Refer to Recommendations for [System Practices #6](#)*

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## **A Thorough Review of System Policies and Practices is Needed to Explore more Revenue Options and Encourage Effective Allocation of Resources**

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Bringing costs in line with revenues will also require a thorough review of system policies and practices, some of which may constrain exploring revenue-generating opportunities or could better encourage more effective use of resources. The Workgroup discussed three major topics related to such a review of policies and practices.

### **I. Assess Costs of Instructional Expenditures Systemwide**

Instruction is a core function at the CSU and appropriately receives the largest share of funding. To understand the difference between the costs and expenditures in instruction, the Workgroup conducted an extensive analysis of instructional expenditures by discipline and level of instruction (lower division, upper division, and graduate) using a data set supplied by the Chancellor's Office of every class offered in the 2021-22 academic year. These analyses highlighted some questions about priorities, policies governing class size, and the capacity of campuses to finance increased enrollments in higher-cost, high-demand disciplines.

Decisions about curriculum and instruction are made at the campus level as part of shared governance processes. The analysis of systemwide offerings, however, led to an important discussion. The Workgroup observed that some disciplines run programs with exceedingly small average class sizes, which are inherently more expensive to offer, raising the question of whether system policies on course classification, class size, and faculty workload could be preventing a more financially sustainable approach to delivering instruction. Moreover, the changing educational landscape with greater offerings online or through hybrid instruction calls for a systemwide review of policies governing instruction and strategic academic plans to determine whether to eliminate or modify policies based on outmoded practices and less pertinent to new modalities.

There is no regular analysis of systemwide instructional expenditures across all campuses. While extensive and informative, the data currently collected has limitations. The analyses in the cost model were done with systemwide average data which masks important differences across campuses. The Workgroup concluded that there should be some method or tool to collect comparable cost information across campuses. This would provide valuable information to inform systemwide priorities and strategic academic plans, allow for ongoing review of instructional costs systemwide, and better identify true costs that should be taken into account in allocation methodologies. The group recognized that individual campuses conduct their own cost studies, but the Workgroup also believed it would be helpful to have systemwide information that could be used to inform and compare differences across the system.

*Refer to Recommendations for [System Practices #3](#)*

## II. Policies that impede or discourage pursuing revenue-generating opportunities

The Workgroup identified a partial list of policies that may be constraining campus and system capacity to raise non-General Fund, non-tuition revenues and to use these revenues in ways that could alleviate cost pressures on operating budgets. These include:

- Development of executive and other programs to meet regional needs;
- Incentives or disincentives for inter-campus or intersegmental cooperation on majors, course offerings, or other areas;
- Dual enrollment with community college and high school students;
- Fee waivers;
- Restriction on the use of revenues generated through Extended Education and Parking funds beyond overhead charges;
- Athletic funding and costs.

The Workgroup reviewed data that showed variation across universities in approaches to financing, the use of Extended Education for graduate programs, athletics, and the generation of grant and contract revenue. See [Appendix E](#) for a full listing and discussion of policies that should be reviewed.

These disparities in approach led the Workgroup to ask whether some approaches are more beneficial to campus finances and if so, whether system policies might be adopted or revised to encourage more financially beneficial practices.

*Refer to Recommendations for [System Policies #5](#)*

## III. Sustainable funding for campuses needs a refined allocation model

The Workgroup is concerned that the current internal allocation model is not equitable and will not address the existential issues facing some campuses. Existing allocations, built on historical base budgets, exacerbate inherent inequities between older and newer campuses, and larger and smaller campuses. Today's realities suggest that campus differences in student characteristics, cost of living, opportunities to achieve economies of scale, faculty demographics, potential for enrollment growth, and ability to generate non-state revenues should influence allocations. Different patterns of expenditure and revenue generation across campuses can also provide insight to help the system as a whole adapt to the new financial realities. Similar to the discussion about instruction, using a tool like the cost model at the campus level, or another template, would provide comparable cost data to inform allocation decisions.

*Refer to Recommendations for [System Policies Recommendation #4](#) and Recommendations for [System Practices #3](#)*

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## Concluding Thoughts

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The Workgroup is concerned that the CSU is under real financial stress that needs to be addressed in the context of the current fiscal and enrollment realities. The enrollment-growth funding paradigm that the system has relied on for years has already strained campus budgets. Moreover, it is not sustainable in view of new enrollment trends, new expectations and new mandates. **Financial sustainability depends on reimagining the CSU in the 21<sup>st</sup> century, having clarity and specificity about what it can do, who it serves, and how to pay for it.**

The Workgroup found the NCHEMS approach to building a cost model to be extremely useful, as it presents financial information in new and helpful ways and provides insights into total costs and not just incremental growth. Developing detailed cost information for the Board of Trustees to consider when approving budgets, and for the Chancellor's Office staff to have in its advocacy efforts, will be essential to any effort to align costs with revenues.

The Workgroup grappled with important cost information, such as the differential costs between lower- and upper-division instruction and the implication for increasing transfer enrollments, the extent to which graduate education is subsidized by undergraduate education, the under-funding of student services and the cost premium to serve certain under-represented populations. The group concluded that the system and the universities need to develop a rich reservoir of cost data to aid priority-setting choices, internal allocations, and budget advocacy.

The NCHEMS model that the Workgroup adapted suggests that there needs to be a common understanding between the state, the CSU, and all its stakeholders about responsibility for funding various parts of the institution's budget. The structural baseline should be a clear responsibility of the state to protect its assets. The cost of serving enrollments, with the premium to serve underrepresented populations, is a shared responsibility of the state and the institutions. Beyond that, there are special initiatives tied to state goals and performance expectations whose costs and the responsibility for paying for them should be appropriately identified at the outset.

The annual cost and revenue projections are daunting even without accounting for the huge backlog in capital renewal projects, the growing need to build and update facilities to stay abreast of the educational needs of students, and the full impact of unfunded mandates. The expectations that the CSU produce more high-cost degrees, meet a growing set of student needs, increase graduation rates and reduce time-to-degree carry higher price tags that have not been fully recognized and funded in the past. External and internal communities will have to be re-educated as to the financial circumstances of the CSU if costs and revenues are to be brought into balance over the coming years.

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## Recommendations

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### Principal recommendation for the Board and the Chancellor:

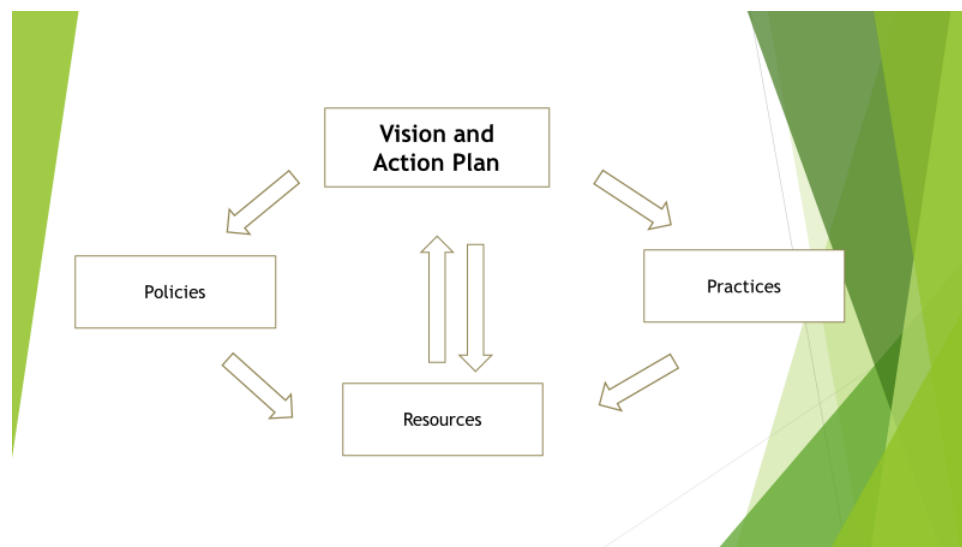
The Board and Chancellor should adopt an action plan that sets forth a vision for CSU as a 21<sup>st</sup> century regional, comprehensive university, addressing:

- Priorities for which students to serve;
- How best to provide a quality and affordable education to students;
- The appropriate role of research and scholarship in the CSU;
- How best to function as a system;
- How to align costs with revenues consistent with the above vision, by 2030, with annual milestones which are reported to the Board.

The new Chancellor should present this plan to the board no later than one year after assuming office.

The policies and practices internal to the CSU must be aligned with the vision and action plan, as represented in Figure 1.

Figure 1 Vision and Action Plan



System policies and practices fundamentally affect the resource environment in which the CSU operates and, therefore, the ability to generate resources sufficient to implement the vision. As Figure 1 suggests, the vision must drive the pursuit of resources, yet if system policies and practices do not yield sufficient resources, the vision will need to be revisited to bring it in line with available resources.

The Workgroup has found that a number of policies and practices are either lacking (e.g., no tuition policy) or in need of revision to support the vision and development of the action plan.

Accordingly, the Workgroup makes the following recommendations for revisions in policies and practices needed to guide and implement the principal recommendation:

### **Recommendations for System Policies:**

1. Adopt a multi-year approach to system budgeting for operating and capital budgets

The annual base-plus budgeting used today discourages multi-year planning and fails to recognize the time horizon for priorities to be implemented successfully. Campuses need predictability over more than a one-year horizon to be able to plan how best to allocate resources across campus programs and facilities. Within the constraints of the annual state budget process, the CSU needs to set multi-year priorities and adopt a rolling, multi-year budget that reflects those priorities for academic, human, and physical infrastructures, as well as for ensuring or restoring reserves. Operating budgets should specify amounts for capital renewal. Capital costs of capital renewal and new construction should have their own multi-year plans to identify revenues to (a) eliminate the capital renewal backlog; and (b) construct new educational facilities.

2. Adopt a tuition policy

The Chancellor should recommend a tuition policy to the Board to guide any proposed tuition increases. The policy should clearly state the CSU's commitment to affordability by ensuring that tuition increases are modest, gradual, and predictable. A portion of any increase in tuition revenues, to be determined by Board policy, should be dedicated to financial aid.

After appropriate consultation with student representatives, the Board should adopt by September 2023 a tuition policy that provides guidance for gradual, moderate, and predictable increases for students effective the fall of 2024. The Workgroup expressed a preference for a cohort-based model.

To inform the Chancellor's Office review of this recommendation, the revenue modeling developed by the consultants comparing the revenues from an example of a cohort-based tuition model, a universal annual tuition increase model, and a flat tuition rate projected to 2030 is included in the report as [Appendix C](#). Messaging should be developed in support of the policy to ensure that prospective students understand the CSU commitment to affordable education.

Consistent with its commitment to affordability, the Workgroup recommends that policies governing campus-based fees be reviewed to ensure that such policies balance campus flexibility in setting fees with the principles of moderate, gradual, and predictable fees that guide tuition policy.

3. Appoint a financial aid workgroup to develop a comprehensive financial aid policy

The Chancellor should immediately appoint a Workgroup to offer guidance and recommendations on a comprehensive financial aid policy for the CSU and provide recommendations for discussion at the July 2023 board meeting. The adopted comprehensive financial aid policy should set forth its purpose, its target audience, its costs and impact on system finances, and means for publicizing the program to potential students.

The policy should specify how the State University Grant is awarded, and what its policy priorities are, especially in relation to other available federal and state financial aid sources. In addition to a financial aid policy, the Workgroup should consider how potential 2024 changes in Cal Grant will impact the CSU and its students and develop possible legislative proposals to address any adverse effects.

4. Refine policies for campus allocations

Policies for allocating funds across campuses must be more refined so as to recognize key campus differences such as cost of living, curriculum, student body, and capacity to generate revenues. Allocation policies should contain incentives for nonstate revenue generation and inter-campus collaboration on instruction and other operating aspects.

5. Review and revise system policies that affect campus capacity to raise revenues and use resources effectively

Policies should be thoroughly reviewed and revised to provide campuses with incentives to increase revenues; campuses should be encouraged to take advantage of each one's unique circumstances and comparative advantages for raising revenues, whether the focus is on grants and contracts, philanthropy, business partnerships, or other sources. Guidelines should be developed to allow campuses to pilot revenue-generating activities, and capture results and lessons to inform other campuses as well as future ideas. Additionally, policies that may be constraining campus' ability to collaborate and otherwise use state and non-state revenues most effectively to alleviate cost pressures on operating budgets should be reviewed and revised accordingly.

### **Recommendations for System Practices:**

1. Adapt internal budgeting practices in support of multi-year budgeting

A multi-year budgeting policy (recommended in #1 above) requires new practices for obtaining information from campuses on progress, using appropriate metrics, toward campus and system priorities for operating and capital budgets. Rather than solicit new annual budget requests each year from campuses, the Chancellor's Office will need regular information from campuses on progress towards goals and priorities and implications for the current multi-year budget plans. A three-year rolling budget projection and assessment of progress from campuses in priority areas would support multi-year budgeting and help the system move more predictably to satisfying its stated priorities. Internal budgeting review should also acknowledge the cost savings that campuses accomplish as they strive continually to direct resources to priority areas.

2. Engage in state budget advocacy on the basis of well-developed cost information and priorities

The Chancellor's Office should determine costs of key priorities in order to improve its budget advocacy for state General Fund. This should include determination of the cost of producing *degrees* (not cost per FTES) in high-demand fields required by the state, the costs of serving different student populations and different levels of instruction, and costs to maintain and construct facilities in support of effective instruction and service. The



Chancellor's office should also document unfunded mandates on operations, including, whenever possible, the impact that redirected dollars to meet mandates have on activities, programs or services that are delayed, curtailed or eliminated.

3. Develop the means to assess instructional costs across the system

The Chancellor's Office should, in consultation with campuses, develop and use templates that allow for analyses and assessment of instructional costs across the system. Comparable data from all 23 universities can assist campuses to determine priorities for course and program offerings that best meet student demand and regional needs, consistent with available resources. In addition to helping campuses manage their instructional resources, this information could be useful to inform Trustees of potential future costs and savings in academic plan changes.

4. Provide systemwide guidance and assistance to implement a CSU financial aid program

In anticipation of future recommendations from the Workgroup on financial aid policy or possible changes in the Cal Grant program, the Chancellor's office should conduct a review of financial aid capacity and practices across campuses to determine what changes or guidance is needed to improve the effectiveness of financial aid marketing, timely awards, and annual renewals.

5. Continue to identify opportunities for cost savings

The CSU should continue to identify prospects for cost savings that could arise from the consolidation of certain administrative functions and from inter-campus cooperation and collaboration in the offering of programs and services.

6. Invest in capacity-building to raise non-state funds

The system should invest in strategies for raising federal, philanthropic, and other funds where it finds that such investment is more than offset by the potential to raise funds.

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## Workgroup Membership

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**Co-Chair**

**Julia Lopez**  
CSU Trustee

**Co-Chair**

**Steve Relyea**  
Executive Vice Chancellor & CFO  
Chancellor's Office

**Jack McGrory**  
CSU Trustee

**Beth Steffel**

Chair  
Statewide Academic Senate

**Krishan Malhotra**

President  
California State Student Association  
Stanislaus State

**Saúl Jiménez-Sandoval**

President  
Fresno State

**Richard Yao**

President  
CSU Channel Islands

**Colin Donahue**

Vice President, Administration and Finance  
CSU Northridge

**Debra Larson**

Provost  
CSU Chico

**José Solache**

CSU Alumni

**External Consultants:**

**Leroy Morishita**

**Nancy Shulock**

**Patrick Lenz**

**Darcie Harvey**

**Amy Supinger**

**Ex-officio Chancellor's Office support:****Ryan Storm**

Assistant Vice Chancellor  
Budget

**Jeni Kitchell**

Executive Budget Director  
System Budget

## **Appendix A**

### **Draft Cost Model for the CSU**

#### **Assumptions and Principles for Modeling Estimated Costs for the CSU**

##### **Sources of Information**

- In the absence of good data or information on costs, expenditure data must be the basis for making informed estimates of costs.
- Other sources to help us construct informed cost estimates are appropriate comparisons with other states, academic and professional literature on higher education finance and current and former members of the CSU faculty and staff with on-the-ground experience.
- The categories from the Integrated Postsecondary Education System (IPEDS) for reporting expenditures, by campus, provide the best template for constructing an estimated budget. The major categories for CSU campuses are instruction, institutional support, academic support, student services, and debt service.<sup>1</sup>

##### **Interpreting Expenditure Data**

- A history of unallocated state budget cuts and unfunded mandates is a primary reason why expenditures may under-state actual costs in certain areas, as campuses have had to divert funds to accommodate cuts and mandates.
- At the same time, some expenditures may overstate costs, since expenditure patterns can atrophy in the face of shifting needs and priorities, expenditure decisions may reflect factors other than costs, and campuses face constraints, both political and budgetary, on the reallocation of resources.
- Differences in campus expenditure patterns must be interpreted in light of differences in mission, enrollment, acreage, facilities and infrastructure, student characteristics, cost of living, regional economies, access to resources, different cost-reporting practices and other factors. These differences may also reflect inequities that have built up where allocations to campuses have not adequately accounted for changing circumstances, and inequities in funding approaches to newer and older campuses that persist today.
- Despite these differences, variations across campuses provide an opportunity to consider more optimal uses of funds, as some campuses have likely found effective ways to stretch their budgets in certain areas.

##### **Characteristics of A Cost Model**

- The model must recognize the structural baseline costs that are incurred by all campuses, regardless of size, which lead to higher expenditures per FTE for smaller campuses.
- The model must recognize the costs that vary with enrollment, mission, student characteristics, and curriculum.

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<sup>1</sup> Category definitions are included below as each category is discussed. For complete IPEDS definitions, see <https://ceds.ed.gov/element/001659>.

- A cost model must be convincing to the external audiences whose support is vital to the financial sustainability of the CSU.

## Overview of the Model

The purpose of the model is to estimate costs for the CSU as a means to shed light on the financial circumstances facing the system. The model is not intended in any prescriptive sense as a budget for the system or a guide to campus allocations.

We have taken considerable guidance from the work of a leading national organization in higher education finance, National Center for Higher Education Management Systems (NCHEMS), and in particular, from a project done for the [state of Virginia](#) to develop a cost estimate for the CSU. That approach builds a budget in layers, beginning with a structural baseline that represents the minimal costs to preserve the state's investment in its campus human and physical infrastructure, also described as the cost of keeping the doors open regardless of enrollment levels. The next layer adds the costs for operating the CSU at actual enrollment levels. We address this separately for non-instructional IPEDS categories and for instruction. Following the precepts of the NCHEMS model, the estimate of instructional costs includes adjustments for the nature of the curriculum and student population.

## Estimating Structural Baseline Costs

We use the expenditure data reported by the CSU campuses to IPEDS for the 2019-20 academic year to analyze and estimate reasonable structural baseline costs.

Among the 22 CSU campuses,<sup>2</sup> there are four that are especially small, with enrollments below 10,000 FTE. Data on actual costs show that the four smallest CSU campuses spend more per FTE for all major expenditure categories: institutional support, academic support, student services, and instruction. These higher costs are incurred because, independent of enrollment, a campus needs to have an infrastructure for executive management, facility maintenance,<sup>3</sup> library and technology support, basic student service functions such as advising, counseling, admissions and records, financial aid, and faculty governance.

Based on that finding, we estimate the cost of protecting the state's assets of 22 campuses by estimating the costs as if the CSU consisted of 22 small campuses with structural baseline costs resembling those of Sonoma, Channel Islands, Humboldt, and Monterey Bay. In a later step, we add in the estimated costs of actual enrollment for the system.

We do this similarly for the categories of Institutional Support, Academic Support, and Student Services. The estimate for Instruction is computed differently.

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<sup>2</sup> We treat Maritime Academy separately because an examination of the data showed a very different expenditure pattern than that of the 22 other campuses. Its special mission will require a separate analysis of costs.

<sup>3</sup> IPEDS data includes a portion for facility maintenance in each of the major categories. Hence, we capture the cost of facility maintenance in our estimates of these categories. Costs of the replacement value of buildings and instructional materials are not captured in these categories; hence, we address that separately in an amount intended not to reduce existing deferred maintenance costs but to ensure that those costs do not increase further.

## Institutional Support

This category includes expenses for general administrative services, executive-level activities, and operations such as legal and fiscal, space management, personnel, purchasing, public relations, and prorated costs of operations and maintenance related to these areas.

- Average institutional support expenditures per FTE of Channel Islands, Humboldt, Monterey Bay, and Sonoma: \$3,757
- Average FTE of those same four campuses: 6,641
- Cost for all 22 campuses to have that level of a structural baseline budget:
  - \$3,757 per FTE for 6,641 FTE x 22 campuses (146,102 FTE): \$548.9 million
  - Adjusted for inflation to put in 2021-22 dollars: **\$620.6 million**

## Academic Support

This category includes activities and services that support the primary missions of instruction, research, and public service such as libraries, media services, instructional technology, academic deans, and prorated costs of operations and maintenance related to these areas.

- Average academic support expenditures per FTE of Channel Island, Humboldt, Monterey Bay, and Sonoma: \$3,452
- Average FTE of those same four campuses: 6,641
- Cost for all 22 campuses to have that level of structural baseline budget:
  - \$3,452 per FTE for 6,641 FTE x 22 campuses: \$504.3 million
  - Adjusted for inflation to put in 2021-22 dollars: **\$570.2 million**

## Student Services

Includes expenses for admissions and records and activities whose primary purpose is to contribute to students' emotional, physical, and cultural well-being and development, such as student activities, intramural athletics, counseling and advising, and prorated costs of operations and maintenance related to these areas.

- Average student services expenditures per FTE of Channel Island, Humboldt, Monterey Bay, and Sonoma: \$3,836
- Average FTE of those same four campuses: 6,641
- Cost for all 22 campuses to have that level of structural baseline budget:
  - \$3,836 per FTE for 6,641 FTE x 22 campuses: \$560.4 million
  - Adjusted for inflation to put in 2021-22 dollars: **\$633.6 million**

## Instruction

Includes general academic instruction in all colleges, schools, and departments, excluding academic administration where the primary function is administration (e.g., academic deans).

The notion of a structural baseline for instruction (i.e., instructional costs regardless of enrollment) rests on the premise that there is an infrastructure of faculty activity that must exist regardless of enrollment. We base our estimate of the instructional infrastructure costs on the three units of a full-time faculty member's 15-unit workload that are outside of the courseload requirement. These are often referred to as the 13th, 14th, and 15th weighted teaching units (WTU). Full-time faculty are expected to use the time associated with these units for curriculum development, committee service, advising, research, public service, and other non-instructional activities. Not all of these activities can reasonably be assumed to form the instructional infrastructure equivalent to the infrastructures for institutional support, academic support, and student services. Our estimate assumes that 75% of that available time meets the standard of an instructional structural baseline.

We used the four small campuses to estimate this baseline, as we did for the other categories.

- Average number of tenure/tenure-track faculty at Channel Island, Humboldt, Monterey Bay, and Sonoma: 202
- Average tenure-track faculty salary at those four campuses: \$130,000
- Salary plus staff benefits @ 40%: \$182,000
- Cost of a faculty's 13<sup>th</sup>, 14<sup>th</sup>, and 15<sup>th</sup> teaching units: \$36,400
- Cost for all 22 campuses to have a structural baseline budget:
  - 75% of \$36,400 x 202 faculty x 22 campuses = \$121.3 million
  - Adjusted for inflation: **\$137.1 million**

We deduct this amount from the cost estimate for instruction, later in this document, but wanted to recognize it here as an important part of the structural baseline.

## Maintenance and Renewal

The final piece of the structural baseline budget, again, taking our guidance from the NCHEMS budget modeling for Virginia, is maintenance and renewal. This estimate represents the replacement value of buildings (excluding auxiliaries) and the costs of maintaining instructional equipment. This can be thought of as the upkeep costs for buildings and instructional materials necessary to keep the deferred maintenance backlog from getting any worse, and general use and replacement of materials. CSU provided one piece of data which gives an estimate of \$313 million per year to prevent any other buildings from falling into disrepair, noting that this amount does not reduce the \$5.8 billion deferred maintenance backlog.<sup>4</sup>

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<sup>4</sup> CSU, Critical Facilities Renewal PowerPoint provided by CSU staff.

## Summing up the Structural Baseline

This yields an estimate for the costs of basic maintenance of the infrastructure of the state's 22-campuses without accounting for costs to support any enrollments above 6,641, that is, for a barebones systemwide enrollment of 146,102:

Figure 1 Estimate of Structural Baseline Costs

Institutional Support	\$620.6 million
Academic Support	\$570.2 million
Student Services	\$633.6 million
Instruction	\$137.1 million*
Maintenance and Renewal	\$313.0 million
Total Structural Baseline	\$2,274.5 million

\* This accounts for *none* of the teaching workload of faculty.

## Estimating Non-Instructional Costs to Budget for Actual Enrollments

This section of the cost model builds up the categories of Institutional Support, Academic Support, and Student Services to estimate costs for *actual* systemwide enrollments of 443,135. Instructional costs will be discussed separately after this section.

This step involves two major tasks:

1. Adjusting the support categories (institutional, academic, and student services) for *actual* enrollments, since the previous computation treated all 22 campuses as if they had an FTE of 6,641.
2. Further adjusting the support categories to recognize the additional needs of traditionally underrepresented students.

## Adjusting Support Categories for Campus Enrollments

In adjusting the structural baseline upward to account for actual enrollments, we reasoned that a benchmark for institutional support should be efficiency, whereas, for academic support and student services, that benchmark should be institutional performance. We applied those benchmarks to the computations.

### Institutional Support

Reflecting the goal of efficiency in administration, we built the Institutional Support budget using the average of the five lowest-spending campuses in terms of Institutional Support per FTE. Those campuses are Long Beach, Dominguez Hills, Pomona, San Diego, and Northridge and the average is \$1,620 per FTE.

Institutional Support calculation:  $\$1,620 \times 297,033 \text{ FTE} = \$481.2 \text{ million}$

Adjusted for inflation: **\$544.1 million**

## Academic Support and Student Services

Performance, not efficiency, should be the goal of budgeting for these student-directed spending categories. Accordingly, we took the average of the five highest performers in improving graduation rates (Bakersfield, Los Angeles, Northridge, San Diego, and Monterey Bay). Interestingly, with the exception of Monterey Bay, those campuses were not among the higher-spending campuses in expenditures per FTE in either academic support or student services, with rankings of 4,8,12,13,14 for spending on academic support and 1,5,7,12,22 on spending on student services. We apply the resulting per-FTE expenditures (the figure differs for academic support and student services) to the additional 297,033 FTE that remains to be budgeted, on top of the structural baseline number of 146,102 FTE.

Figure 2 Adjustment for Full Enrollment

	Academic Support	Student Services
Average expenditure per FTE	\$2,288	\$2,759
Cost to fund full enrollment* (in millions)	\$680	\$820
Increased for inflation	<b>\$768.4</b>	<b>\$926.6</b>

\*297,033 above “small campus” baseline

## Adjusting the support categories to recognize additional needs of traditionally underrepresented students

It is well known from the academic literature that certain groups of students (traditionally underrepresented, low-income, first-generation) typically require more support in order to be as successful as their better-prepared and more traditional counterparts. One well-known example of documented success attributed to increased spending on under-prepared students is the ASAP program at the City University of New York (CUNY), where they spent [60% more on such students](#).

To provide for the extra costs that research shows help traditionally underrepresented students succeed, we add costs to serve the 49% of CSU enrollments who were traditionally underrepresented students in Fall, 2020.<sup>5</sup> That is equal to about 240,000 students. Using a conservative amount of extra spending – 33% instead of the 60% spent by CUNY – we get the following additional estimated student services costs:

- 240,000 headcount students
- 33% of \$2,042 average expenditures per student<sup>6</sup> (adjusted for inflation) = \$762
- 240,000 headcount students x \$762 per student = \$182.9 million<sup>7</sup>

<sup>5</sup> Data from CSU Research and Analyses website.

<sup>6</sup> Average of the 18 colleges other than the higher-cost four small campuses.

<sup>7</sup> As confirmation that this is a reasonable adjustment, we note that the NCHEMS study on Virginia provides weights for Pell Grant recipients and students from underrepresented minorities between \$300 and \$500 per headcount. Higher costs of living in California (plus an inflation adjustment) would justify a number at the upper above their range. Additionally, a [research study](#) concluded that a common feature of effective strategies is to have dedicated counselors with a maximum 250 student caseload. The figure we use above is cost of this in the CSU with a caseload of 200.



Figure 3 shows the estimates, before any consideration of direct instructional costs, which range from \$3.5 to \$4.8 billion.

*Figure 3 Cost Estimates Before Consideration of Instruction (dollars in millions)*

	Institutional Support	Academic Support	Student Services	Instruction	Maintenance and Renewal	Total
Structural Baseline	\$ 620.6	\$ 570.2	\$ 633.6	\$ 137.1	\$ 313.0	\$ 2,274.5
Adjust for Actual Enrollments	\$ 544.1	\$ 768.4	\$ 926.6			\$ 2,239.0
Adjust for Student Characteristics			\$ 182.9			\$ 182.9
<b>Total</b>						<b>\$ 4,696.4</b>

## Estimating Instructional Costs

Before we can begin to estimate what costs might or should be, to complete the main missing part of the cost model, we need to understand current instructional expenditures. From analyzing current expenditures, we hope to produce some insights about how adequate and justifiable costs might deviate from current expenditure patterns. This section is organized as follows:

- Brief review of the approach to the analysis of instructional expenditures
- Presentation of four metrics for analyzing patterns
- Additional analyses and data:
  - Impaction and average class size
  - Numbers of degrees offered by campus
- Implications of analyses for estimating instructional costs
- Summary of instructional cost estimates

## Review of Approach to Analysis of Instructional Expenditures

The bulk of our analysis is based on a data set provided by the CSU, consisting of complete course data for the 2021-22 academic year. The data that serves our purposes includes, for each of the 172,004 courses, the campus, discipline, level of instruction (lower division, upper division, graduate), course enrollment, student credit units, and the average faculty cost for the course (by campus), including salary and benefits. The course data is collected in thirty-two discipline categories which we have collapsed into nineteen categories to facilitate analyses and presentation. The left side of Figure 4 shows the full set of categories used for data collection; the right side shows the shorter set of categories into which we have combined them. We kept separate two small categories – Reserve Officers’ Training Corps (ROTC) and Maritime/Aviation – because they were significantly different from the other categories. Maritime/Aviation consists only of courses offered at the Maritime Academy and the Aviation program at San José State University. We also separated out a number of disciplines that could well be classified as “Humanities” but if included, the Humanities category became so large as to prevent meaningful analysis. Figure 5 shows our selected set of disciplines along with the number of course sections for each, in the 2021 academic year, to provide a sense of the relative magnitudes of the 19 disciplines.

Figure 4 Mapping CSU Categories to Disciplines for Analysis

CSU Data Reporting Category	Discipline
VISUAL AND PERFORMING ARTS.	Fine/Performing Arts
BIOLOGICAL AND BIOMEDICAL SCIENCES.	Biological Sciences
NATURAL RESOURCES AND CONSERVATION.	Biological Sciences
AGRICULTURAL/ANIMAL/PLANT/VETERINARY SCIENCE AND RELATED FIELDS.	Biological Sciences
BUSINESS, MANAGEMENT, MARKETING, AND RELATED SUPPORT SERVICES.	Business
COMMUNICATION, JOURNALISM, AND RELATED PROGRAMS.	Communications
EDUCATION.	Education
ARCHITECTURE AND RELATED SERVICES.	Engineering/Technology
COMMUNICATIONS TECHNOLOGIES/TECHNICIANS AND SUPPORT SERVICES.	Engineering/Technology
COMPUTER AND INFORMATION SCIENCES AND SUPPORT SERVICES.	Engineering/Technology
ENGINEERING.	Engineering/Technology
ENGINEERING/ENGINEERING-RELATED TECHNOLOGIES/TECHNICIANS.	Engineering/Technology
ENGLISH LANGUAGE AND LITERATURE/LETTERS.	English
FOREIGN LANGUAGES, LITERATURES, AND LINGUISTICS.	Foreign Languages
HEALTH PROFESSIONS AND RELATED PROGRAMS.	Health
HISTORY.	History/Philosophy
PHILOSOPHY AND RELIGIOUS STUDIES.	History/Philosophy
AREA, ETHNIC, CULTURAL, GENDER, AND GROUP STUDIES.	Ethnic/Cultural
CITIZENSHIP ACTIVITIES.	Humanities
FAMILY AND CONSUMER SCIENCES/HUMAN SCIENCES.	Humanities
LIBERAL ARTS AND SCIENCES, GENERAL STUDIES AND HUMANITIES.	Humanities
LIBRARY SCIENCE.	Humanities
MULTI/INTERDISCIPLINARY STUDIES.	Humanities
(blank)	Humanities
TRANSPORTATION AND MATERIALS MOVING.	Maritime/Aviation
MATHEMATICS AND STATISTICS.	Math
PARKS, RECREATION, LEISURE, FITNESS, AND KINESIOLOGY.	PE (Parks etc.)
PHYSICAL SCIENCES.	Physical Sciences
PSYCHOLOGY.	Psychology
MILITARY SCIENCE, LEADERSHIP AND OPERATIONAL ART.	ROTC
HOMELAND SECURITY, LAW ENFORCEMENT, FIREFIGHTING AND RELATED PROTECTIVE SERVICES.	Social Sciences
PUBLIC ADMINISTRATION AND SOCIAL SERVICE PROFESSIONS.	Social Sciences
SOCIAL SCIENCES.	Social Sciences

Figure 5 Number of Course Sections by Discipline

Discipline	2021 Academic Year
Engineering/Technology	18,828
Art	16,831
Social Sciences	16,747
Education	14,676
Business	11,417
Biological Sciences	11,381
Humanities	10,088
Physical Sciences	10,065
Health	8,432
Math	7,844
Communications	7,807
PE (Parks etc.)	7,378
English	7,165
Psychology	6,940
History/Philosophy	5,766
Ethnic/Cultural	5,363
Foreign Languages	4,665
Maritime/Aviation	312
ROTC	298
<b>Total Number of Course Sections</b>	<b>172,003</b>

We limit our analysis of the data to the systemwide level, with the exception of an analysis of average class size in impacted campuses relative to other campuses. We suggest, with some specific recommendations at the end of this section, that data of this sort, collected by the Chancellor's Office every year, is a powerful and valuable source of data that the system and campuses should use routinely to guide their allocation of instructional resources.

Note that the expenditures contained in the data exclude instructional expenditures for instructional equipment and supplies, and other instructional expenditures beyond faculty salaries and benefits. Therefore, this data is inconsistent with IPEDS data on instruction which includes a portion of instructional equipment and supplies as well as other instructional-related items such as faculty travel.

We use the 2021-22 course data solely to examine patterns, suggest analyses for campuses to do with actual, not average, data, and see if any adjustments should be made to the IPEDS actual data, such as we did for the other IPEDS categories.

## Limitations of the Data, and Refinements to Minimize Limitations

CSU uses the *average* faculty salary and benefits *for each campus* to determine the cost of each class. There are two primary limitations of analyzing average faculty salaries. First, it does not reflect salary differentials across disciplines beyond the small differences across most campuses in the mix of disciplines taught. Second, it does not account for the fact that lower division courses are more often taught by lower-paid lecturers and junior faculty while upper division and graduate courses are more often taught by more highly-paid senior faculty.

We have adjusted the data to account for these two factors. To adjust for higher salaries in certain disciplines, we used data from [Higher Ed Jobs](#) that revealed three disciplines with significantly higher average salaries: Business (+39%), Engineering/technology (+28%), and Health (+13%). We adjusted faculty expenditures upward for those three disciplines and prorated other disciplines accordingly to retain the actual total expenditure for the system. The average salaries for all other disciplines were close enough to one another not to warrant any adjustment.

Adjusting for the different teaching patterns by rank by rank of faculty is less straightforward. It requires making an assumption about the mix of courses, by level, taught by each rank of faculty that, when applied to the 172,003 courses offered during the 2021 academic year, roughly matches the *actual* number of faculty, by rank available to teach these courses, according to the [CSU Employee Profile](#). This estimate, while admittedly rough, certainly improves the accuracy of the analyses of expenditures by discipline that would result from unadjusted single average course cost per campus. Figure 6 below shows the assumptions that produce the approximately correct number of available faculty at each rank.

Figure 6 Assumed Distribution of Faculty Rank, by Level of Instruction

	Lower Division	Upper Division	Graduate
Lecturers	60%	40%	10%
Asst/Assoc Professor	25%	40%	30%
Professor	15%	20%	60%
	100%	100%	100%

Figure 6 totals 100% by the level of the course. For example, we assume that 60% of lower division courses are taught by lecturers, while 25% are taught by associate or assistant professors and 15% are taught by senior faculty. This method assumes that this same distribution of teaching load applies across all disciplines, as we have no data to vary these assumptions by discipline. It would be next-to-impossible to produce this estimate separately for each discipline.

Figure 7 shows the implication of these assumptions for the distribution of the teaching load by rank of faculty. It shows, for example, that the teaching workload of professors consists of 19% lower division courses, 41% upper division courses, and 40% graduate courses. Put otherwise, the workload of professors, systemwide, is assumed to consist of 60% undergraduate courses and 40% graduate courses.

*Figure 7 Distribution of Course Level of Teaching, by Faculty Rank*

	Lower Division	Upper Division	Graduate	Courses
Lecturers	46%	50%	4%	100%
Asst/Assoc Professor	23%	62%	15%	100%
Professor	19%	41%	40%	100%

To help consider if these assumptions are reasonable, Figure 8 shows the number of courses offered in academic year 2021, by level.

*Figure 8 Number of Courses, by Level*

Lower Division	54,726	32%
Upper Division	88,941	52%
Graduate	28,336	16%
Total	172,003	100%

The above assumption about the distribution of courses, by level, across faculty, by rank, is then applied to each discipline in accordance with the number of courses offered at each level of instruction. Figure 9 is an example for the Art discipline. It shows, using our above assumption, how many classes at each level are assumed to be taught by each rank of faculty.

*Figure 9 Assumed Teaching Pattern for Discipline of Art*

	Lower Div.	Upper Div.	Graduate
Professor	931	1,823	904
Assist/Assoc Prof	1,552	3,647	452
Lecturer	3,725	3,647	151
# of Art Courses	6,208	9,117	1,506

We do the same for each of the nineteen disciplines and then multiply the number of courses by the systemwide average salary, per course, for each rank of faculty, per the CSU Employee Profile. This method unavoidably requires us to treat each course as if it were a three-unit course – costing one-eighth of a full-time faculty salary and one-tenth of a lecturer’s salary.<sup>8</sup> Assuming that there is a reasonably similar distribution of courses of variable unit length across disciplines and levels, this necessary assumption should yield reasonable expenditures by discipline and level that account for faculty teaching patterns and salary differences by rank. This method does not further disaggregate the course data by mode of instruction (lab, lecture, activity), because that data was not available to us.

<sup>8</sup> We do not, out of practicality, consider different campus practices of reducing full-time faculty teaching workload from four courses to three for selected faculty.

## Analysis of Instructional Data – Using Four Metrics

This section presents an analyses of four basic metrics.

### 1. Total expenditures by discipline and level

This shows how the CSU instructional budget is distributed across disciplines, and within each discipline, how expenditures are distributed across levels (lower division, upper division, and graduate).

### 2. Total student credit units (SCU) by discipline and level (no adjustment required)

This shows the distribution of student course enrollments, across disciplines and levels, indicating the current priorities of the CSU in balancing student demand and state needs with faculty workload and other institutional resources.

### 3. Comparing expenditures and student credit units

We show the relationship between expenditures and SCUs in two ways:

- a. Percentage of total expenditures accounted for by each discipline compared to the percentage of SCUs. This is one way to show the relative cost of the disciplines in relation to enrollments served.
- b. Expenditures per student credit unit (SCU) by discipline and level. This is a productivity measure, showing, for each level in each discipline, the expenditure made to produce a student credit unit. Of course, there are expected differences across disciplines and levels related to different pedagogy, student demand, and curricular requirements.

### 4. Average class size

This is another productivity measure but focuses on the class as the unit of analysis instead of the discipline. As with the previous metric, class size is dependent on curricular and pedagogical requirements, but it also reflects campus decisions and constraints relative to student demand, faculty workload, and classroom availability.

Together, analyses using these metrics can help the Workgroup understand whether some areas of instruction appear to be requiring too many resources or are receiving too few resources. The analyses, being at the systemwide level, will help to identify questions that may warrant further analysis at the campus level, later on in this project.

## Metric 1: Total Expenditures by Discipline and Level

This metric shows where the money goes, by discipline and level. It says nothing about expenditures per student or per credit unit. Rather, it simply displays how the system allocates its faculty salary and benefit dollars across the disciplines, to manage student demand, faculty availability, state priorities, and workforce needs. These data exclude instructional equipment, supplies, and other non-faculty expenses that are reported in the IPEDS instructional category.

Figure 10 Expenditures by Discipline and Level (Ranked by Total)

Discipline	Lower Division*	Upper Division	Graduate	TOTAL
Engineering/Technology	\$ 72,420,466	\$ 193,293,034	\$ 65,339,462	\$ 331,052,963
Social Sciences	\$ 40,302,816	\$ 141,253,145	\$ 50,809,345	\$ 232,365,306
Fine/Performing Arts	\$ 74,955,028	\$ 123,720,331	\$ 25,506,291	\$ 224,181,650
Education	\$ 13,245,114	\$ 86,456,315	\$ 122,077,919	\$ 221,779,348
Business	\$ 23,915,459	\$ 168,104,405	\$ 25,424,996	\$ 217,444,861
Biological Sciences	\$ 43,816,333	\$ 76,550,004	\$ 35,752,842	\$ 156,119,179
Humanities	\$ 42,922,862	\$ 68,380,689	\$ 38,203,222	\$ 149,506,773
Health	\$ 12,101,832	\$ 68,636,897	\$ 58,735,094	\$ 139,473,823
Physical Sciences	\$ 61,697,840	\$ 50,101,509	\$ 21,390,734	\$ 133,190,084
Communications	\$ 38,902,239	\$ 57,117,349	\$ 6,368,105	\$ 102,387,693
Math	\$ 67,203,558	\$ 22,716,665	\$ 10,229,615	\$ 100,149,837
Psychology	\$ 11,023,508	\$ 59,627,853	\$ 27,657,220	\$ 98,308,581
PE/Parks/Recreation	\$ 38,298,542	\$ 50,929,297	\$ 7,672,211	\$ 96,900,050
English	\$ 49,635,973	\$ 32,677,257	\$ 10,940,946	\$ 93,254,176
History/Philosophy	\$ 29,110,273	\$ 39,801,659	\$ 7,147,181	\$ 76,059,113
Ethnic/Cultural	\$ 31,730,318	\$ 34,821,363	\$ 2,828,387	\$ 69,380,068
Foreign Languages	\$ 29,726,044	\$ 25,987,105	\$ 4,877,697	\$ 60,590,845
Maritime/Aviation	\$ 1,883,535	\$ 2,116,965	\$ -	\$ 4,000,500
ROTC	\$ 1,811,091	\$ 2,008,403	\$ -	\$ 3,819,494
Total	\$ 684,702,831	\$ 1,304,300,246	\$ 520,961,266	\$ 2,509,964,343
Percent	27%	52%	21%	100%
* Includes courses identified as remedial.				

Figure 11 Expenditures by Discipline and Level (expressed in percentages of total)

	Discipline	Lower Division	Upper Division	Graduate	TOTAL
	Engineering/Technology	2.9%	7.7%	2.6%	13.2%
Grey shade:	Social Sciences	1.6%	5.6%	2.0%	9.3%
	Fine/Performing Arts	3.0%	4.9%	1.0%	8.9%
At least 2% of total	Education	0.5%	3.4%	4.9%	8.8%
	Business	1.0%	6.7%	1.0%	8.7%
	Biological Sciences	1.7%	3.0%	1.4%	6.2%
Gold shade:	Humanities	1.7%	2.7%	1.5%	6.0%
	Health	0.5%	2.7%	2.3%	5.6%
At least 5% of total	Physical Sciences	2.5%	2.0%	0.9%	5.3%
	Communications	1.5%	2.3%	0.3%	4.1%
	Math	2.7%	0.9%	0.4%	4.0%
	Psychology	0.4%	2.4%	1.1%	3.9%
	PE/Parks/Recreation	1.5%	2.0%	0.3%	3.9%
	English	2.0%	1.3%	0.4%	3.7%
	History/Philosophy	1.2%	1.6%	0.3%	3.0%
	Ethnic/Cultural	1.3%	1.4%	0.1%	2.8%
	Foreign Languages	1.2%	1.0%	0.2%	2.4%
	Maritime/Aviation	0.1%	0.1%	0.0%	0.2%
	ROTC	0.1%	0.1%	0.0%	0.2%
	Total	27.3%	52.0%	20.8%	100.0%

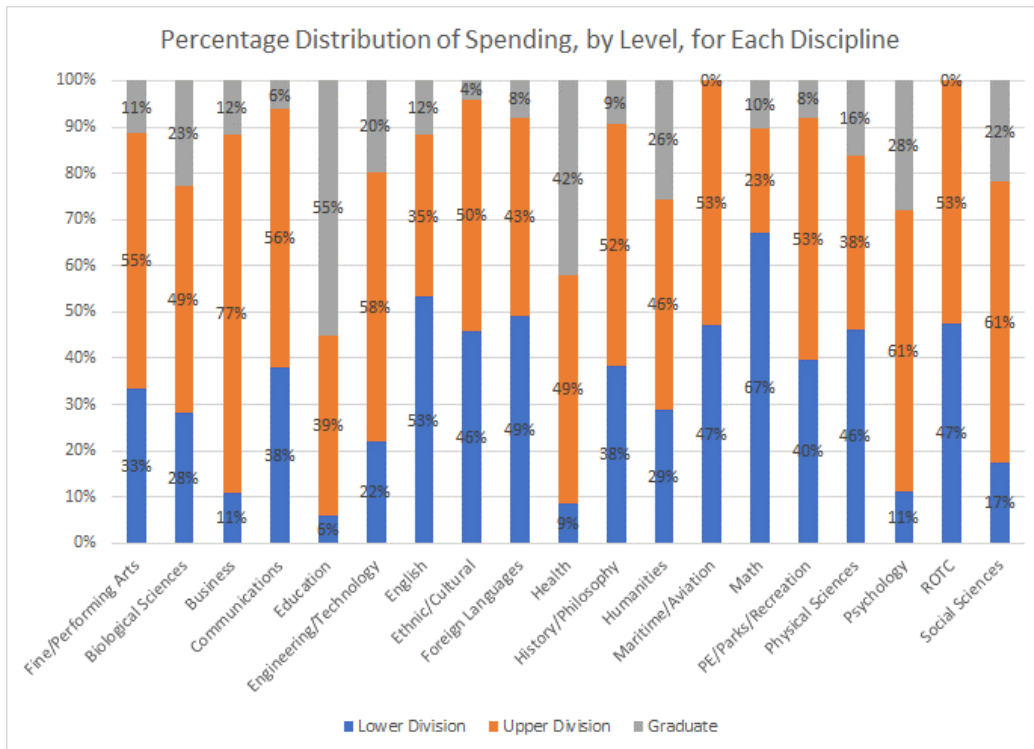
Figure 12 Distribution of Total Expenditures Within Each Level, By Discipline

Distribution of Total Expenditures Within Each Level, by Discipline				
Discipline	Lower Division	Upper Division	Graduate	Total
Engineering/Technology	10.6%	14.8%	12.5%	13.2%
Social Sciences	5.9%	10.8%	9.8%	9.3%
Fine/Performing Arts	10.9%	9.5%	4.9%	8.9%
Education	1.9%	6.6%	23.4%	8.8%
Business	3.5%	12.9%	4.9%	8.7%
Biological Sciences	6.4%	5.9%	6.9%	6.2%
Humanities	6.3%	5.2%	7.3%	6.0%
Health	1.8%	5.3%	11.3%	5.6%
Physical Sciences	9.0%	3.8%	4.1%	5.3%
Communications	5.7%	4.4%	1.2%	4.1%
Math	9.8%	1.7%	2.0%	4.0%
Psychology	1.6%	4.6%	5.3%	3.9%
PE/Parks/Recreation	5.6%	3.9%	1.5%	3.9%
English	7.2%	2.5%	2.1%	3.7%
History/Philosophy	4.3%	3.1%	1.4%	3.0%
Ethnic/Cultural	4.6%	2.7%	0.5%	2.8%
Foreign Languages	4.3%	2.0%	0.9%	2.4%
Total	99%*	100%	100%	100%

\*ROTC and Maritime/Aviation together (not shown) account for just over .5%.

Figure 13 shows, for each discipline, how expenditures distribute – to 100% - across the three levels of instruction.

Figure 13 Percentage Distribution of Spending, by Level, for Each Discipline





To pick two contrasting disciplines from Figure 13, Business has 77% of expenditures at the upper division level and only 11% at the lower division level; Math has 67% of expenditures at the lower division level and only 23% at the upper division level. Only Education and Health have large percentages of expenditures at the graduate level.

## Metric 2: Total Credit Units by Discipline and Level

This metric shows where the students are – not where the money goes. Figures 14, 15, 16, 17, and 18 are the equivalent to Figures 10-15 but for student credit units (SCU), instead of expenditures. The relationship among the disciplines in the share of SCUs across levels differs from that of expenditures because some disciplines are more expensive, owing to differences in average class size.

Figure 14 shows that by far most SCUs are at the upper division level, reflecting the CSU's role in serving community college transfer students. The three largest disciplines in order, each producing over one million student credit units, were Social Sciences, Business, and Engineering/Technology. Of these three largest disciplines, Engineering/Technology and Social Sciences were the two highest-spending disciplines, as seen in Figure 10 above, but Business was fifth. We will explore the relationship between relative expenditures and SCUs, by discipline, more thoroughly in the next section, with Metric 3.

*Figure 14 Student Credit Units (SCU) by Discipline and Level, Ranked by Total SCU*

Discipline	Lower Division*	Upper Division	Graduate	TOTAL
Social Sciences	447,476	900,601	114,665	1,462,742
Business	165,808	952,112	68,885	1,186,804
Engineering/Technology	307,097	736,034	100,472	1,143,603
Education	95,426	395,664	266,396	757,487
Fine and Performing Arts	359,480	362,225	11,850	733,555
Biological Sciences	342,552	328,970	20,336	691,858
Psychology	143,461	477,725	43,351	664,537
Physical Sciences	437,011	178,676	10,786	626,473
Math	467,323	104,557	11,282	583,163
Communications	249,128	309,217	7,499	565,845
Humanities	207,994	315,073	21,746	544,813
History/Philosophy	286,221	218,667	8,169	513,057
Health	76,217	327,953	103,423	507,593
Ethnic/Cultural	277,531	205,577	2,336	485,444
English	255,941	173,339	15,387	444,667
PE/Parks/Recreation	124,192	273,512	8,979	406,683
Foreign Languages	183,547	120,224	6,186	309,956
Maritime/Aviation	6,330	4,974		11,304
ROTC	2,109	2,956		5,065
Grand Total	4,434,844	6,388,055	821,749	11,644,648
Percent of Total, by Level	38%	55%	7%	100%
* Includes courses identified as "Pre-collegiate/remedial"				

Figure 15 Distribution of SCUs by Discipline and Level

Distribution of SCUs by Discipline and Level				
Discipline	Lower Division	Upper Division	Graduate	TOTAL
Social Sciences	3.8%	7.7%	1.0%	12.6%
Business	1.4%	8.2%	0.6%	10.2%
Engineering/Technology	2.6%	6.3%	0.9%	9.8%
Education	0.8%	3.4%	2.3%	6.5%
Fine Arts	3.1%	3.1%	0.1%	6.3%
Biological Sciences	2.9%	2.8%	0.2%	5.9%
Psychology	1.2%	4.1%	0.4%	5.7%
Physical Sciences	3.8%	1.5%	0.1%	5.4%
Math	4.0%	0.9%	0.1%	5.0%
Communications	2.1%	2.7%	0.1%	4.9%
Humanities	1.8%	2.7%	0.2%	4.7%
History/Philosophy	2.5%	1.9%	0.1%	4.4%
English	2.2%	1.5%	0.1%	3.8%
PE/Parks/Recreation	1.1%	2.3%	0.1%	3.5%
Foreign Languages	1.6%	1.0%	0.1%	2.7%
Maritime/Aviation	0.1%	0.0%	0.0%	0.1%
ROTC	0.0%	0.0%	0.0%	0.0%
Grand Total	38.1%	54.9%	7.1%	100.0%

Grey Shade: At least 2% of total

Gold Shade: At least 5% of total

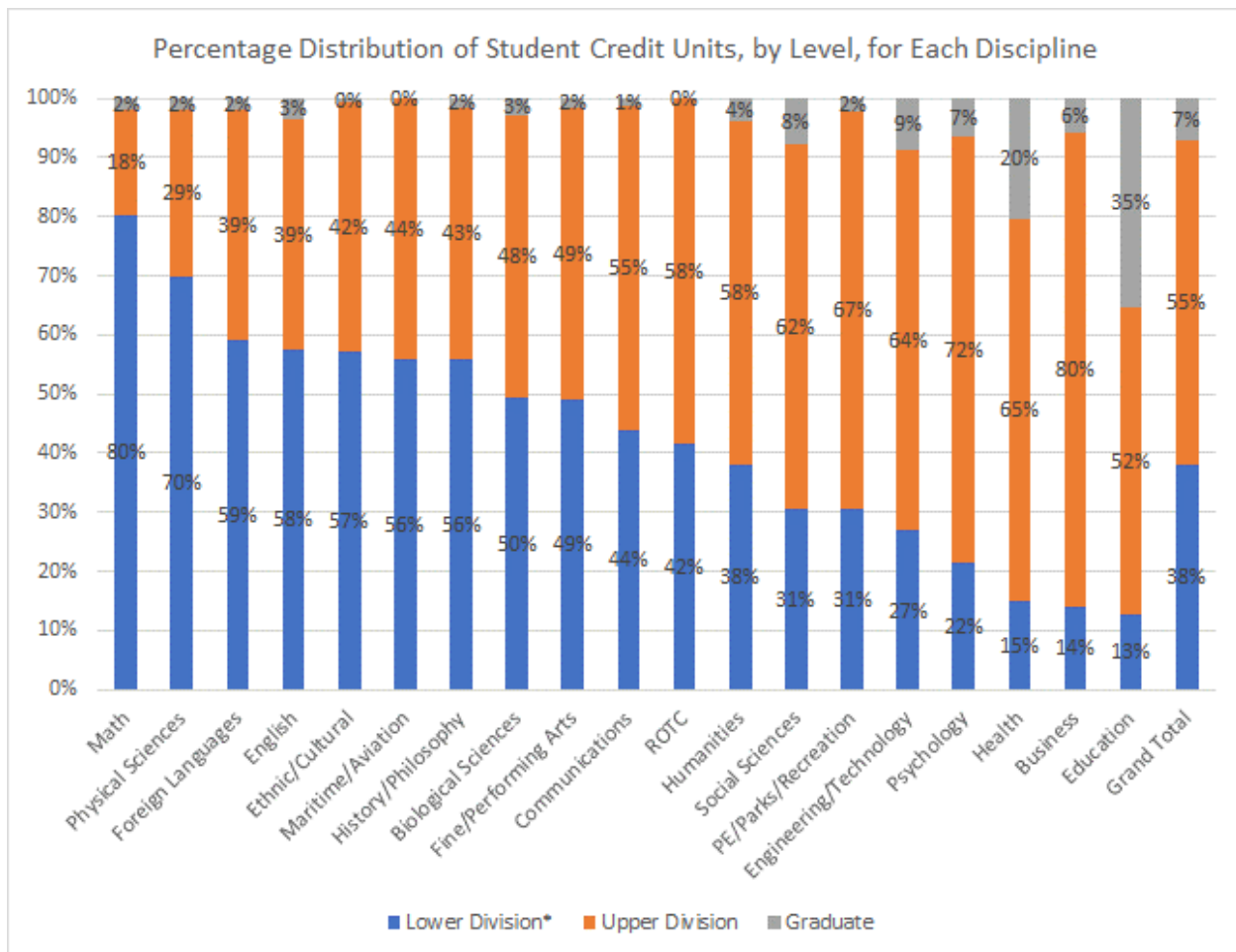
Figure 16 shows, in percentage terms, how each discipline contributes to each level of instruction. Social Sciences, Physical Sciences, and Math, together, account for over 30 percent of SCUs at the lower division level. At the upper division level, Social Sciences, Business, and Engineering/Technology account for over 40 percent of credit units. Education alone accounts for one-third of graduate student credit units.

Figure 16 Distribution of SCUs within each Level, by Discipline

Discipline	Lower Division	Upper Division	Graduate	TOTAL
Social Sciences	10%	14%	14%	13%
Business	4%	15%	8%	10%
Engineering/Technology	7%	12%	12%	10%
Education	2%	6%	32%	7%
Fine and Performing Arts	8%	6%	1%	6%
Biological Sciences	8%	5%	2%	6%
Psychology	3%	7%	5%	6%
Physical Sciences	10%	3%	1%	5%
Math	11%	2%	1%	5%
Communications	6%	5%	1%	5%
Humanities	5%	5%	3%	5%
History/Philosophy	6%	3%	1%	4%
Health	2%	5%	13%	4%
Ethnic/Cultural	6%	3%	0%	4%
English	6%	3%	2%	4%
PE/Parks/Recreation	3%	4%	1%	3%
Foreign Languages	4%	2%	1%	3%
Total	100%	100%	100%	100%

Figure 17 shows how the SCUs in each discipline divide among levels to total 100%. The figure lists disciplines from left to right in rank order of its percentage of lower division SCUs, with the systemwide total at the right. It is clear which disciplines differ substantially from the systemwide total distribution of SCUs of 38% lower division, 55% upper division, and 7% graduate. Math and Physical Sciences have the largest portion of SCUs at the lower division level, with several other disciplines above the system average. Business has the largest portion of SCUs at the upper division level, with Psychology, PE/Parks/Recreation, Health, and Engineering/Technology high as well. At the graduate level, Education and Health are the only two disciplines that far exceed the systemwide average of 7% of SCUs.

Figure 17 Percentage Distribution of Student Credit Units, by Level, for Each Discipline



### Metric 3: Comparing Expenditures and Student Credit Units

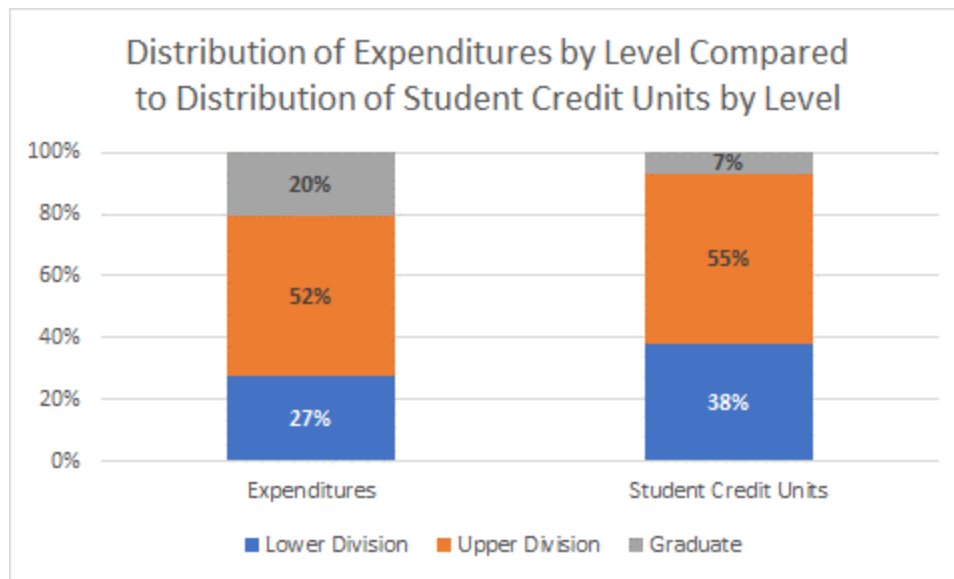
In this section we bring together the data from the first two metrics to compare expenditures and student credit units in total, and for the disciplines. We show two types of metrics: one set of figures that compare a discipline's share of total spending to its share of total SCUs, and another set that shows expenditures per SCU. The first would be helpful in efforts to align budgets with enrollments because it helps understand the enrollment implications of increasing or decreasing expenditures in certain disciplines. The second is a basic productivity measure of

the faculty salary and benefit expenditure required in various disciplines to produce a student credit unit.

### 3A. Comparing Shares of Expenditures to Shares of Student Credit Units

Figure 18 compares the systemwide distribution of expenditures by level to the distribution of SCUs by level. While the graduate level accounts for only seven percent of student credit units, it accounts for a much larger share (20%) of expenditures. This is not surprising, as graduate education is more expensive, both because of smaller class sizes and the predominance of more senior faculty. Lower division, as would be expected, accounts for a much smaller portion of expenditures than of credit units, because of generally larger class sizes and lower-cost faculty.

Figure 18 Distribution of Expenditures by Level Compared to Distribution of Student Credit Units by Level



Figures 19 through 22 compare each discipline's share of expenditures to its share of SCUs – for the discipline total and each level of instruction. A variance between a discipline's share of SCUs and its share of expenditures does not necessarily imply that it is excessively costly. Disciplines vary in cost for many justifiable reasons. These detailed data are presented just to see if there are any unexpected variations that need to be further explored.

Figure 19 Share of Expenditures v. Share of SCUs, for Each Discipline  
Total of All Levels

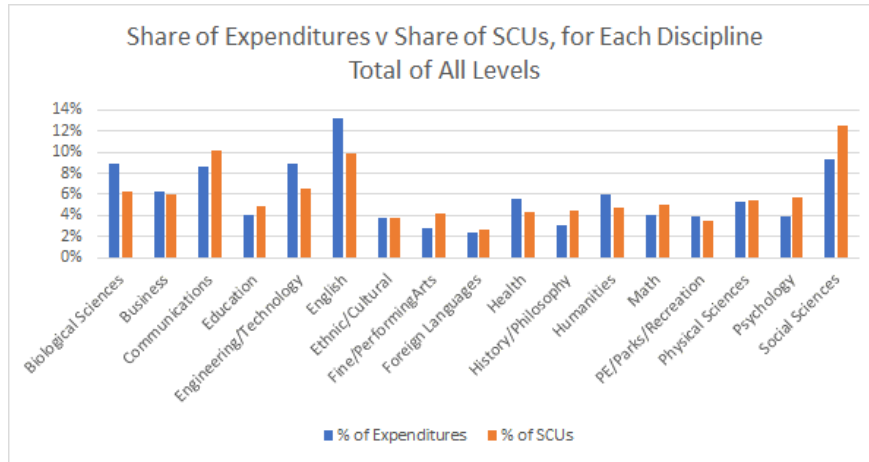


Figure 20 Share of Expenditures v. Share of SCUs, for Each Discipline  
Lower Division

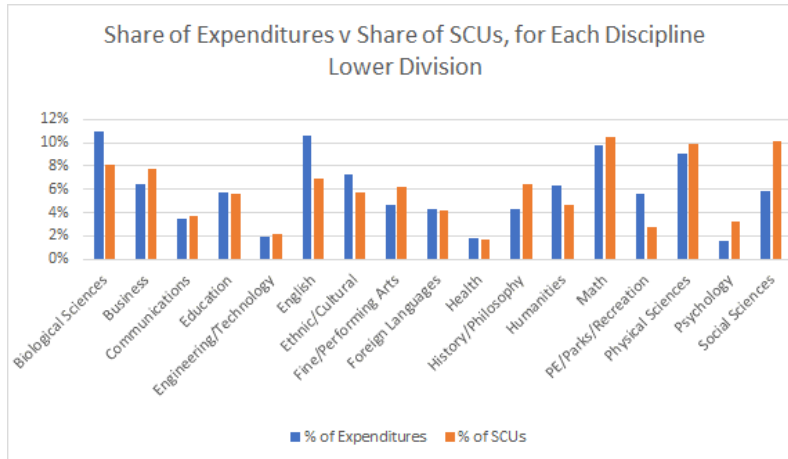


Figure 21 Share of Expenditures v. Share of SCUs, for Each Discipline  
Upper Division

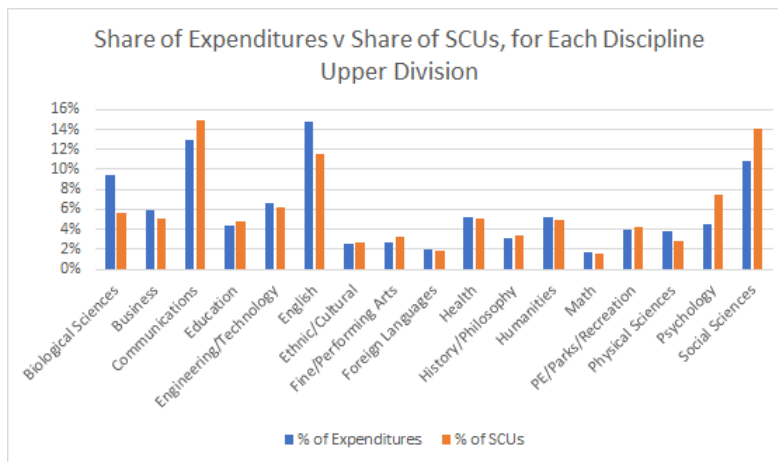
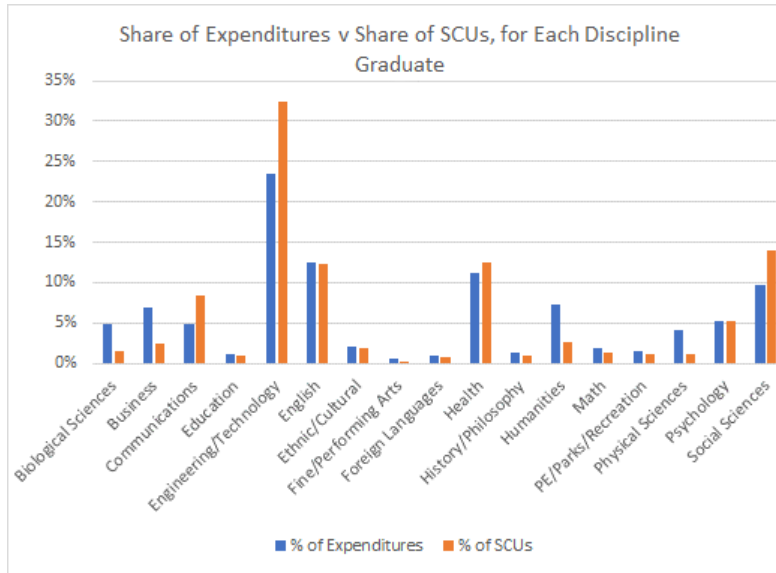


Figure 22 Share of Expenditures v. Share of SCUs, for Each Discipline Graduate



### 3B. Expenditures per Student Credit Unit

Figure 23 shows, for each discipline, the expenditure per student credit unit for lower division, upper division, and graduate, respectively.

Figure 23 Expenditures per Student Credit Unit, by Level Ranked by Lower Division

Expenditures per SCU, by Level	Lower Division	Upper Division	Graduate
ROTC	\$ 859	\$ 679	
PE/Parks/Recreation	\$ 308	\$ 186	\$ 854
Maritime/Aviation	\$ 298	\$ 426	
Engineering/Technology	\$ 236	\$ 263	\$ 650
Fine/Performing Arts	\$ 209	\$ 342	\$ 2,152
Humanities	\$ 206	\$ 217	\$ 1,757
English	\$ 194	\$ 189	\$ 711
Foreign Languages	\$ 162	\$ 216	\$ 789
Health	\$ 159	\$ 209	\$ 568
Communications	\$ 156	\$ 185	\$ 849
Business	\$ 144	\$ 177	\$ 369
Math	\$ 144	\$ 217	\$ 907
Physical Sciences	\$ 141	\$ 280	\$ 1,983
Education	\$ 139	\$ 219	\$ 458
Biological Sciences	\$ 128	\$ 233	\$ 1,758
Ethnic/Cultural	\$ 114	\$ 169	\$ 1,211
History/Philosophy	\$ 102	\$ 182	\$ 875
Social Sciences	\$ 90	\$ 157	\$ 443
Psychology	\$ 77	\$ 125	\$ 638
System Average	\$ 154	\$ 204	\$ 634

Figure 24 presents these data in ratios, setting the lowest-cost per SCU discipline at a value of 1.0 and displaying the others in terms of their proportion to the lowest.

Figure 24 Ratios of Cost per SCU in relation to Lowest-cost Discipline in Each Level

Lower Division		Upper Division		Graduate	
ROTC	11.2	ROTC	5.4	Fine/Performing Arts	5.8
PE/Parks/Recreation	4.0	Maritime/Aviation	3.4	Physical Sciences	5.4
Maritime/Aviation	3.9	Fine/Performing Arts	2.7	Biological Sciences	4.8
Engineering/Technology	3.1	Physical Sciences	2.2	Humanities	4.8
Fine/Performing Arts	2.7	Engineering/Technology	2.1	Ethnic/Cultural	3.3
Humanities	2.7	Biological Sciences	1.9	Math	2.5
English	2.5	Education	1.8	History/Philosophy	2.4
Foreign Languages	2.1	Math	1.7	PE/Parks/Recreation	2.3
Health	2.1	Humanities	1.7	Communications	2.3
Communications	2.0	Foreign Languages	1.7	Foreign Languages	2.1
Business	1.9	Health	1.7	English	1.9
Math	1.9	English	1.5	Engineering/Technology	1.8
Physical Sciences	1.8	PE/Parks/Recreation	1.5	Psychology	1.7
Education	1.8	Communications	1.5	Health	1.5
Biological Sciences	1.7	History/Philosophy	1.5	Education	1.2
Ethnic/Cultural	1.5	Business	1.4	Social Sciences	1.2
History/Philosophy	1.3	Ethnic/Cultural	1.4	Business	1.0
Social Sciences	1.2	Social Sciences	1.3		
Psychology	1.0	Psychology	1.0		

#### Metric 4: Average Class Size

Average class size is another productivity metric, provided that it is interpreted with proper regard for differences in pedagogy, student demand, availability of classrooms of different sizes and CSU mission. Figure 28 shows average class size across all disciplines in each of the three levels. The next three figures present the average class size in graphical form for each level, for easier comparison.

Figure 25 Average Class Size by Discipline and Level (Ranked by Lower Division Class Size)

	Lower Division	Upper Division	Graduate
Psychology	54	37	9
Social Sciences	46	29	13
Business	41	36	22
History/Philosophy	40	25	12
Biological Sciences	37	22	4
Ethnic/Cultural	35	27	5
Physical Sciences	33	18	4
Health	31	26	12
Engineering/Technology	30	26	12
Education	29	20	12
Math	28	21	7
Communications	27	25	7
PE/Parks/Recreation	24	27	7
Humanities	24	22	5
Foreign Languages	22	21	7
Fine/Performing Arts	22	15	3
English	21	24	8
Maritime/Aviation	18	13	
ROTC	9	8	

Figure 26 Average Class Size: Lower Division

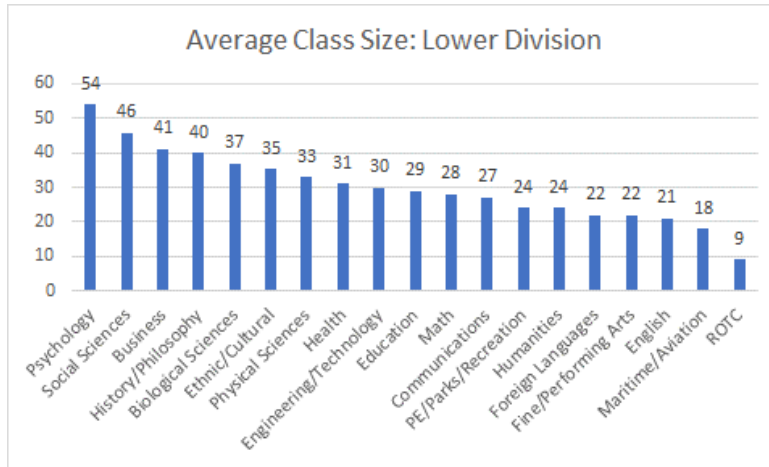


Figure 27 Average Class Size: Upper Division

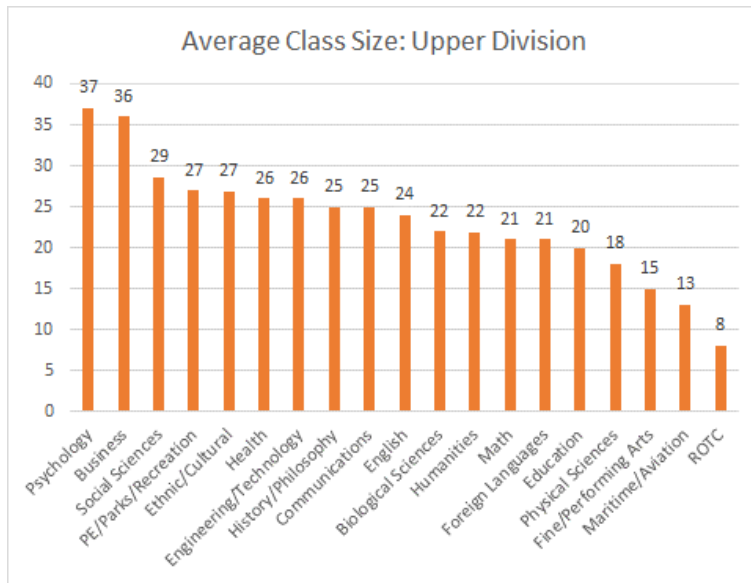
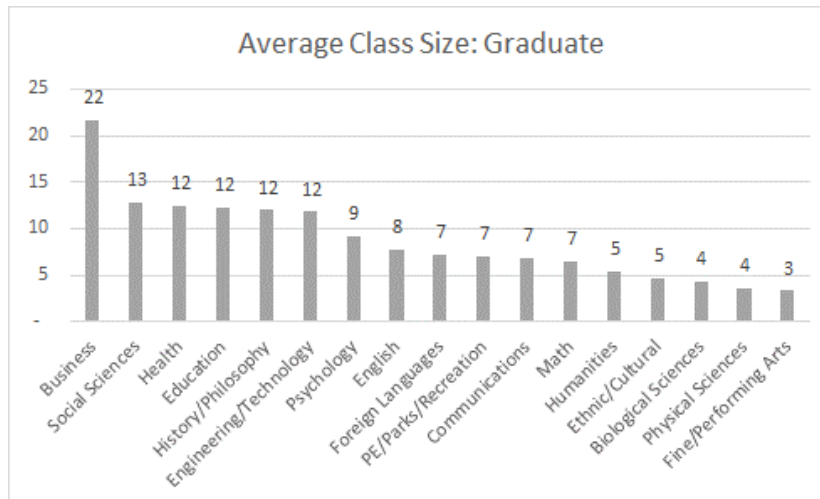


Figure 28 Average Class Size: Graduate





## Additional Analyses and Data

This section presents some data not previously presented to further help the Workgroup consider what level of instructional expenditures might be included in a sustainable cost model. An analysis of impacted programs suggests one reason why actual instructional expenditures are lower than what they reasonably should be. In contrast, the analysis of degrees offered suggests that actual expenditures are inflated from what they would be if campuses controlled the number of majors offered. Finally, a comparison of CSU instructional expenditures per FTE suggests that expenditures might be too low.

### Impacted Programs

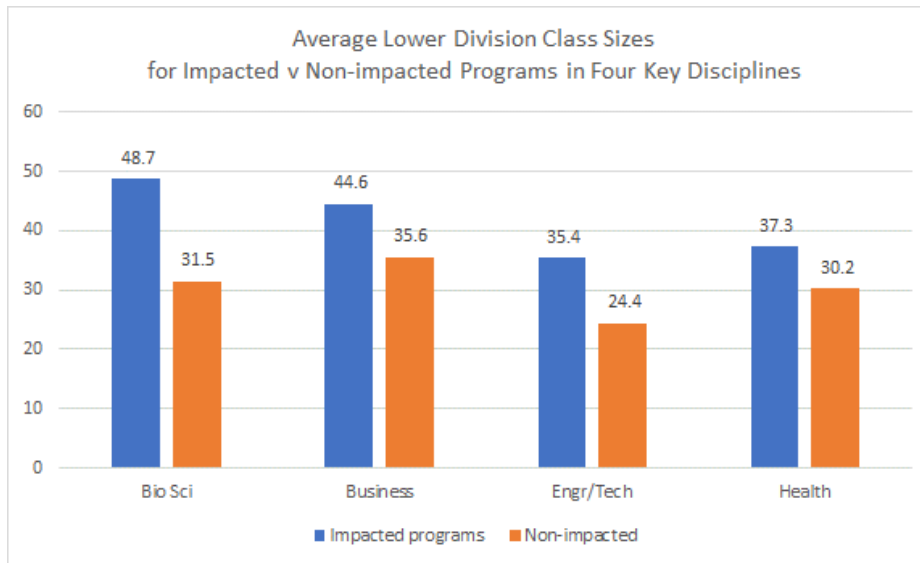
One of the cost pressures facing the CSU is impactation. If impacted campuses and impacted programs in other campuses are facing pressures to accommodate more students than they would ideally admit into certain majors, we might expect class sizes to be larger than in non-impacted programs. Our analysis indicates that this is, indeed the case. In the 2021 academic year, which is the year of all of our analyses, seven campuses are fully impacted and five other campuses have impacted programs in the four high-need areas where we examined the effects of impactation on average class size. Figure 29 shows the campuses and areas of impactation.

*Figure 29 Impacted Campuses and Programs, 2021 Academic Year*

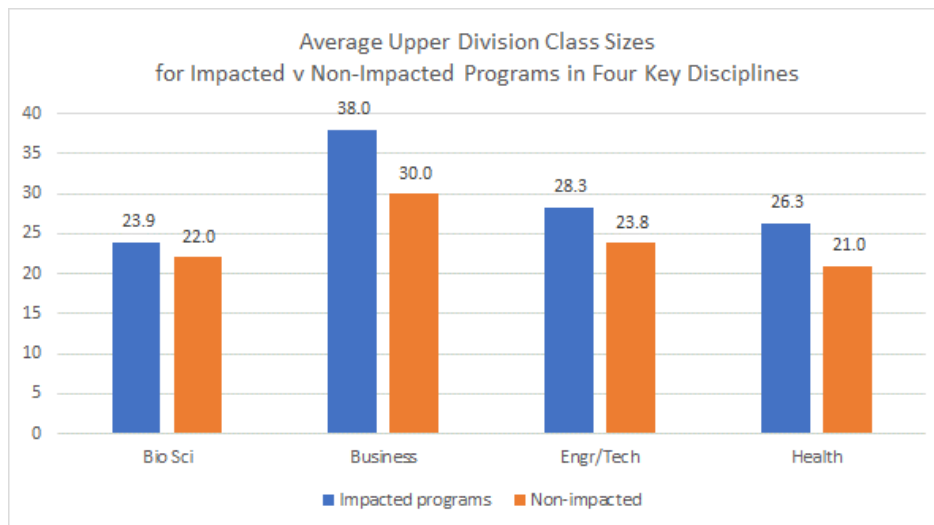
Campus	Fully Impacted	Biological Sciences	Business	Engineering/ Technology	Health
Fresno	X				
San Luis Obispo	X				
San Diego	X				
San Jose	X				
Long Beach	X				
Fullerton	X				
Los Angeles	X				
Northridge		X	X		
Pomona		X	X	X	
San Marcos		X	X	X	
Sacramento			X		X
San Bernardino					X

Figures 30 and 31 show average class sizes in these four disciplines for lower division and upper division, comparing the campuses where programs in these disciplines are impacted to campuses with no impactation in these disciplines. The higher average class sizes in the impacted campuses are clear. The difference is greater at the lower division level with the exception of upper division Business. The largest difference is in lower division Biological Sciences.

*Figure 30 Average Lower Division Class Sizes for Impacted v. Non-Impacted Programs in Four Key Disciplines*



*Figure 31 Average Upper Division Class Sizes for Impacted v. Non-Impacted Programs in Four Key Disciplines*



Using the data on expenditures by level in these four disciplines, we estimated the cost of reducing average class sizes in these impacted programs to the non-impacted average class size to be about \$92 million. This is the cost of adding the equivalent number of classes to bring the average class sizes down to the non-impacted discipline average. Of this total, \$29 million is for Business and \$63 million for the three STEM fields.

## Numbers of Degrees Offered

Figure 32 # Degrees Offered by Campus Enrollment

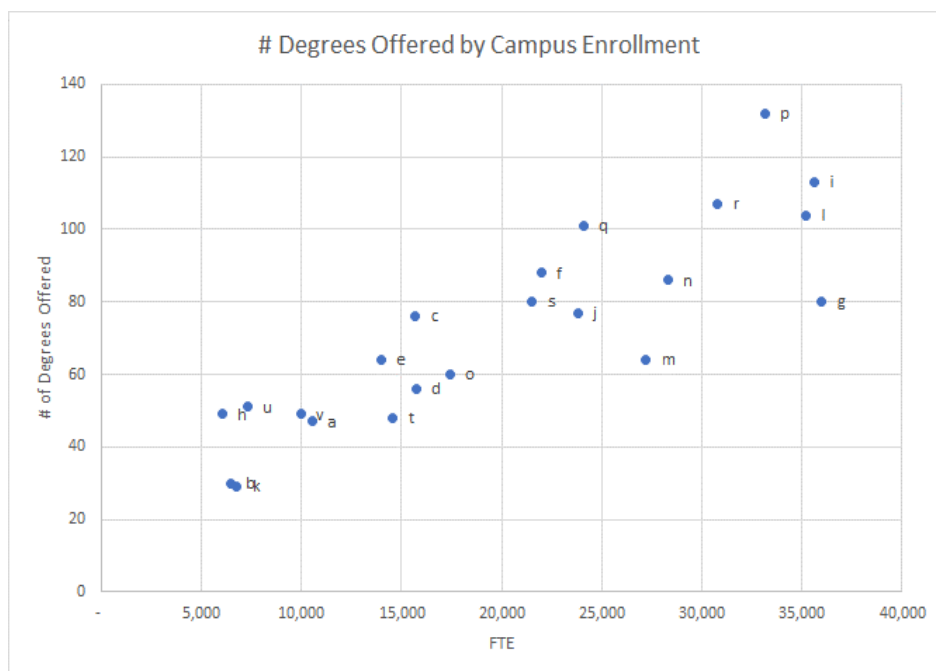
Campus	Fall 2020	
	Enrollment	# of degrees*
San Diego	33,167	132
Long Beach	35,598	113
San Jose	30,795	107
Northridge	35,203	104
San Francisco	24,122	101
Fresno	21,979	88
Sacramento	28,295	86
Fullerton	35,998	80
San Luis Obispo	21,524	80
Los Angeles	23,828	77
Chico	15,682	76
East Bay	13,974	64
Pomona	27,195	64
San Bernardino	17,461	60
Dominquez Hills	15,774	56
Sonoma	7,283	51
Humboldt	6,026	49
Stanislaus	9,955	49
San Marcos	14,559	48
Bakersfield	10,538	47
Channel Islands	6,493	30
Monterey Bay	6,760	29

\* Source: <https://www.calstate.edu/attend/campuses/campus-match/Pages/campus-match.aspx>

Figure 32 shows that five campuses offer over one hundred different degrees and that there is a very large variation in the number of degrees offered across the campuses. Figure 33 graphs the number of degrees against campus enrollment and shows a clear pattern of the larger campuses offering more degrees.

We suggest that the Workgroup consider whether this is a reasonable pattern. While larger campuses might reasonably offer some additional degrees, it seems that larger campuses would mostly offer a normal comprehensive set of degrees but with much larger enrollments in each degree program. Offering so many degrees obligates campuses to guarantee that courses be offered even when very low-enrolled, so that students can complete the degree requirements for the many degree programs.

Figure 33 # Degrees Offered by Campus Enrollment



### Graduate Degrees and Concentrations

Figures 34 and 35 look specifically at graduate degrees offered. This data is from a different source than the data used in Figures 32 and 33, so cannot be directly compared. This source allows us to examine just graduate degrees but counts *concentrations* within degrees as separate “degrees.” Figure 34 lists the number of graduate degrees and concentrations, along with campus FTE. It is clear that the number of degrees/concentrations offered is not directly related to campus size, as some of the middle-sized campuses offer among the highest numbers. Figure 34 also shows the number of graduate degrees that are offered through extension. Figure 35 shows a wide variation in the portion of graduate degrees that campuses choose to offer through self-support Extension.

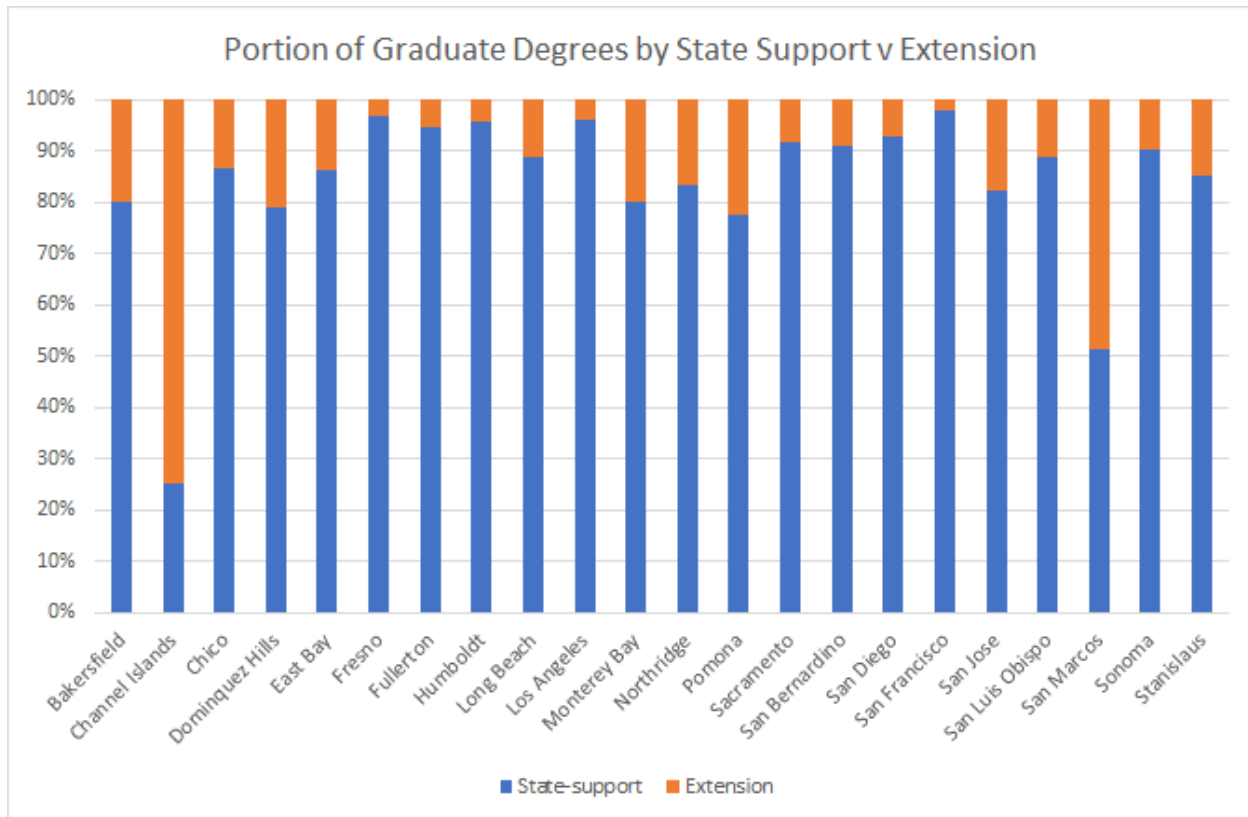
These data raise two questions: the sustainability of offering so many graduate programs and whether more of them might be offered via extension if students are willing to pay full costs.

Figure 34 Graduate Degrees and Concentrations, by Campus FTE Rank

Campus	Fall 2020 Enrollment (FTE)	Number of Grad degrees*	Extension
Fullerton	35,998	148	8
Long Beach	35,598	95	12
Northridge	35,203	90	18
San Diego	33,167	200	15
San Jose	30,795	97	21
Sacramento	28,295	89	8
Pomona	27,195	38	11
San Francisco	24,122	104	2
Los Angeles	23,828	121	5
Fresno	21,979	60	2
San Luis Obispo	21,524	40	5
San Bernardino	17,461	62	6
Dominquez Hills	15,774	34	9
Chico	15,682	39	6
San Marcos	14,559	19	18
East Bay	13,974	57	9
Bakersfield	10,538	20	5
Stanislaus	9,955	35	6
Sonoma	7,283	19	2
Monterey Bay	6,760	8	2
Channel Islands	6,493	3	9
Humboldt	6,026	22	1
*Including concentrations but excluding Extension			

Source: <https://www.calstate.edu/attend/degrees-certificates-credentials/Pages/search-degrees-results.aspx?campuses>

Figure 35 Portion of Graduate Degrees by State Support v. Extension



### Implications of Analyses for Estimating Instructional Costs

There are two overriding questions to address in considering implications of the above analyses for estimating reasonable and sustainable instructional costs.

1. Are there opportunities to better allocate available instructional resources across disciplines, levels, and campuses to serve more students with the same dollars?
2. Is the overall budget available for instruction adequate, given any potential for reallocation?

#### 1. Opportunities for Reallocation

There is ample evidence that the instructional budget is not allocated and/or expended in an optimal manner. There are justifiable variations across disciplines in expenditures per student credit unit and class size but in some cases, there is an obvious need for a more strategic use of faculty resources. The very small class sizes in some disciplines likely relate in part to the large number of degrees offered, which can require campuses to schedule classes even when low-enrolled. A related explanation for low course enrollments is the class schedule, as classes may not be offered at times that accommodate student demand. Further, student attrition may reduce demand for upper division courses in majors with healthy lower division enrollments.

In addition to opportunities to use instructional resources more efficiently within disciplines, by attending to the class schedule and class sizes, there are broader issues relating to the distribution of CSU investments among disciplines, given the mission of the CSU and the needs of the state. Reallocation of instructional resources across disciplines could, among other

advantages help address the estimated \$92 million cost of adding classes in impacted programs to reduce the excessive class sizes in those programs.

One approach to gain a better understanding of where the existing distribution of instructional resources may be less than optimal is to look for guidance from several other states that have produced information on relative expenditures or costs by discipline by level. We would not want to compare costs from other states, given all the reasons why costs vary across states. However, a number of states have produced ratios of cost per student credit unit across disciplines and levels that we have compared to the actual expenditure ratios at the CSU.

It is difficult, if not impossible, to do a comprehensive comparison across all disciplines because each state categorizes disciplines differently. But we can draw some conclusions by looking at selected disciplines and overall expenditure ratios across levels of instruction.

Figure 36 shows the ratios we have computed for the CSU that become the basis for comparison with other states. It is the same idea as shown in Figure 24, but instead of a separate display for each level of instructions, Figure 36 shows all ratios with respect to lower division Psychology, which is the lowest expenditure per SCU discipline/level pair. This allows us to make some comparisons with other states that use this method to examine the relative cost of disciplines and levels.

*Figure 36 Ratios of Expenditure per SCU relative to lowest-expenditure lower-division discipline*

Ratios of Expenditure per SCU relative to lowest-expenditure lower-division discipline			
Psychology - \$77 per SCU			
Discipline	Lower Division	Upper Division	Graduate
ROTC	11.2	8.8	
PE/Parks/Recreation	4.0	2.4	11.1
Maritime/Aviation	3.9	5.5	
Engineering/Technology	3.1	3.4	8.5
Fine/Performing Arts	2.7	4.4	28.0
Humanities	2.7	2.8	22.9
English	2.5	2.5	9.3
Foreign Languages	2.1	2.8	10.3
Health	2.1	2.7	7.4
Communications	2.0	2.4	11.1
Business	1.9	2.3	4.8
Math	1.9	2.8	11.8
Physical Sciences	1.8	3.6	25.8
Education	1.8	2.8	6.0
Biological Sciences	1.7	3.0	22.9
Ethnic/Cultural	1.5	2.2	15.8
History/Philosophy	1.3	2.4	11.4
Social Sciences	1.2	2.0	5.8
Psychology	1.0	1.6	8.3

We compared these to the ratios found in Texas and Louisiana universities. At the lower division level, excluding the high costs of ROTC and Maritime/Aviation, the ratios are in the approximate range of the other two states with the exception of Fine/Performing Arts and PE/Parks/Recreation (which we compared to the discipline of “Physical Training” in the other states).

At the upper division level, ratios in the other two states exceeded 3.0 for comparable disciplines only for Engineering and Nursing in Louisiana and not at all in Texas. That points to Fine/Performing Arts and Physical Sciences as outliers in the CSU data.

It is at the graduate level (where we used only the “masters” category in the other states) where we see a huge discrepancy between the CSU ratios and those of Texas and Louisiana, with CSU ratios far exceeding those of the other states in Fine/Performing Arts, Sciences (grouped together in the other states), and most of the CSU liberal arts disciplines (grouped together in the other states as “Liberal Arts”). As two examples, the ratio for masters-level Fine Arts is 7.55 in Texas and 5.41 in Louisiana, compared to 28 at the CSU; the ratio for masters-level Science is 7.37 in Texas and 7.97 in Louisiana, compared to CSU’s 22.9 for Biological Sciences and 25.8 for Physical Sciences.

This rough means of comparison suggests that there may be considerable opportunity to improve the use of instructional dollars that are currently allocated to some graduate programs at the CSU.

There are myriad reasons why reallocation of instructional dollars is severely constrained. Among those constraints:

- Tenured faculty cannot easily be retrained or reassigned from low- to high-enrollment areas, a constraint exacerbated by the dearth of funding for faculty professional development.
- Low-enrolled classes often need to be offered to allow students to meet graduation requirements.
- Some campuses lack classrooms that can accommodate large classes.
- Campuses face difficulty recruiting and retaining faculty in certain fields, leading to lower-than optimal course offerings and higher-than optimal class sizes.
- Campuses could achieve more optimal class sizes through collaboration or cross-enrollment but the current financing models make cross-enrollment models difficult.

Nevertheless, with the goal of this project to develop a financially sustainable budget, it seems advisable for the system and its campuses to address opportunities for reallocation without delay. Some suggestions for the kinds of analyses that would be helpful are:

- System analyses of the health of enrollments in majors that could be shared among campuses via technology or other arrangements.
- Campus analyses of the distribution of class sizes within and across disciplines.



- Campus analyses of the impact of larger class sizes on student performance and success.
- System and campus analyses of the distribution of instructional dollars related to changes in student demand.
- Campus analyses of trends in numbers of majors and future projections.

## 2. Is the Overall Instructional Budget Adequate?

It is difficult to address this question without knowing how well, and how soon, reallocation could relieve some of the cost pressures. Putting aside the prospects for reallocation, the data presented above provide justification for concluding that the available instructional budget is inadequate.

### Underfunded Programs

Some programs appear to be underfunded. Business may be one of those, as seen in its very high class sizes and low expenditures per SCU. Other under-funded programs may include graduate programs in Health and Education – both high-need areas for the state. We know that additional enrollments in STEM fields are needed to meet state needs. The low relative enrollments at the upper division levels of STEM disciplines suggests that those programs need more funding to increase enrollments, including funding for faculty recruitment and for student recruitment and retention, since those programs are losing students between the lower- and upper-division.

Figure 37 shows increasing expenditures in these areas by 5% would cost about \$44 million. This number does not need to be adjusted for inflation since it was derived from the 2021-22 course data set.

*Figure 37 (\$ in millions)*

<b>Discipline</b>	<b>Level</b>	<b>Cost of 5% Increase</b>
Business	All levels	\$ 10.9
Engineering	All levels	\$ 16.6
Biological Sciences	Upper Division	\$ 3.8
Physical Sciences	Upper Division	\$ 2.5
Math	Upper Division	\$ 1.2
Health	Graduate	\$ 2.9
Education	Graduate	\$ 6.1
<b>Total</b>		<b>\$ 44.0</b>

## Non-salary, Non-benefit Instructional Costs

The analysis thus far has not addressed any instructional costs beyond those of faculty salaries and benefits. While non-faculty expenditures accounted for only eight percent of instructional expenditures,<sup>9</sup> that is in large part because of the accumulated cuts that have been made to those “discretionary” items in the instructional budget.

The total non-faculty expenditures in the instruction category in the 2019-20 academic year was about \$245 million. Of that, expenditures for instructional travel, equipment, library materials, operating expenses, and information technology combined to total \$169 million, equal to five percent of instructional expenditures. These expenditures that provide direct support for faculty have been severely reduced over recent years. Increasing this expenditure by 20 percent would cost about \$34 million, before inflation, or \$38.4 million after adjusting for inflation.

Adding up just these two items yields a total of “underfunding” (again, without any consideration of opportunities for reallocating instructional dollars) of \$82.4 million.

## Summary of Instructional Cost Estimate

There are undoubtedly other areas of under-funding that could be brought to our attention and included in this analysis. At the same time, there has been ample evidence presented of opportunities (over time) to reallocate instructional resources. Therefore, for purposes of constructing an instructional cost estimate, we add the “under-funding” amount of \$78 million to the actual instructional expenditures, per 2019-20 IPEDS, as we have done for the other expenditure categories.

*Figure 38 Instructional Cost Estimate (in millions)*

2019-20 Instructional Expenditures (IPEDS)	\$	3,794.8
Selected "Under-funding"	\$	82.4
Deduct Structural Baseline	\$	(137.1)
Estimated 2021-22 Instructional Cost	\$	3,740.1

## Putting the Cost Model Together

Figure 39 shows the full cost model, adjusted to 2021-22 dollars. We use actual expenditures from the 2021 academic year for expenditure categories for which we have no analytical basis for adjusting these figures at this time. A few of these categories are small (public service and research) but some are quite large and need further investigation. These include scholarships, debt, and “other.”

We add in actual Maritime Academy expenses, as a separate “campus mission” adjustment, as we have excluded it from the rest of the analyses given its unique mission. We have included a blank line to allow for decisions to make further campus mission adjustments, per the NCHEMS approach. As we have adjusted for student characteristics and based instructional analyses on existing disciplinary mixes, it is not clear that there is a need for further campus mission adjustments at this point.

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<sup>9</sup> Per Chancellor’s Office “FIRMS” data.

We have included a placeholder for “capacity building/performance incentives.” Under the NCHEMS approach, this falls outside the cost model, as it would require special state funding for specific initiatives. We put it here as a reminder that some initiatives should not be expected to be accommodated within the base CSU budget.

Figure 39 Estimated Cost Model for 2021-22 Dollars in Millions

Cost Model Compared to Actual Expenditures, 2021-22 (a)						
Dollars in Millions						
	Institutional Support	Academic Support	Student Services	Instruction	Other	Total
<b>COST MODEL</b>						
Structural Baseline	\$ 620.6	\$ 570.2	\$ 633.6	\$ 137.1		\$ 1,961.5
Actual Enrollments	\$ 544.1	\$ 768.4	\$ 926.6	\$ 3,740.1	b	\$ 5,979.1
Adjust for Student Characteristics			182.9	c		182.9
Chancellor's Office	\$ 239.7	\$ 74.0	\$ 29.8	\$ 8.8	\$ 1.4	d \$ 353.6
Maritime Academy	\$ 18.4	\$ 5.0	\$ 12.3	\$ 22.2	\$ 5.4	d \$ 63.3
Other IPEDS					\$ 1,498.1	e \$ 1,498.1
Capital Renewal					\$ 313.0	f \$ 313.0
Debt					\$ 357.5	g \$ 357.5
<b>Total, Cost Model 2021-22</b>	<b>\$ 1,422.8</b>	<b>\$ 1,417.5</b>	<b>\$ 1,785.1</b>	<b>\$ 3,908.3</b>	<b>\$ 2,175.4</b>	<b>\$ 10,709.1</b>
<b>ACTUAL EXPENDITURES</b>						
Actual IPEDS (w/o Maritime and CO)	\$ 1,057.7	\$ 1,053.2	\$ 1,166.7	\$ 3,794.8		\$ 7,072.5
Chancellor's Office	\$ 239.7	\$ 74.0	\$ 29.8	\$ 8.8	\$ 1.4	d \$ 353.6
Maritime Academy	\$ 18.4	\$ 5.0	\$ 12.3	\$ 22.2	\$ 5.4	d \$ 63.3
Other IPEDS					\$ 1,498.1	e \$ 1,498.1
Debt					\$ 228.8	g \$ 228.8
<b>Total, Actual 2021-22</b>	<b>\$ 1,315.8</b>	<b>\$ 1,132.1</b>	<b>\$ 1,208.8</b>	<b>\$ 3,825.8</b>	<b>\$ 1,733.7</b>	<b>\$ 9,216.3</b>
<b>Gap: Model less Actual</b>	<b>\$ 107.0</b>	<b>\$ 285.4</b>	<b>\$ 576.3</b>	<b>\$ 82.5</b>	<b>\$ 441.7</b>	<b>\$ 1,492.8</b>
<p>a. Based on 2019-20 IPEDS data; cost estimates have been adjusted to 2021-22 equivalents based on California CPI (increased by 13.1%).</p> <p>b. Consists of actual 2019-20 IPEDS, adjusted for inflation, plus \$82.4 for identified areas of under-funding, less structural baseline.</p> <p>c. 33% extra per-student expenditures to recognize support needed for basic needs as well as for general academic and student support.</p> <p>d. "Other" for Chancellor's Office consists of \$150,000 of Research and \$1.2 million Public Service; for Maritime Academy consists of \$4.0 million for research; \$44,000 for public service; \$1.4 million for Scholarship. "Other Expenses Deductions" category of IPEDS not included for either.</p> <p>e. Totals below reflect CPI adjustment from reported 2019-20 IPEDS expenditures (Excludes amounts for Chancellor's Office and Maritime Academy.)</p> <p>Research - \$77.4 million</p> <p>Public Service - \$71.0 million</p> <p>Scholarships - \$1,349.7 million</p> <p>Excludes all of "Auxiliary Enterprises" category.</p> <p>Excludes "Other Expenses Reductions" category except for GO Bond Payments (shown under "Debt"). Excluded amounts: \$2,287.9 for pension and other post-employment benefits, which are future liability costs not paid by the CSU under current state budget practices, and \$715.0 for interagency transfers.</p> <p>f. Cost provided by Chancellor's Office to prevent deferred maintenance from increasing - does not include costs to address any deferred maintenance.</p> <p>g. 2021-22 University and GO Bond debt payments, excluding auxiliary enterprises. Actual expenditures also total \$357.7 million but the portion for university debt payments for academic projects is included in other IPEDS categories (academic support, student services, etc.).</p>						

## Appendix B Memorandum

**TO:** CSU Trustee Julia Lopez and EVC, CFO Steve Relyea

**FROM:** Patrick Lenz and Leroy Morishita

**UPDATED:** March 8, 2023

**RE:** CSU Unfunded Costs and Mandates

This memorandum outlines a list of historic policy changes and unfunded mandates that have resulted in increased cost pressures on the California State University (CSU) budget. While state General Fund support for the CSU has nearly doubled over the past 10 years changing costs pressures from compensation to facility renewal have challenged the CSU budget with each passing year. Often times, these cost pressures will benefit from the state investment of “one-time funding” to address capital facility debt service, deferred maintenance, or ever increasing energy/utility costs. However, there are issues identified below outside the annual operating costs of the CSU that are driven by changes in state budget policy or unintended consequences of enacted legislation.

We have reviewed and discussed the nature of these changes, political implications for pursuing remedies, and recommendations for additional data that may warrant a request for future policy and fiscal consideration. We’re highlighting budget issues not necessarily in order of priority, but clearly representing unfunded costs and/or state mandated responsibility to the CSU budget. In addition, there are other issues we’ve identified that also impact the CSU operating budgets but may have other considerations (political or internal) and should be part of the future cost model assumptions being considered by the Financial Sustainability Workgroup. An example of these cost pressures and unfunded mandates are not limited to the list below but represent future funding priorities that will need to be addressed.

- **High-cost programs/majors** – Unknown to Significant
- **Employee step increases** – \$45 million (2021-23) up to \$1 billion
- **Capital facility debt service** – Unknown to Significant
- **Retirement cost increases since FY2014/15** – \$43.6 million and increasing annually
- **Private Attorney General Act** – \$7.8 million to \$1 billion
- **CSU Risk Management insurance premium costs** – Up \$44 million or 55%
- **Energy/utilities** – Unknown, increasing annually
- **Title IX Officer/Clery Officer** – \$17.7 million
- **Facilities renewal: deferred maintenance** – Currently \$5.8 billion, \$284 million annual increase

## UNFUNDED COSTS AND MANDATES

- 1) **High-cost programs/majors** – This relates to an expectation by the state that CSU will continue to increase high-cost STEM related course sections. While clearly not an unfunded mandate, CSU often commits to increasing high costs programs to meet California’s workforce shortage and most recently has agreed to this approach as part of the Governor’s Compact Funding. A deeper dive to have a clear recommendation of the true cost for science, technology, engineering, and medical courses to identify a strategic approach for each campus offering all these high-cost programs is currently under way.

The Financial Sustainability Working Group consultants are working on a future cost model to identify the overall fiscal impact of high-cost programs/majors.

- 2) **Employee step increases** – Employee step increases were built into the state funding for the CSU (through the Orange Book) and somewhere around the early 1990’s the state forgoes funding step increases in place of staff salary merit increases. The challenge for the CSU has been the high and low funding from the state to maintain and even make progress for all employee compensation. The legislature appropriated \$2 million in 2020 for a staff salary study which was released in May of this year indicating the first-year price tag would cost \$287 million and a 5-year implementation cost of nearly \$1 billion. The CSU should look at a multi-year implementation plan recognizing the progress that could be achieved within the Governor’s Compact funding and a reasonable approach with a state funding increase over the current Compact Agreement. (CSU is also working on a faculty salary study, without funding from the state, that will be released in the spring with similar expectations).

Historically, the CSU has been able to meet its Collective Bargaining Agreements (CBA) with funding provided by the state General Fund. However, the most recent 2021-23 CBA’s required CSU to absorb \$45 million in ongoing funding from the campuses to meet an average 7 percent salary increase. In addition, a staff salary study released in May 2022 indicated the CSU would need \$287 million to implement the first year compensation recommended in the study with a potential out-year costs of \$1.1 billion. This may be compounded by a faculty salary study recommending additional compensation costs that are soon to be released.

- 3) **Capital facility debt service** – In 2008 Governor Brown faced a \$26 billion structural deficit and mounting state indebtedness and essentially froze all further state debt financing including the use of General Obligation bonds and lease-revenue bonds for higher education capital facilities (where the state paid the debt service). Since that time both CSU and UC have relied on creative ways to address new capital facilities and deferred maintenance through financing mechanisms that have increased operating budget debt service obligations. (The CSU Trustees are looking to collaborate with UC on a 2024 G.O. bond measure and better understand a range of capital funding and the debt service obligation.)

Historically, the CSU has benefited from the state financed debt service through voter approved General Obligation bonds or lease-revenue bonds to support the growing need to address aging capital facilities. However, the last state supported bond occurred in 2006 with a voter approved \$690 million in state General Obligation bond funding. In addition, the Governor proposed at that time an additional \$2.7 billion in future G.O.

bond recommendations to address CSU capital facilities that unfortunately were never placed on the ballot. In 2014, CSU received expanded debt financing authority to address critical capital funding through the sales of statewide revenue bonds. The ability to restructure CSU debt in addition to one-time state General Fund dollars have significantly increased CSU's ability to address both deferred maintenance and new capital facility needs. However, with 50 percent of CSU facilities being over 40 years old the challenge to provide funding, even through debt service, to reduce ongoing deferred maintenance and fund new capital facility needs is massive.

- 4) **Retirement cost increases since FY2014/15** – Again, as part of the state's effort to shift annual cost increases tied to compensation the CSU was required to provide additional funding for retirement obligations out of the CSU operating budget. It would be helpful to have a clear understanding of the cost of this obligation to the CSU budget and any potential projects based on the newly released Staff Salary Study and possibly some projections/assumptions when the Faculty Salary Study is released next spring or other compensation issues that may increase future CSU retirement obligations.

Beginning with the 2014-15 fiscal year, the legislature placed a limit on the state's obligation to adjust CSU retirement funding due to annual changes in CalPERS rates. The estimated unfunded costs to date are \$43.6 million including \$28 million in the 2022-23 fiscal year. To put this in perspective, for every \$1 million salary cost increase in the future for current or new employees the CSU will be obligated to contribute \$100,000 as part of their retirement obligation.

- 5) **Private Attorney General Act - PAGA** was enacted in 2003 and grants an aggrieved employee a private right of action to file lawsuits seeking civil penalties on behalf of themselves, other employees, and the State of California. The legislature passed PAGA in response to growing underground businesses in California operating outside the state's tax and licensing requirements at a time when regulatory agency staffing levels had dramatically decreased. Under PAGA, an aggrieved employee files a notice with the Labor and Workforce Development Agency detailing Labor Code violations. LWDA has 65 days to decide whether to take the case, and if they do not, or if a division under LWDA fails to complete an investigation and issue a citation within 120 days, the employee can proceed with a PAGA lawsuit. Civil penalties from PAGA are relatively low with most of the money divided between LWDA (25 percent) and the General Fund (50 percent) and only 25 percent divided between all identified employees aggrieved by the violation.

The main issue stems from clarity from a regulatory standpoint and the current Court of Appeals interpretation of the statute that has driven excessive cost in attorney's fees and the discovery process, all at the expense of the CSU. The Court of Appeals has upheld \$7.8 million in attorney fees for one case and in a second case the plaintiff contends historical penalties against the CSU could exceed \$200 million. CSU's exposure in this second case for potential damages, attorney fees, and overall costs could exceed \$1 billion. CSU is currently working with the Governor's Office and the legislature to seek either regulatory or statutory clarification and relief from the current PAGA statutes.

- 6) **CSU Risk Management insurance premium costs** – Universally, from homeowner to various business, insurance premium costs have risen dramatically over the past 5 years. Systemwide insurance premium cost increases have been driven by natural

disasters outside the control of the CSU such as everything from major wildfires to industry liability concerns including the rise in the number of claims and inflated settlements. California higher education faces some of the toughest challenges in the liability insurance market due to higher physical abuse, sexual abuse, law enforcement related claims and employment practice exposures.

Insurance premium costs have increased from \$80.6 million to nearly 125 million or 55 percent over the past 5 years.

- 7) **Energy/utilities** – While not an unfunded state mandate this is a mandatory campus operating budget cost clearly outside of the control of each CSU campus and a mandated cost with few alternative energy options to natural gas or energy market increases. Natural gas costs have been impacted by the war in Ukraine and the COVID pandemic and other energy costs have increased due to refinery issues and major fires where utilities have been held financially responsible but passed their liability costs off to the consumer. While CSU has invested in renewable energy such as solar and battery storage, it has been funded mostly by third-party financing.

Utility costs including electricity, gas, oil, water, sewage, and hazardous waste have increased from \$137 million to \$166 million over the past 6 years.

- 8) **Title IX Officer and Clery Officer** – No federal or state funding has ever been allocated to defray the cost of complying with federal requirements to implement Title IX compliance placed on higher education institutions receiving federal funds. Title IX compliance prohibits sex-based discrimination and disclosure of information about certain crimes that occur on or near the campus. The CSU Title IX practices are currently under review by the California State Auditor and additional recommendations are anticipated to support this effort once the reports are finalized.

The best cost estimate at this time for the CSU Title IX compliance is \$11.9 million including a Title IX coordinator/director, investigator, assistant, benefits and operational costs at each CSU campus. In addition, campus costs for a Clery Officer are estimated to be an additional \$6.8 million.

- 9) **Facilities renewal: deferred maintenance** – More than half of the CSU campus facilities are 40 years and older. The current facility renewal is approximately \$5.8 billion and growing \$284 million annually. The state has provided some debt restructuring options and one-time funding to address facility renewal and deferred maintenance abandoned and we've even had a few "failed" starts and stops on the federal government budget front that unfortunately didn't come to fruition. The state has ownership in many of the CSU facilities and at a minimum should address those buildings where seismic or fire-life-safety pose a risk to our students, faculty, and staff.

The CSU has received \$450 million in state "one-time" General Fund dollars for Capital Renewal needs and is currently requesting \$1.3 billion in one-time funding for the 2023-24 CSU Budget. The CSU has identified \$5.8 billion in Capital Renewal needs with over half of campus facilities being 40 years or older and critical facility renewal growing at \$284 million per year.

## **INCREASING SYSTEM AND CAMPUS OBLIGATIONS**

There's been a historical shift in services provided by the county and state that are now the presumed obligation of higher education. While the kinds of services provided to our students

are fundamental and necessary, they have come at a cost not fully reimbursed by the state or federal government. In addition, we have identified funding issues internal to the CSU that come with a cost, but we're established through the collective bargaining process or need to be addressed with policy changes.

- 1) **Basic Needs Programs** – The growing need to ensure students have access to nutrition and services, particularly considering the recent pandemic, needs to be assessed as to the funding and program level at each campus. There are CSU campuses concerned Basic Needs Programs are currently meeting the needs of their students and any additional funding should be redirected to other student services areas.

Over three fiscal years, the CSU has invested a total of \$140 million for Basic Needs Programs, primarily housing and food security, including \$84 million ongoing; \$27 million in one-time; and \$29 million in one-time external funding.

- 2) **Mental Health Counselors** – Part of this issue has to do with the unfunded approach to ensuring CSU campuses have professionally trained counselors to address the needs of our students. A secondary issue, internal to the CSU, is the classification of mental health counselors as faculty including workday and time commitments established in the collective bargaining process.

The CSU has dedicated \$63 million for student mental health counselors as part of the Basic Needs Program funding.

- 3) **Tuition forgiveness** – The CSU established a policy to provide “free tuition” to all employees seeking a doctoral degree. May want to revisit this policy to see if an income test is worth consideration.

The cost of doctorate, graduate and other post-baccalaureate tuition waivers provided to CSU employees and their dependents was roughly \$5.2 million in 2020-21 for 1,400 students. Employee and employee dependents on waivers for all fee categories have increased by about 27 percent over the past 10 years.



## Appendix C

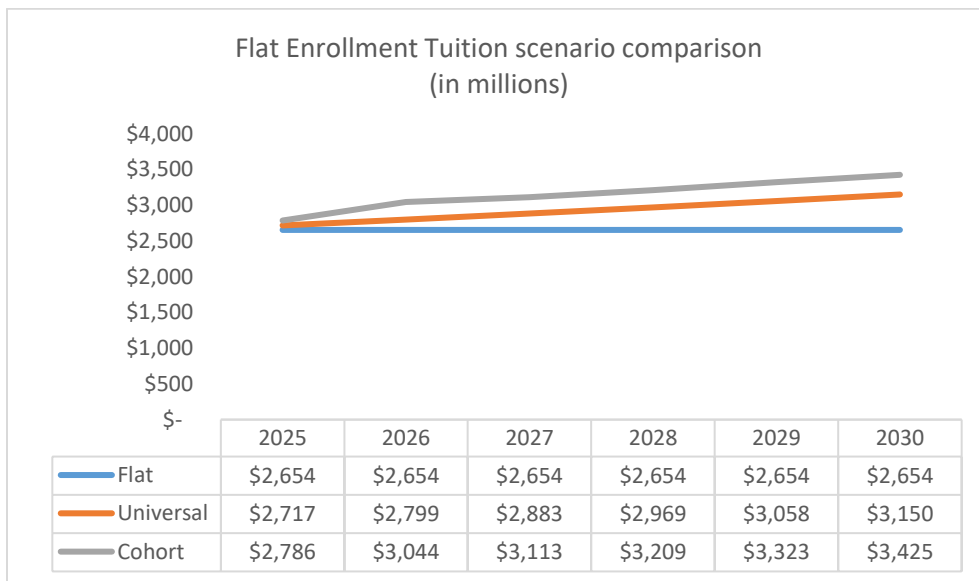
### Tuition Revenue Scenarios Overview

The CSU has two major sources of revenue: General Fund and student tuition. This appendix summarizes the revenue potential of different models (under certain enrollment scenarios) for tuition increases. The Workgroup considered the models from two perspectives – CSU’s revenue needs to meet its future costs, and the cost to individual students as well as for the entire student body.

#### CSU Revenue Projections

The variables for tuition revenue are enrollment, tuition rates, and the timing of the change. Since 2011-12, tuition rates only changed once—in 2017-18—so any fluctuation in tuition revenue over the past 12 years is primarily due to changes in enrollment. Since 2018-19, total tuition revenue has slightly but steadily declined, primarily due to fluctuations in enrollment. For 2024-25, projected tuition revenue under the current policy will depend on enrollment levels.

Status Quo: If there is no change in tuition rates and if enrollment declines (similar to the projected decline in high school graduates), we can expect tuition revenue to further decline. Under this scenario, an annual 1.8 percent decline in enrollment from 2025 to 2030 would reduce total tuition revenue by almost nine percent. Conversely, an annual one percent enrollment increase would grow revenue by five percent. Consequently, there could be meaningful tuition revenue changes due either to year-over-year gradual enrollment increases or decreases.



Tuition Increase Models and Scenarios: This paper projects tuition revenue for two different enrollment scenarios through 2030 and compares the difference with the status quo—or Flat—model with other models.

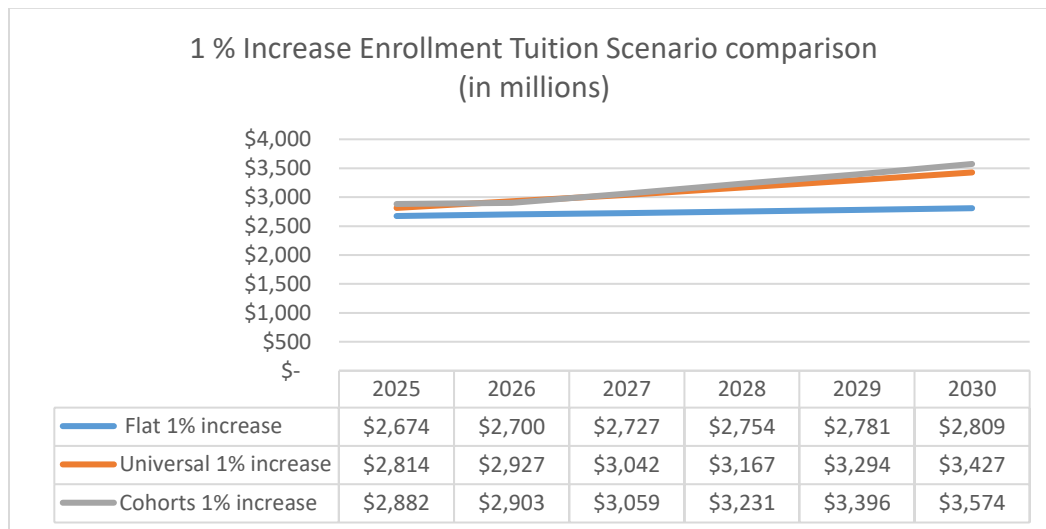
- The first model is a Universal tuition increase model, that is, tuition for every student increases moderately three percent year over year until graduation.

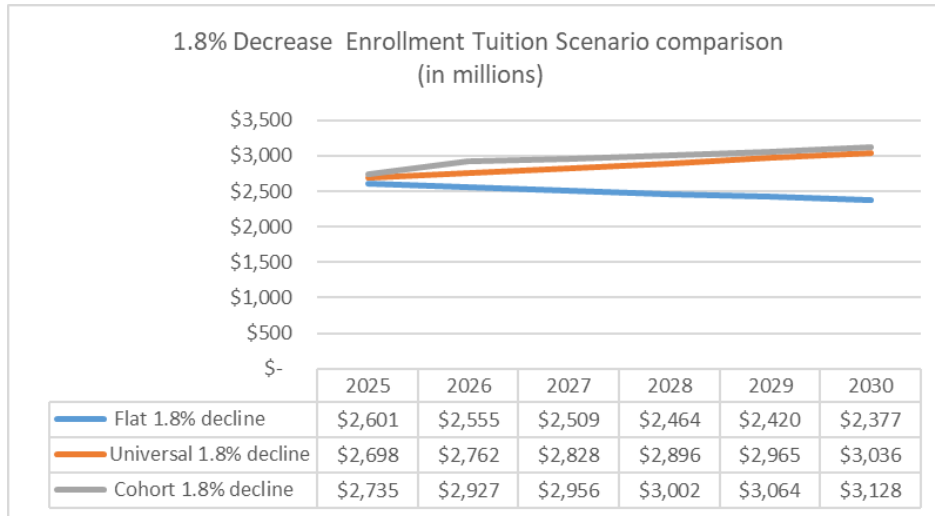
- The second model is a Cohort model. In 2024-25, all new and continuing students would pay a five percent tuition increase, but their tuition would remain flat until they graduate. Incoming students (both first-time first-year and new transfer) enrolling in 2025-26 would begin a new cohort that would pay a five percent higher tuition rate than continuing students, and the rate for these students would remain flat until they graduate. This pattern would continue; tuition would increase by five percent for every subsequent cohort and then would remain flat until they graduate.

Revenue Projections: Moderately increasing tuition rates under the Universal and Cohort models would significantly increase tuition revenue when compared to the Flat model. The following charts illustrate the effect of tuition revenue increases of both the Universal and Cohort models compared to the Flat model under the two enrollment scenarios: (1) an enrollment increase of one percent per year, or (2) an enrollment decline of 1.8 percent per year (mirroring projected declines in high school enrollment).

The charts show that by 2030, the Universal model would generate more tuition revenue than the Flat model. When compared to the Flat model, the Universal model would generate 22 percent more revenue if enrollment were to grow and 28 percent more revenue if enrollment were to decline.

The charts also show that by 2030, the Cohort model would generate more tuition revenue than the Flat model. When compared to the Flat model, the Cohort model would generate 27 percent more revenue if enrollment were to grow and 32 percent more revenue if enrollment were to decline.





Three things to note.

1. With an enrollment decline, the revenue gap would be greater between the Flat model and the Universal and Cohort models. The larger difference is due to the fact that when enrollment declines, the Flat model does not have the cushion of tuition increases, which are built into the other two models.
2. The larger revenue increases in the Cohort model over the Universal model is solely due to the difference in the percentage increase in the tuition rate; that is, the Cohort model's increase of five percent each year for entering cohorts, while the Universal model has a smaller increase of three percent each year. These differences become more pronounced in later years as more of the student population becomes part of the Cohort model.
3. The percentage difference between models means that over time, the Cohort model would bring in more revenue than the Universal model. The higher percentage increase in tuition rates for those within the cohort and those outside the cohort in 2025 also means that this model generally produces more revenue in the short term than a universal increase of three percent. In all enrollment scenarios, the Cohort approach consistently generates greater amounts of revenue beginning in the 4<sup>th</sup> year of each enrollment scenario.

The models and scenarios in this report were constructed for illustration purposes, and the revenue projections will change if the parameters—percent increase in tuition rates and enrollment assumptions—change.

Hybrid of Models: The Workgroup also discussed a hybrid of the models. An example of a hybrid between the Universal and Cohort models would be if tuition were to increase by five percent for all new and continuing students in 2024-25 and were to annually increase by three percent thereafter. A hybrid model like this would bridge the revenue gap between the Universal and Cohort models. In the first five years, however, revenue would be lower with the Cohort model because growth is limited to new cohorts enrolling every year. Once again, in all enrollment scenarios, the Cohort approach consistently generates greater amounts of revenue beginning in the 4<sup>th</sup> year of each enrollment scenario.

The following charts illustrate this point in both an increasing and decreasing enrollment scenario for a Hybrid model.



Ultimately, the Workgroup recognized that the Chancellor and her staff will decide the parameters as part of their budget process.

### Student Perspective

The Workgroup recognized that any changes in tuition rates will impact students and emphasized the need to adhere to the stated principle – that any scenario be gradual, moderate and, importantly, predictable. All three models (Universal, Cohort, and Hybrid) can satisfy these principles with proper planning and communication. The scenarios differ in terms of the tuition collected each year and the total tuition collected from students over the course of their academic careers.

The following chart illustrates this difference over an enrollment period of five years. It shows that in the Universal model, beginning from the \$5,914 level (a three percent increase from the current full-time tuition), a student will pay three percent more every year. The final column

shows the total over five years, for each incoming class, beginning in 2024-25. For example, a student entering in the 2024-25 academic year would pay a total of \$31,400 over a five-year period, while a student entering in the 2029-30 academic year would pay \$36,401 over a five-year period.

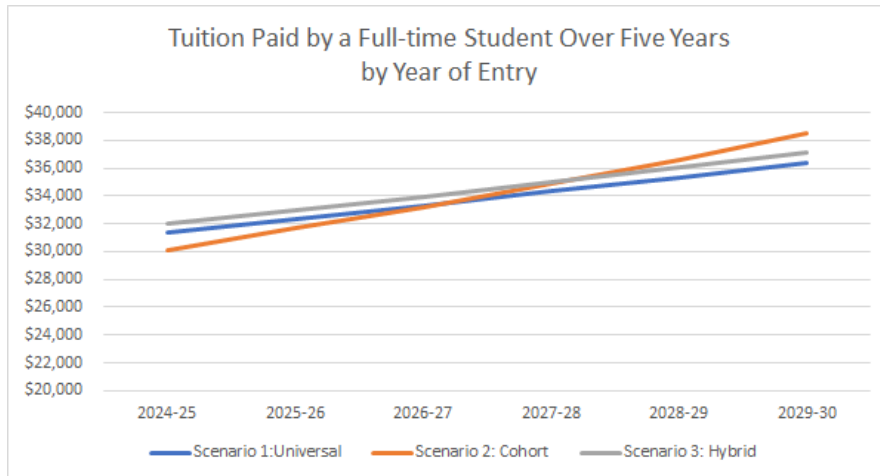
Under the Cohort model, an entering student would have a five percent tuition increase in the entering year with no further increases until they graduate. A student entering in the 2024-25 year would pay \$30,146 over a five-year period, while a student entering six years later in 2029-30 would pay \$38,474 over a five-year period.

The Hybrid model begins with a five percent increase for all students, followed by a three percent annual increase for all students. A student entering in the 2024-25 academic year would pay \$32,009 over a five-year period, while a student entering in 2029-30 would pay \$37,108 over a five-year period.

<b>Scenario 1: Annual 3% increases in tuition for all students</b>						
Annual Tuition Paid by a Full-time Student						
Entering Year	Year 1	Year 2	Year 3	Year 4	Year 5	Five-year Total
2024-25	\$ 5,914	\$ 6,092	\$ 6,274	\$ 6,463	\$ 6,657	\$ 31,400
2025-26	\$ 6,092	\$ 6,274	\$ 6,463	\$ 6,657	\$ 6,856	\$ 32,342
2026-27	\$ 6,274	\$ 6,463	\$ 6,657	\$ 6,856	\$ 7,062	\$ 33,312
2027-28	\$ 6,463	\$ 6,657	\$ 6,856	\$ 7,062	\$ 7,274	\$ 34,311
2028-29	\$ 6,657	\$ 6,856	\$ 7,062	\$ 7,274	\$ 7,492	\$ 35,341
2029-30	\$ 6,856	\$ 7,062	\$ 7,274	\$ 7,492	\$ 7,717	\$ 36,401
<b>Scenario 2: 5% increase for each entering cohort - constant tuition level thereafter</b>						
Annual Tuition Paid by a Full-time Student						
Entering Year	Year 1	Year 2	Year 3	Year 4	Year 5	Five-year Total
2024-25	\$ 6,029	\$ 6,029	\$ 6,029	\$ 6,029	\$ 6,029	\$ 30,146
2025-26	\$ 6,331	\$ 6,331	\$ 6,331	\$ 6,331	\$ 6,331	\$ 31,653
2026-27	\$ 6,647	\$ 6,647	\$ 6,647	\$ 6,647	\$ 6,647	\$ 33,235
2027-28	\$ 6,979	\$ 6,979	\$ 6,979	\$ 6,979	\$ 6,979	\$ 34,897
2028-29	\$ 7,328	\$ 7,328	\$ 7,328	\$ 7,328	\$ 7,328	\$ 36,642
2029-30	\$ 7,695	\$ 7,695	\$ 7,695	\$ 7,695	\$ 7,695	\$ 38,474
<b>Scenario 3: 5% increase in 2024-25; 3% annual increase thereafter</b>						
Annual Tuition Paid by a Full-time Student						
Entering Year	Year 1	Year 2	Year 3	Year 4	Year 5	Five-year Total
2024-25	\$ 6,029	\$ 6,210	\$ 6,396	\$ 6,588	\$ 6,786	\$ 32,009
2025-26	\$ 6,210	\$ 6,396	\$ 6,588	\$ 6,786	\$ 6,989	\$ 32,970
2026-27	\$ 6,396	\$ 6,588	\$ 6,786	\$ 6,989	\$ 7,199	\$ 33,959
2027-28	\$ 6,588	\$ 6,786	\$ 6,989	\$ 7,199	\$ 7,415	\$ 34,977
2028-29	\$ 6,786	\$ 6,989	\$ 7,199	\$ 7,415	\$ 7,637	\$ 36,027
2029-30	\$ 6,989	\$ 7,199	\$ 7,415	\$ 7,637	\$ 7,867	\$ 37,108

The following graph shows that classes entering in 2024-25 and 2025-26 would pay somewhat less under a Cohort model than under a Universal or Hybrid model over five years. Beginning with students entering in 2026-27, the relationship begins to shift, and the last two entering classes shown in the graph would pay more over a five-year period under a Cohort model. This is because the compounding effect of the annual five percent increases to the initial but constant tuition payment under the Cohort model which eventually exceeds an annual three

percent increase under the Universal model. The Hybrid model falls in between the Universal and the Cohort model for the last two entering classes shown.



The student perspective and the university perspective, of course, are different sides of the same coin. With the specified scenarios for each model type (i.e., five percent increase in the Cohort model, three percent annual increases in the Universal model, and the hybrid model with an initial five percent increase followed by three percent annual increases), the Cohort model will ultimately raise more revenue for the university but cost more to the individual student. The Universal model will raise less for the university but cost less for students. The Hybrid model is in the middle, both in terms of revenues to the university and cost to students.

Financial aid will reduce the burden for the majority of students: This report did not take into account the meaningful impact that financial aid will have on students whose tuition is increased. Financial aid via the state’s Cal Grant program and the university’s State University Grant (SUG) program is aimed at students who are least able to afford college. Recently, a report to the Board of Trustees noted that 60 percent of CSU students pay no tuition and that an additional 25 percent receive partial tuition payments. A Financial Aid Workgroup will be examining current financial aid policies and practices and will be making recommendations to the chancellor about ways to maximize state and federal financial aid and minimize the impact of any tuition increases on CSU students.

## Appendix D

### Financial Aid - Structuring the State University Grant Program for the 21<sup>st</sup> Century

As referenced in the Fiscal Sustainability Workgroup Report, any proposed increases in tuition should be accompanied by a financial aid policy that underscores and clearly communicates CSU's commitment to affordability. Such a policy should explicitly consider how CSU can supplement existing federal and state financial aid programs and leverage these aid sources to maximize grants and minimize students' reliance on borrowing.

#### Recommended Actions

**The Trustees consider simultaneously codifying—or otherwise memorializing—CSU's Return-to-Aid policy when it addresses future student fee increases.**

The CSU and the UC have traditionally set aside one-third of any new fee increase increment to return to institutional student aid. This one-third set aside amount has remained stable over time, until recently. At the UC, after its adoption of a cohort tuition model, the Board of Regents increased its return-to-aid percentage to 45 percent of the fee increase revenue, illustrating that there is no perfect number.

The CSU Trustees should codify or otherwise memorialize CSU's return-to-aid policy at the same time it addresses student fees. Keeping these two issues paired will help ensure future fidelity to the policy even as system leadership and staffing change over time. Without this memorialization, future leadership and staff are left to determine if and/or how the program adjusts with enrollment growth, and what happens to institutional aid budgets in declining enrollment years, among other issues.

**The Chancellor immediately appoint a Workgroup on Financial Aid**

Pending changes in the FAFSA and the state's Cal Grant program, and recent changes to California's Middle Class Scholarship Program, necessitate an immediate review of CSU's State University Grant (SUG) program to ensure that it is being used effectively and efficiently to address the needs of today's CSU students.

A new workgroup would offer guidance and recommendations on a comprehensive financial aid policy for CSU and address the suggested policy questions noted below. Given that Cal Grant Reform will be evaluated by the Administration for enactment in early 2024, the workgroup should act swiftly in order to recommend any legislative proposals that would be consistent with its findings.

***Suggested Charge of the Workgroup***

Specifically, the Workgroup should focus on the following three action items: (1) recommending a comprehensive financial aid strategy for the CSU; (2) developing an implementation plan to ensure that campuses are equipped with both the policy requirements and the flexibility to make student-by-student adjustments (within a set of parameters); and (3) linking the policy to a clearly communicable message to Californians about CSU College Affordability.

## 1. Recommend a Comprehensive Financial Aid Strategy

The *Workgroup* should consider starting with a set of **principles** to ensure that the subsequent policy aligns with those principles. Following is a set of questions and statements to help drive the creation of those principles:

- CSU's Return-to-Aid policy is inherently "progressive" such that the net cost of college decreases for those who can least afford to pay.
- CSU will first maximize student's eligibility for federal and state grant aid.
- How can a SUG policy complement CSU priorities such as long-term enrollment management and fiscal sustainability strategies?
  - How has CSU's student demographics changed since the SUG program was last modified? Is it appropriate to emphasize or prioritize various student sub-populations (e.g., first generation students; returning adults; single parents; those experiencing homelessness; lowest of the low-income students; transfer students?)
  - Should SUG be used to assist students who have stopped out and/or have "some college but no degree"?
  - Should SUG be awarded for other costs of attendance besides tuition and fees?
- Should SUG be used solely to cover tuition for individuals not otherwise eligible for Cal Grant? Or should SUG be used as a flexible resource to accommodate gaps in students' total cost of attendance?
- Under what circumstances can and should campus financial aid officers have the flexibility to exercise professional judgment regarding an individual student's circumstances?

The *Workgroup* should also consider the following **policy questions** as it explores its charge.

- Should SUG make partial awards to students? Under what circumstances would this make sense?
- Should a student's "lifetime" eligibility for SUG (e.g., 150 completed units) be aligned with Cal Grant eligibility (400% enrollment, designed to cover 4 years of full-time enrollment) or continue to be used to help 5<sup>th</sup>-year students complete their education?
- Should the CSU consider separate return-to-aid allocations for undergraduate and graduate students (similar to doctoral student tuition and aid)?
- Should CSU consider a modest work or student borrowing assumption to round out all its financial aid packages? What constitutes "modest"?
- How should the CSU think about aid to cover campus-based fees?



*2. Develop an implementation plan to ensure that campuses are equipped with both the policy requirements and the flexibility to make student-by-student adjustments.*

A revised SUG policy is only effective if it is interpreted and operationalized on campuses uniformly and with fidelity to the overarching policy. That said, individual student circumstances don't always fit neatly into a state- or system-level policy. The workgroup will need to simultaneously recommend a systemwide policy while also creating an implementation plan that will address the realities and complexities of today's student.

*3. Create a clear and communicable message to Californians about CSU College Affordability*

The cost and value of a postsecondary degree are very much in the public narrative. Branded college affordability programs like Community College's *College Promise* and UC *Blue and Gold* resonate with students and families due both to the affordability promise and the simplicity of the message. While the administrative stacking of financial aid resources behind those programs is often complex, the promise of affordability could help direct future students to the CSU and serve as a cornerstone of the CSU's enrollment management strategy.

## Appendix E

### Examining CSU Policies and Practices That May Impede Change

#### Background

During the course of workgroup and consultant discussions, policies and practices in the CSU have been raised as possible impediments to actions that could enhance student success. Policies are intended to provide guidance to our university presidents and their teams to utilize resources effectively, efficiently and ethically. Many have not been reviewed nor revised despite many changes that have occurred since their inception. Hence, they have not kept pace with the evolution of the way instruction and services are delivered as well as a very different financial funding model for the CSU. Some changes/modifications of existing policies and practices could result in redirection of existing resources, enhancing revenue generation and/or reducing expenses which then permit better utilization of these resources to improve student outcomes.

While the workgroup is not tasked with reviewing and revising CSU policies, looking for ways to augment and best utilize resources to increase student success is our goal. Providing direction as to which policies might be reviewed for possible revision could be a step toward our goal. Ideally, this will empower our university leaders with greater flexibility and opportunities for creativity in managing and increasing resources that lead to improved student outcomes.

#### Some policies and practices to consider examining:

##### 1) Highest potential to raise funds

- Restrictions on majors and courses offered via General Fund versus Extended Education
- Limitations on class sizes by policy and/or practice
- Non-resident tuition policy (San Luis Obispo pilot with market rate)
- Cost allocation plan for auxiliaries (i.e., reimbursement for University expenses)
- Development of programs to meet regional needs
- Development of executive programs
- Dual enrollment with community college and high school students
- Review of fee waivers

##### 2) Flexibility to free up funds for other purposes

- Restriction on use of revenues generated through Extended Education and Parking funds beyond overhead charges
- Incentives or disincentives for inter-campus cooperation on majors or course offerings
- Faculty workload policy and/or practices that might not be effective and efficient
- Duplication of programs with regional campuses

- Concurrent enrollment within the CSU
- Financial disincentives for regional collaboration
- Contracting with other campuses to offer shared services
- Athletic funding and costs

### **Next Steps**

Exploration of the relevant policies and practices to identify where they are codified and under whose purview they reside. Make recommendations as appropriate for further examination of opportunities for changes that will enhance the use of funds for increased student success.

## AGENDA

### COMMITTEE ON CAMPUS PLANNING, BUILDINGS AND GROUNDS

**Meeting:** 11:20 a.m., Wednesday, May 24, 2023  
Glenn S. Dumke Auditorium

Larry L. Adamson, Chair  
Anna Ortiz-Morfit, Vice Chair  
Diana Aguilar-Cruz  
Douglas Faigin  
Maria Linares  
Romey Sabalius  
Lateefah Simon  
Jose Antonio Vargas

- Consent** 1. Approval of Minutes of the Meeting of January 25, 2023, *Action*
- Discussion** 2. California State University, San Marcos Village Housing and Dining Schematic Design Approval, *Action*
3. California State University, Dominguez Hills Health, Wellness, and Recreation Center Approval to Amend the Capital Outlay Program and Approval of Schematic Design, *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**

**January 25, 2023**

**Members Present**

Larry L. Adamson, Chair  
Anna Ortiz-Morfit, Vice Chair  
Diana Aguilar-Cruz  
Douglas Faigin  
Maria Linares  
Romey Sabalius

Wenda Fong, Chair of the Board  
Jolene Koester, Interim Chancellor

Trustee Larry 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 November 2022 meeting of the Committee on Campus Planning, Buildings and Grounds were approved as submitted.

**California State University Dominguez Hills Affordable Student Housing, Phase 4 and Dining Commons**

This item requested delegation of schematic design approval to the Chancellor for the California State University, Dominguez Hills Affordable Student Housing Phase 4 and Dining Commons project.

Following the presentation, several trustees expressed support for the project to increase housing and dining options for students.

Clarifying questions were asked about capacity, and it was explained that this project increases housing from 1100 beds to 1400 beds servicing a total student body of 16,000, and that the waitlist is unclear coming out of the pandemic.

A question about the food service provider was asked and it was explained that Aramark will be the contracted dining service provider. Additionally, comments were made about the need for healthy food choices on campus.

A question was asked about emergency housing on campus, and it was explained that emergency housing is part of Phase I and consists of apartment-style units.

A request was made for staff to summarize the size and scope of housing challenges across the CSU system. It was agreed that data from recent reports will be validated and shared so that the trustees can better understand the current situation.

The committee recommended approval of the proposed resolution (RCPBG 01-23-01).

### **California State Polytechnic University Humboldt Student Housing**

This item requested the following actions for the California State Polytechnic University, Humboldt Student Housing project:

- Certification of the Final Environmental Impact Report (FEIR) dated January 2023
- Adoption of the Findings of Fact and Statement of Overriding Considerations dated January 2023
- Adoption of the Mitigation Monitoring and Reporting Program dated January 2023
- Approval of the revision of the California State Polytechnic University, Humboldt Master Plan
- Approval of Schematic Plans for the California State Polytechnic University, Humboldt Student Housing project

Following the presentation, several trustees commented on the importance of prioritizing housing projects such as this one.

Questions were asked about parking and shuttle services; it was asked if planned parking will be sufficient given the increase in student population. It was explained that sustainable transportation goals are a high priority, and shuttle and bus services from off-campus locations are in place to support student needs. Additionally, it was explained that parking is a lower priority now but may be increased in the future.

It was asked if the current housing shortage impairs the university's ability to attract employees, and it was explained that the area is experiencing other areas of economic growth and that housing inventory is extremely low in the region, so on-campus housing will reduce off campus student demand, helping to improve the overall workforce housing situation.

The project was commended for the relatively low cost per square foot which is a result of the large scale of the project, high level of square footage use efficiency, early engagement with the design-build team, close attention to the cost of finishes and other details, construction style, and other factors.

It was asked if this project might help to attract students and increase enrollment. It was explained that Humboldt is unique due to its long distance from larger urban areas and the university is already at capacity with housing, so projections are that the new housing will be filled before the project is completed.

Appreciation was expressed to the team for leveraging systemwide revenue bonds and state grants, and information was shared regarding the status of the affordable student housing grant funding.

The committee recommended approval of the proposed resolution (RCPGB 01-23-02).

### **Report on the Cost of Construction**

This item presented information on the Cost of Construction Report resulting from the appointment of a Chancellor's Advisory Committee to review CSU facilities development practices and make recommendations on reducing CSU design and construction costs.

Appreciation was expressed about the productivity of the task force as well as the level of detail and various perspectives that the team considered.

LEED certification costs and benefits were discussed, and it was noted that while California building codes have become more strict and often require similar standards to LEED, certification helps to market the university because higher sustainability standards are widely supported by students.

A question was asked about the current state of deferred maintenance, and it was explained that the CSU currently has over \$6B in deferred maintenance systemwide, and it takes over \$300M per year to avoid increase in the backlog. It will take approximately \$1.3B in funding each year for 10 years to eliminate the backlog.

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It was asked if there is a possibility of modifying or fast tracking CEQA to help reduce costs and timelines as part of Recommendation #10 (*Identify potential changes to laws that would improve or streamline the development process*). It was noted that this is a statewide discussion with efforts over time to simplify the CEQA process and that streamlining the process should be addressed considering the housing needs California is facing.

Trustee Adamson adjourned the Committee on Campus Planning, Buildings and Grounds.



## **COMMITTEE ON CAMPUS PLANNING, BUILDINGS AND GROUNDS**

### **California State University, San Marcos University Village Housing and Dining Schematic Design Approval**

#### **Presentation By**

Steve Relyea  
Executive Vice Chancellor and  
Chief Financial Officer

Dr. Ellen Neufeldt  
President  
California State University, San Marcos

Elvyra F. San Juan  
Assistant Vice Chancellor  
Capital Planning, Design and Construction

#### **Summary**

This agenda item requests approval of schematic plans for the California State University, San Marcos University Village Housing and Dining project.

#### **University Village Housing and Dining**

*Project Architect: Gensler*

*Collaborative Design-Build Constructor: McCarthy Construction*

#### **Background and Scope**

California State University, San Marcos (CSUSM) proposes to design and construct a five-story residence hall and a two-story dining facility. The student housing building (#38E<sup>1</sup>) will consist of 82,550 assignable square feet (ASF)/127,000 gross square feet (GSF) and the dining facility (#38F) will provide 7,700 assignable square feet (ASF)/10,000 gross square feet (GSF) to serve the campus community. The project will be located southwest of the existing University Village Apartments (#38A – #38D) and north of Parking Structure 1 (#103). This project was approved for funding in 2022-2023 from the State's Higher Education Student Housing Grant Program. In addition, CSUSM will seek future Board of Trustees approval of Systemwide Revenue Bond financing for a portion of the project funding.

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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.

CSUSM is a vibrant, diverse university community of more than 13,000 students located in North San Diego County. Sixty-one percent of CSUSM students are low-income students; fifty-six percent come from traditionally underserved communities; forty-six percent of undergraduate students received federal Pell grant; and over fifty percent of undergraduate students are first-generation college attendees. Over thirty-four percent of low-income students commute at least 30 miles to school.

This proposed project will allow the university to provide affordable housing to designated low-income students, reducing the total cost of attendance and bolstering direct access to affordable student housing for those students in the most need. The university's vision is to provide a model for on-campus housing access and equity for all students regardless of income level which will improve graduation rates and support student success. The project is aligned with the university's Strategic Plan vision of diversity, equity, and inclusive excellence.

The student housing building will provide 555 beds; 540 beds for students, including 391 affordable and 149 standard rate beds, in double residence hall style rooms, and 15 resident advisor beds. The five-story housing building is based on a pod concept with shared gathering/social spaces for each floor. Each residence pod will have a cluster of residence rooms with 36 beds, restrooms, study spaces, and a dedicated resident advisor. The shared social spaces on each floor will allow students to form a close-knit group of peers and neighbors, fostering a greater sense of community. Other key residential amenities include a shared community room and shared laundry. The courtyards will create indoor and outdoor connections between student housing and dining and provide outdoor space for studying, relaxing, and activities.

The dining facility will be attached to the student housing and will include approximately 210 indoor seats and 110 outdoor seats. The main entrance to the dining facility will be on grade and accessed via the pedestrian pathways. The second level of the dining facility will include interior and outdoor dining, the service kitchen and ancillary space. The back-of-house kitchen, service area, and loading dock will be on the lower level.

The student housing and dining project is a multi-story concrete framed structure. The overall massing creates a stepped roofline with the main entrance at the ground level. The proposed project is currently designed to achieve Leadership in Energy and Environmental Design (LEED) Silver certification. Notable sustainability features include low flow plumbing fixtures, high quality air filtration, maximum insulation values for walls and roofs, double-glazed windows, drought-tolerant landscaping, efficient irrigation systems, and ground water re-charge design elements.

**Timing (Estimated)**

Completion of Preliminary Drawings	June 2023
Completion of Working Drawings	September 2023
Start of Construction	March 2024
Occupancy	June 2026

**Basic Statistics**

Student Housing Building:

Gross Building Area	127,000 square feet
Assignable Building Area (CSU <sup>2</sup> )	82,550 square feet
Net Useable Building Area (FICM <sup>3</sup> )	107,600 square feet
Efficiency (CSU)	65 percent
Efficiency (FICM)	85 percent

Dining Building:

Gross Building Area	10,000 square feet
Assignable Building Area (CSU)	7,700 square feet
Net Useable Building Area (FICM)	9,100 square feet
Efficiency (CSU)	77 percent
Efficiency (FICM)	91 percent

**Cost Estimate—California Construction Cost Index 8287<sup>4</sup>**

Student Housing Building:

Building Cost (\$580 per GSF)	\$73,654,000
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*Systems Breakdown*

	<i>(\$ per GSF)</i>
a. Substructure (Foundation)	\$29.84
b. Shell (Structure and Enclosure)	\$185.52
c. Interior (Partitions and Finishes)	\$90.36
d. Services (HVAC, Plumbing, Electrical, Fire)	\$144.46
e. Built-in Equipment and Furnishings	\$3.06
f. Special Construction and Demolition	\$2.57
g. General Requirements/Conditions and Insurance	\$124.13

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<sup>2</sup> Assignable building area is based on CSU policy.

<sup>3</sup> Net useable 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.

Dining Building:

Building Cost (\$850 per GSF) \$8,502,000

<i>Systems Breakdown</i>	<i>(\$ per GSF)</i>
a. Substructure (Foundation)	\$96.30
b. Shell (Structure and Enclosure)	\$250.60
c. Interior (Partitions and Finishes)	\$61.40
d. Services (HVAC, Plumbing, Electrical, Fire)	\$248.20
e. Built-in Equipment and Furnishings	\$29.10
f. Special Construction and Demolition	\$2.70
g. General Requirements/Conditions and Insurance	\$161.85

Site Development \$8,366,000

Construction Cost \$90,522,000

Fees, Contingency, Services \$23,802,000

Total Project Cost (\$834 per GSF) \$114,324,000

Fixtures, Furniture & Movable Equipment \$5,460,000

Grand Total \$119,784,000

**Cost Comparison**

The student housing building's cost of \$580 per GSF is lower than the \$604 per GSF for the Student Housing Phase 4 project at CSU Fullerton approved in July 2020, the \$688 per GSF for the Affordable Student Housing Buildings #22 and #23 at CSU Northridge approved in July 2022, and slightly higher than the \$552 per GSF for the Student Housing Phase 4 and Dining Commons project at CSU Dominguez Hills, and the \$551 per GSF for the Student Housing project at Cal Poly Humboldt approved in January 2023, all adjusted to CCCI 8287.

The dining building's cost of \$850 per GSF is lower than the \$867 per GSF for the dining component of the West Campus Green Student Housing and Health Center project at San Francisco State approved in January 2023, and higher than the \$700 per GSF for the dining component of the Cal Poly Pomona Student Housing Replacement, Phase 1 project approved in January 2017, and the \$750 per GSF for the Cal Poly San Luis Obispo Vista Grande Replacement Building approved in November 2015, all adjusted to CCCI 8287.

Two cost factors for the project are related to the granitic rock soil conditions at the project site which needs to be mitigated and the significant topography challenges which require soil import and retaining walls to support grade changes.

## **Funding Data**

The project was awarded funding from the State's Higher Education Student Housing Grant Program (\$91,000,000) and will be co-funded with CSU Systemwide Revenue Bonds (\$28,784,000). The board will be asked at a future meeting to consider the approval of the CSU Systemwide Revenue Bond financing proposed for the project.

## **California Environmental Quality Act (CEQA) Action**

This project was included in the Final Environmental Impact Report (EIR) prepared for the Campus Master Plan and certified by the Board of Trustees in March 1988. The University prepared a Finding of Consistency in March 2023 that concluded this project would have no new or greater significant environmental impacts beyond those already identified in the 1988 Final EIR. The Finding of Consistency is available for review by the Board of Trustees and the public at: [https://www.csusm.edu/pdc/projects\\_completed/index.html](https://www.csusm.edu/pdc/projects_completed/index.html).

## **Recommendation**

The following resolution is recommended for approval:

**RESOLVED**, By the Board of Trustees of the California State University, that:

1. The California State University, San Marcos University Village Housing and Dining project will benefit the California State University.
2. The March 2023 Finding of Consistency for the California State University, San Marcos University Village Housing and Dining project has been prepared in accordance with the requirements of the California Environmental Quality Act.
3. The California State University, San Marcos University Village Housing and Dining project is within the scope of the Campus Master Plan approved in 1988 and last revised in 2018 and was adequately analyzed in the Campus Master Plan Final EIR certified in 1988.
4. Applicable mitigation measures shall be implemented, monitored, and reported in accordance with the requirements of the California Environmental Quality Act (Cal. Pub. Res. Code § 21081.6).
5. The schematic plans for the California State University, San Marcos University Village Housing and Dining project are approved at a project cost of \$119,784,000 at CCCI 8287.

**COMMITTEE ON CAMPUS PLANNING, BUILDINGS AND GROUNDS**

**California State University, Dominguez Hills Health, Wellness, and Recreation Center  
Approval to Amend the Capital Outlay Program and Approval of Schematic Design**

**Presentation By**

Steve Relyea  
Executive Vice Chancellor and  
Chief Financial Officer

Thomas Parham  
President  
California State University, Dominguez Hills

Obioha Victor Ogbonna  
President  
Associated Students, Incorporated  
California State University, Dominguez Hills

Elvyra F. San Juan  
Assistant Vice Chancellor  
Capital Planning, Design and Construction

**Summary**

This item requests approval to amend the 2022-2023 Capital Outlay Program and approve schematic plans for the Health, Wellness, and Recreation Center for California State University, Dominguez Hills. The California State University (CSU) Board of Trustees approved the 2022-2023 Capital Outlay Program at its November 2021 meeting. This item allows the board to consider the scope and budget of projects not included in the previously approved capital outlay program.

**California State University, Dominguez Hills  
Health, Wellness, and Recreation Center**

**PWCE<sup>1</sup>    \$87,614,000**

California State University, Dominguez Hills (CSUDH) wishes to amend the 2022-2023 Capital Outlay Program for the design and construction of a Health, Wellness, and Recreation Center (#156) located in the center of the CSUDH campus. To the west of the site is Toro Center Drive, one of the primary north-south vehicular circulation routes through the campus. The site is

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<sup>1</sup> Project phases: P – Preliminary Plans, W – Working Drawings, C – Construction, E – Equipment

bordered by the Leo F. Cain Library (#20) to the north and the Gymnasium (#60) and swimming pool to the east and playfield to the south. To clear the site, the 13,650 gross square foot one-story Field House (#61) built in 1971 will be demolished with the replacement space being included in the new facility, in addition, the trailers for Parking Services and the U.S. Army will be relocated.

### **Schematic Design**

*Project Architect:* LPA, Inc.

*CM at Risk Contractor:* C.W. Driver

### **Background and Scope**

The project will construct a 46,540 ASF/73,000 GSF facility organized in two wings. The northern wing (Building A) will have multipurpose rooms and studios, general fitness area, offices, training rooms, and wellness rooms. The southern wing (Building B) will have a gymnasium, consisting of two multi-activity courts and an elevated running track. The swimming pool area is located in the central courtyard, situated between the two buildings.

The exterior design will include cast-in-place concrete walls and high-performance glazing with canopies and perforated metal for sunshading. The project will achieve the sustainability goals of the university by including solar panels for energy production and battery storage to reduce electrical power from the grid. The project will be designed to achieve minimum LEED Silver Certification.

The campus central plant will provide chilled water for cooling and heating hot water for heating. Sitework will include relocation and re-routing of all existing utilities that are impacted by the proposed building footprints, and deferred maintenance co-funding will be used to address deficiencies in the existing swimming pool.

### **Timing (Estimated)**

Preliminary Plans Completed	July 2023
Working Drawings Completed	January 2024
Construction Start	May 2024
Occupancy	November 2025

### **Basic Statistics**

Gross Building Area	73,000 square feet
Net Useable Building Area	64,640 square feet
Assignable Building Area	46,540 square feet
Efficiency (Assignable)	64 percent
Efficiency (Net Useable)	89 percent

**Cost Estimate – California Construction Cost Index (CCCI) 8287<sup>2</sup>**

Building Cost (\$756 per GSF)	\$55,170,000
<i>Systems Breakdown</i>	<i>(\$ per GSF)</i>
a. Substructure (Foundation)	\$ 46.18
b. Shell (Structure and Enclosure)	\$ 252.67
c. Interiors (Partitions and Finishes)	\$ 100.96
d. Services (HVAC, Plumbing, Electrical, Fire)	\$ 210.24
e. Built-in Equipment and Furnishings	\$ 9.38
f. Special Construction & Demolition	\$ 6.07
g. General Requirements	\$ 12.63
h. General Conditions and Insurance	\$ 117.63
Site Development	8,113,000
Swimming Pool Renewal/Renovation	<u>\$1,500,000</u>
Construction Cost	\$64,783,000
Fees, Contingency, Services	<u>19,231,000</u>
Total Project Cost (\$1,015 per GSF)	\$84,014,000
Fixtures, Furniture & Movable Equipment	<u>3,600,000</u>
Grand Total	<u>\$87,614,000</u>

**Cost Comparison**

The project’s building cost of \$756 per GSF is lower than \$853 per GSF for the Student Recreation and Aquatic Center at San Jose State University approved in November 2016, and higher than the \$489 per GSF for the Aztec Recreation Center Expansion at San Diego State University approved in May 2019, and the \$610 per GSF for the Recreation Wellness Center at San Francisco State University approved in May 2014, all adjusted to CCCI 8287. The higher cost is attributable to the building’s shell design, which is due to the use of concrete which provides a higher up-front cost but an overall reduced lifecycle cost. The 3<sup>rd</sup> floor roof has an outdoor terrace with trellises, planting, and pavers, and a stairway which also adds to the cost of the building shell. And finally, the project costs are affected by significant escalation due to the timing of its construction.

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<sup>2</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.



### **Funding Data**

The project was awarded funding from 2021-2022 State one-time funding (\$20 million), and was provided \$1.3 million in CSU reserves to address the deferred renewal needs of the existing swimming pool. To fund the remaining \$66,314,000, the campus will seek financing approval from the board at a future meeting to use CSU Systemwide Revenue Bond.

### **California Environmental Quality Act (CEQA) Action**

This project was included in the Final Environmental Impact Report (EIR) prepared for the California State University, Dominguez Hills Campus Master Plan Revision and certified by the Board of Trustees in September 2019. The University prepared a Finding of Consistency in April 2023 that concluded this project would have no new or greater significant environmental impacts beyond those already identified in the 2019 Final EIR. The Finding of Consistency is available for review by the Board of Trustees and the public at: <https://www.csudh.edu/fpcm/ceqa/>.

### **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, Dominguez Hills Wellness, Health, and Recreation Center project will benefit the California State University.
2. The April 2023 Finding of Consistency for the California State University, Dominguez Hills Health, Wellness, and Recreation Center project has been prepared in accordance with the requirements of the California Environmental Quality Act.
3. The California State University, Dominguez Hills Health, Wellness, and Recreation Center project is within the scope of the Campus Master Plan Revision approved in September 2019 and was adequately analyzed in the Campus Master Plan Revision Final EIR certified in September 2019.
4. Applicable mitigation measures shall be implemented, monitored, and reported in accordance with the requirements of the California Environmental Quality Act (Public Resources Code, Section 21081.6).
5. The schematic plans for the California State University, Dominguez Hills Health, Wellness, and Recreation Center project are approved at a project cost of \$87,614,000 at CCCI 8287.

## AGENDA

### COMMITTEE ON ORGANIZATION AND RULES

**Meeting:** 12:45 p.m., Wednesday, May 24, 2023  
Glenn S. Dumke Auditorium

Jean Picker Firstenberg, Chair  
Julia I. Lopez, Vice Chair  
Diana Aguilar-Cruz  
Diego Arambula  
Jack Clarke, Jr.  
Leslie Gilbert-Lurie  
Lillian Kimbell  
Christopher Steinhauser

**Consent** 1. Approval of Minutes of the Meeting of March 22, 2023, *Action*  
**Discussion** 2. Final Report on the Board of Trustees' Review, *Information*

**MINUTES OF THE MEETING OF THE  
COMMITTEE ON ORGANIZATION AND RULES**

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

**March 22, 2023**

**Members Present**

Jean Picker Firstenberg, Chair  
Julia I. Lopez, Vice Chair  
Diana Aguilar-Cruz  
Jack Clarke, Jr.  
Leslie Gilbert-Lurie  
Lillian Kimbell

Wenda Fong, Chair of the Board  
Jolene Koester, Interim Chancellor

Trustee Firstenberg called the meeting to order.

**Consent Agenda**

The minutes of the January 25, 2023, meeting were approved as submitted.

**Discussion Agenda**

The committee had four items on the discussion agenda.

**CSU Board of Trustees' Meeting Dates for 2024**

Associate Vice Chancellor Kiss presented the proposed dates for approval by the committee. In response to Trustees Sabalius and Linares' request to review possible alternative dates for the May 2024 meeting to avoid conflicts with commencements, AVC Kiss noted that Board Office staff reviewed possible alternative dates and that changing the May dates would have unintended negative impacts on the time horizon for the January and March 2024 meeting dates. The committee unanimously approved the resolution. (ROR 03-23-01)

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## **Revisions to the Rules Governing the CSU Board of Trustees - Procedures for Selection of Board Committees**

Roberta Achtenberg, senior advisor for Board Governance, presented the action item and summarized the proposed revisions that were discussed during the March 2023 board meeting. The committee unanimously approved the resolution. (ROR 03-23-02)

## **Program for Board Planning, Goal Setting and Self-Evaluation**

Associate Vice Chancellor Kiss presented the action item for board approval to adopt the proposed recommendations for a board planning and self-evaluation program as discussed by the committee during the March 2023 board meeting.

Trustee Arambula noted the committee had robust discussions when the item was presented as an information item at the March board meeting and reaffirmed the importance of the board undertaking regular review and self-evaluation of their work. Vice Chair Clarke echoed the importance of strengthening and clarifying board processes moving forward. Lieutenant Governor Kounalakis recognized the importance of the addition of the chief of staff position to the board to ensure critical information is shared with and among the board. Trustee Adamson expressed his gratitude for the work to identify and present these recommendations for board review, adding that they are aligned with common best practices of other governing boards. The committee unanimously approved the resolution. (ROR 03-23-03)

## **Evaluation of CSU Policies for Presidential Performance Reviews**

The information item was presented by Jane Wellman, special consultant to the Board, and Dr. Terry MacTaggart, consultant for the Association of Governing Boards (AGB). Jane Wellman introduced the item stating this topic was identified by many board members as a priority for review as part of the board assessment. She further underscored that the recruitment, support and retention of presidents is one of the greatest and most important roles of the board and is taken very seriously.

Dr. MacTaggart noted the CSU's current practice for the evaluation of presidents reflects many widely accepted best practices and demonstrates some superior practices to those included in the review. He provided a high-level overview of areas the CSU's is currently doing well including a comprehensive and consultative governance structure reviewing presidents that includes the chancellor and full board. Dr. MacTaggart also reviewed the five key hallmarks of effective presidential assessments – accountability, credibility, leadership development, predictability and consequentiality – and broad lessons from other systems and universities for context. He noted the CSU's current practices address the five key areas though recommended the CSU could strengthen leadership development for presidents, especially for new presidents, and assemble a workgroup

to review evaluation criteria. Overall the assessment found the CSU presidential review policy and practices represents a sound framework and responsible best practices though could be strengthened to further support presidents in a dynamic and evolving leadership landscape.

Trustee McGrory agreed this is an effective and critically important process and suggested reviewing the schedule for reviews, that often occur at the end of board meetings, to allow for maximum participation by all board members. Chair Fong noted possible off-cycle presidential review meetings for consideration. Trustee Lopez expressed the importance of engaging with presidents in their reviews on areas of particular challenging issues or in need of greater support and recommendations from presidents on how the board could constructively approach challenging conversations. Dr. MacTaggart underscored the recommendation to include senior and former presidents in establishing mentor relationships with and among presidents. Trustee Firstenberg stressed the importance of greater engagement and involvement with presidents in the board meetings to benefit from their leadership perspectives and experience.

President Coley agreed having a more intentional structured on-going program for presidential mentoring would be beneficial. President Armstrong echoed the importance of a more formal leadership support and development program for presidents.

Trustee Kimbell noted her support for providing additional mentorship and on-going leadership development opportunities for all new presidents. Chancellor Koester offered additional perspectives on how to approach supporting the unique role of serving as a president in the CSU system.

Trustee Gilbert-Lurie recognized the important role the board plays in evaluating presidents and providing clear, constructive feedback and suggested the board consider areas to strengthen the process and format for presidential evaluations moving forward. Chancellor Koester concluded that under delegated authority to the chancellor, she would move forward with next steps as recommended from the review and discussions.

Trustee Firstenberg adjourned the Committee on Organization and Rules.

## **COMMITTEE ON ORGANIZATION AND RULES**

### **Final Report on the Board of Trustees' Review**

#### **Presentation By**

Roberta Achtenberg  
Senior Advisor, Board Governance and Relations

Michelle Kiss  
Associate Vice Chancellor and Chief of Staff

#### **Summary**

The Board of Trustees commissioned an external review of board roles and practices within the university system. The review was conducted by Roberta Achtenberg, Senior Advisor to the CSU for Board Governance and Relations, and Jane Wellman, a special consultant to the Board. The review was announced at the May 2022 board meeting and initiated immediately thereafter. Its focus has been to analyze board functions and protocols to identify and recommend opportunities for improvement to enable the board to operate more proactively and strategically, with the ultimate goal of positioning the CSU to more effectively advance its mission to increase student access and success, and to help drive California's economic and social prosperity.

A final summative report of the work conducted as part of the scope of the board assessment will be presented as an information item at the May board meeting.

## AGENDA

### COMMITTEE ON AUDIT

**Meeting:** 1:15 p.m., Wednesday, May 24, 2023  
Glenn S. Dumke Auditorium

Lateefah Simon, Chair  
Yammilette Rodriguez, Vice Chair  
Diana Aguilar-Cruz  
Jack Clarke, Jr.  
Lillian Kimbell  
Jack McGrory  
Jose Antonio Vargas

- Consent**
1. Approval of Minutes of the Meeting of March 21, 2023, *Action*
  2. Status Report on Audit and Advisory Services Activities, *Information*
- Discussion**
3. Fiscal Year 2023-2024 Audit Plan, *Action*
  4. Audited Financial Statements and Single Audit Report, *Information*

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

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

**March 21, 2023**

**Members Present**

Yammilette Rodriguez, Vice Chair  
Diana Aguilar-Cruz  
Jack Clarke, Jr.  
Lillian Kimbell  
Jack McGrory

Wenda Fong, Chair of the Board

Trustee Yammilette Rodriguez called the meeting to order.

**Approval of the Consent Agenda**

The minutes of the January 24, 2023, meeting of the Committee on Audit were approved as submitted.

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

Trustee Rodriguez 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 2022-23 audit plan. Follow-up on current and past assignments is being conducted on approximately 31 completed campus reviews. Attachment A summarizes the status of audit assignments by campus.

For the current year audit plan, assignments were made to execute individual campus 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 for the 2023-24 audit plan year. This comprehensive planning process considers a multitude of factors, such as information gathered from interviews with over 90 systemwide and campus 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 2022-23 audit plan. Twenty-five audits have been completed and twenty-six audits are currently in process. Completed audit reports are posted on the California State University website at <https://www2.calstate.edu/csu-system/transparency-accountability/audit-reports>.

The status of campus 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 campus management and audit management are responsible for tracking the implementation/completion status of audit recommendations contained in campus audit reports. During the audit process, campus 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 campus senior leadership team (president and/or VP/CFO) to resolve any delays. In rare instances in which delays cannot be resolved during discussions between campus and audit management, the chancellor and audit committee chair and/or vice chair may help resolve delays, as needed.

#### 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 2022, 23 campuses 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 first review of travel expense transactions at seven campuses and follow up was performed on all potential anomalies.

Additionally, work continues on the new risk indicator dashboards and auxiliary expenditure data is being evaluated for possible use on future auxiliary expenditure dashboards.

### 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 campus 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, which are often the result of alleged misappropriations or conflicts of interest. Investigations are performed on an ongoing basis, both at the request of an individual campus 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 campuses undergoing such audits, and acts as a liaison for the California State University system throughout the audit process when appropriate. The Joint Legislative Audit Committee (JLAC) held a hearing on June 27, 2022, to consider audit requests from legislators. At the hearing, JLAC approved two audits of the California State University: 1) an audit of California State University's handling of sexual harassment complaints (Title IX); 2) an audit of the California State University's compliance with the Native American Graves Protection and Repatriation Act (NAGPRA).

The California State Auditor (CSA) began both audits in November 2022. For the Title IX audit, the CSA audit team is conducting fieldwork at the Chancellor's Office and three campuses: Fresno, San Jose, and Sonoma. The audit team expects to issue recommendations for the Chancellor's Office and three campuses involved.

A separate CSA audit team is conducting fieldwork at Chico, Sacramento, San Diego, and San Jose as part of the NAGPRA audit. The audit team expects to issue recommendations to the Chancellor's Office and not to the individual campuses.

The Title IX audit report is scheduled to be released in July and the NAGPRA audit report is scheduled to be released in June; however, those dates are subject to change. The scope and objectives of both audits are available on the CSA's website (<https://www.auditor.ca.gov/bsa/recent>).

In addition to the JLAC approved audits described previously, the CSA prepares biennial reports on high-risk issues that "the CSA identifies as high risk for their potential of waste, fraud, abuse or mismanagement, or that have major challenges associated with their economy, efficiency, or effectiveness." In 2013, the CSA identified affordability in higher education as a high-risk issue for both the California State University and University of California systems. Since then, the CSA has continued to assess affordability as a high-risk issue every two years. The CSA began the review with an entrance conference on February 10, 2023. The goal of their review is to update the status of high-risk issues from their last report and determine if the issues will stay on the high-risk list.

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The last report was issued in August 2021 and found that although the CSU has taken some steps to improve affordability, those actions have not fully addressed or resolved affordability challenges. The full report can be found at <https://www.auditor.ca.gov/pdfs/reports/2021-601.pdf>. “The Higher Education – Affordability” section starts on page 9.

#### OUTREACH AND ENGAGEMENT

Audit and Advisory Services continues to partner and work with our campus 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 and leading affinity groups, providing support to campus and chancellor’s office management, sharing information and common themes across campuses, and acknowledging feedback and insights provided by management.

## STATUS REPORT ON CURRENT AND PAST AUDIT ASSIGNMENTS

Campus	Category	Audit Topic	Audit Plan Year	Total # of Recommendations	*Status
Bakersfield	Status of Recommendations	Academic Department Fiscal Review	2022	5	5
Channel Islands	Status of Recommendations	IT Disaster Recovery	2022	6	3 3
	No Reportable Recommendations	Police Services	2022	n/a	
Chico	Audits Currently in Progress	Associated Students, Inc.	2022		
	Status of Recommendations	Chico State Enterprises	2021	4	3 1
		Academic Department Fiscal Review	2022	2	2
		Information Security	2022	14	14
Dominguez Hills	Audits Currently in Progress	Associated Students, Inc.	2022		
		Information Security	2022		
East Bay	Audits Currently in Progress	Executive Travel and Hospitality	2022		
	Status of Recommendations	Student Health Services	2022	5	3 2
Fresno	Audits Currently in Progress	Association	2022		
		Human Resources and Training Compliance	2022		
	No Reportable Recommendations	Construction Management	2022	n/a	
Fullerton	Audits Currently in Progress	Executive Travel and Hospitality	2022		
	Status of Recommendations	Construction Management	2022	4	4
		Procurement and Inventory	2022	3	3
Humboldt	Audits Currently in Progress	Executive Travel and Hospitality	2022		
		Human Resources and Training Compliance	2022		
Long Beach	Status of Recommendations	Athletics Fiscal Administration	2022	5	5
	No Reportable Recommendations	Executive Travel and Hospitality	2022	n/a	
Los Angeles	Status of Recommendations	Computer Security Incident Response	2022	5	5
		University Auxiliary Services	2022	8	8
Maritime Academy	Status of Recommendations	Information Security	2021	10	9 1
		Vendor Administration and Payments	2022	3	3
Monterey Bay	Audits Currently in Progress	Accessible Technology Initiative	2022		
	Status of Recommendations	Procurement and Vendor Administration	2022	4	3 1
Northridge	Audits Currently in Progress	Athletics Fiscal Administration	2022		
		The University Corporation	2022		
	Status of Recommendations	Information Security	2021	5	5
Pomona	Audits Currently in Progress	Information Security	2022		
	Status of Recommendations	Academic Department Fiscal Review	2022	2	2
		Foundation	2022	3	3
Sacramento	Audits Currently in Progress	Capital Public Radio	2022		
		Computer Security Incident Response	2022		
	Status of Recommendations	Athletics Fiscal Administration	2022	5	3 2

\*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

Report as of May 10, 2023

## 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	Police Services	2022		
	Status of Recommendations	Centers and Institutes	2021	5	<span style="background-color: green; color: white;">3</span> <span style="background-color: blue; color: white;">2</span>
		Human Resources	2021	13	<span style="background-color: green; color: white;">10</span> <span style="background-color: blue; color: white;">3</span>
		Information Security	2022	6	<span style="background-color: green; color: white;">2</span> <span style="background-color: blue; color: white;">4</span>
San Diego	Audits Currently in Progress	Aztec Shops	2022		
	Status of Recommendations	Student Organizations	2022	2	<span style="background-color: blue; color: white;">2</span>
San Francisco	Audits Currently in Progress	Training Compliance	2022		
	Status of Recommendations	Associated Students, Inc.	2021	8	<span style="background-color: green; color: white;">8</span>
		Construction Management	2022	2	<span style="background-color: green; color: white;">2</span>
San Jose	Audits Currently in Progress	Athletics Fiscal Administration	2022		
		Information Security	2022		
	Status of Recommendations	Decentralized Computing	2021	9	<span style="background-color: green; color: white;">8</span> <span style="background-color: blue; color: white;">1</span>
	Vendor Administration and Payments	2022	1	<span style="background-color: green; color: white;">1</span>	
San Luis Obispo	Audits Currently in Progress	Athletics Fiscal Administration	2022		
	Status of Recommendations	Information Security	2020	12	<span style="background-color: green; color: white;">11</span> <span style="background-color: blue; color: white;">1</span>
		IT Disaster Recovery	2022	3	<span style="background-color: blue; color: white;">3</span>
San Marcos	Audits Currently in Progress	Accessible Technology Initiative	2022		
		Human Resources and Training Compliance	2022		
Sonoma	Audits Currently in Progress	Philanthropic Foundation	2022		
	Status of Recommendations	Information Security	2021	16	<span style="background-color: green; color: white;">16</span>
		Academic Department Fiscal Review	2022	5	<span style="background-color: green; color: white;">4</span> <span style="background-color: blue; color: white;">1</span>
Stanislaus	Audits Currently in Progress	Information Security	2022		
		Student Health Services	2022		

**\*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

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## COMMITTEE ON AUDIT

### **Fiscal Year 2023-2024 Audit Plan**

#### **Presentation By**

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

#### **Background**

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.

#### **Summary**

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

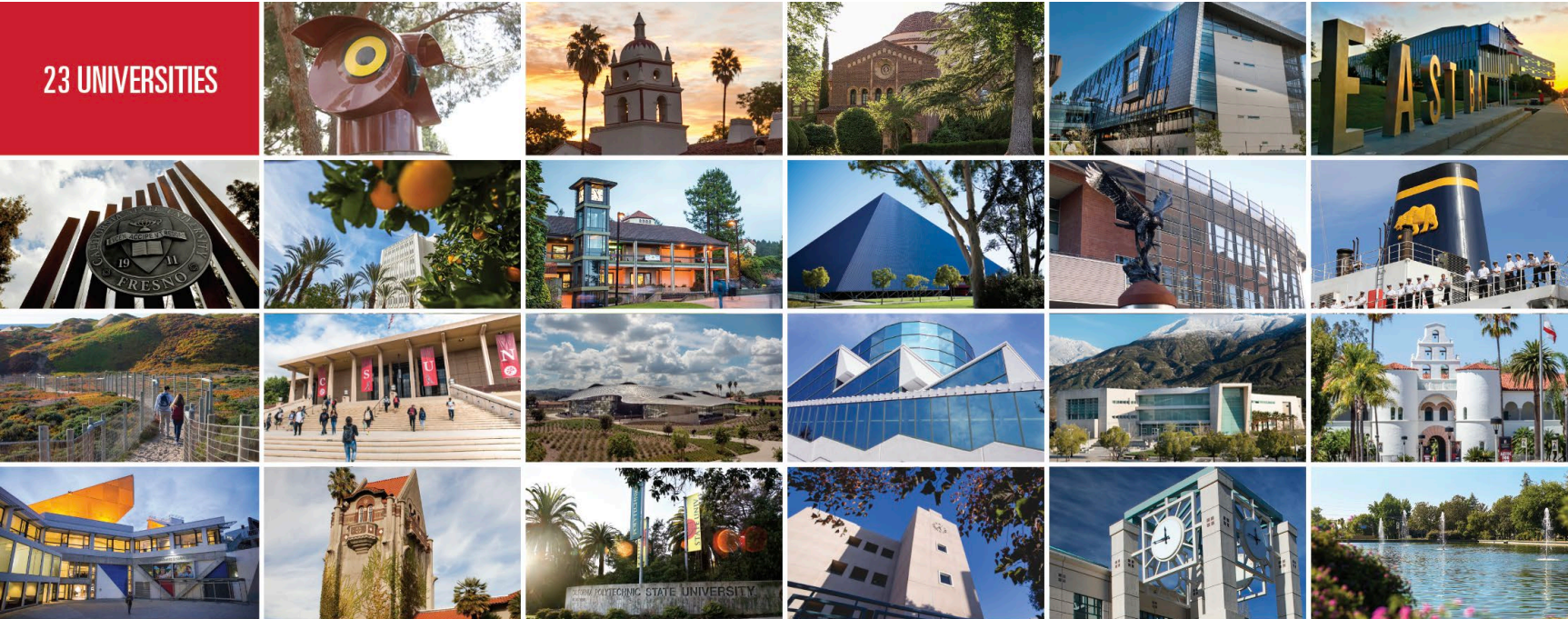
Attachment A includes the audit plan for fiscal year 2023-2024.

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 2023-2024 Audit Plan, as detailed in Agenda Item 3 of the Committee on Audit at the May 21-24, 2023, meeting, be approved.

# 2023-24 AUDIT PLAN

ITEM 3 | COMMITTEE ON AUDIT | MAY 21-24, 2023





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## EXECUTIVE SUMMARY

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 2023-24.

### PLAN OBJECTIVES

The objectives of the annual audit plan are to:

- 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 campus and systemwide operations and foster continuous improvement

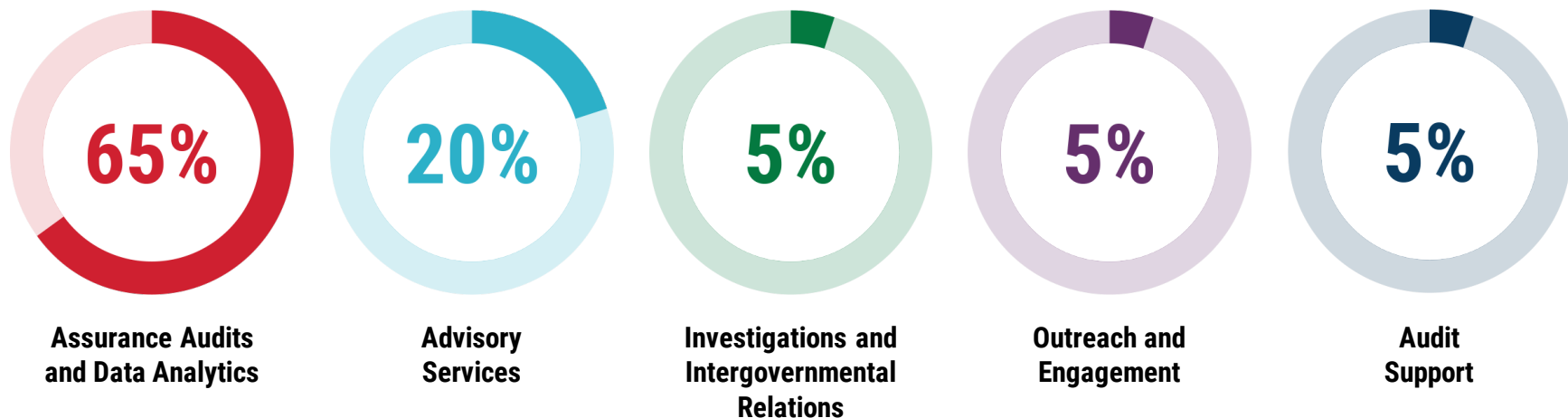


## AUDIT PLAN RESOURCE ALLOCATION

The audit plan consists of five primary functional areas: assurance audits and data analytics, advisory services, investigations and intergovernmental audits, outreach and engagement, and audit support.

The largest portion of the plan is dedicated to the area of assurance audits and data analytics, which includes planned audits and targeted data analytics reviews that are designed to provide broad coverage and address targeted risks across the CSU system. The remainder of the audit plan is fluid in nature and resources are allocated as necessary based on opportunities to add value through collaboration with campus and systemwide management and in response to the changing risk landscape. The division reserves approximately 20 percent of staff resources for advisory projects and services, which are performed in response to requests from campus management to add value and improve business processes.

The following chart illustrates how Audit and Advisory Services staff resources are allocated across the five major areas of the 2023-24 audit plan. The resource allocation is based on estimated workload assumptions. Resources can be shifted between areas if an unanticipated need arises.



# ASSURANCE AUDITS

## PLANNING PROCESS

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.

Audit and Advisory Services conducts a comprehensive systemwide risk assessment based on both qualitative and quantitative factors, which include input from meetings with systemwide executive management; consideration and review of CSU strategic initiatives; current trends and topics in higher education; and unit budgets.

A customized individual audit plan is developed for each campus. This plan includes consideration of both campus-based and systemwide themes and risks. Collaboration with campus partners is an important component of the process to ensure that the risk assessment yields the most relevant, accurate, and impactful results. Throughout the year, the audit plan is continuously reassessed, and adjustments are made as needed.



# ASSURANCE AUDITS

## PLANNING PROCESS

<b>PHASE I</b> SYSTEMWIDE REVIEW	<ul style="list-style-type: none"><li>• Identifies top 20 auditable topics by risk using both quantitative and qualitative factors</li></ul>
<b>PHASE II</b> CAMPUS REVIEW	<ul style="list-style-type: none"><li>• Adds campus-specific topics of risk</li><li>• Reviews campus auxiliary organizations</li></ul>
<b>PHASE III</b> IDENTIFY RISK THEMES	<ul style="list-style-type: none"><li>• Uses results of systemwide and campus assessments to identify risk themes across the CSU</li></ul>
<b>PHASE IV</b> FORMULATE CAMPUS AUDIT PLANS	<ul style="list-style-type: none"><li>• Campus-specific risks</li><li>• Systemwide risk themes</li></ul>
<b>PHASE V</b> FORMULATE SYSTEMWIDE AUDIT PLAN	<ul style="list-style-type: none"><li>• Review audit coverage across the CSU system and adjust as needed</li><li>• Present plan to the Board of Trustees for approval at the May meeting</li></ul>

# ASSURANCE AUDITS

## AUDIT PLAN

The foundation of the assurance audits portion of the audit plan focuses on the core support areas of Administration and Compliance; Business and Finance; and Information Technology.

The second segment of the assurance audits portion of the plan includes reviews of higher education-specific areas including Academic Administration; Student Activities and Services; and University Relations and Advancement.

The final segment of the assurance audits portion of the audit plan focuses on reviews of Auxiliary Organizations. Auxiliary organizations at the CSU are non-profit organizations and separate legal entities. Coverage of these organizations may also be included in audits of core support and higher education-specific areas.

Appendix A includes a brief description of the scope for each assurance audit topic planned for 2023-24.



# ASSURANCE AUDITS

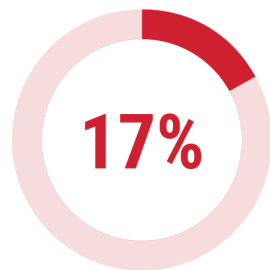
## AUDIT PLAN

 <p><b>Core Support</b></p>	<p><b>ADMINISTRATION AND COMPLIANCE</b></p> <ul style="list-style-type: none"><li>• Americans with Disabilities Act</li><li>• Business Continuity</li><li>• Emergency Management</li><li>• Youth Programs</li></ul>	<p><b>BUSINESS AND FINANCE</b></p> <ul style="list-style-type: none"><li>• Construction</li><li>• Executive Travel and Hospitality</li><li>• Fleet Management</li><li>• Parking Services</li><li>• Property and Equipment</li></ul>	<p><b>INFORMATION TECHNOLOGY</b></p> <ul style="list-style-type: none"><li>• Accessible Technology Initiative</li><li>• Computer Security Incident Response</li><li>• Information Security</li><li>• IT Disaster Recovery</li></ul>
 <p><b>Higher Education Specific</b></p>	<p><b>ACADEMIC ADMINISTRATION</b></p> <ul style="list-style-type: none"><li>• Academic Department Fiscal Review</li><li>• Athletics Administration</li><li>• International Programs</li><li>• Professional and Continuing Education</li></ul>	<p><b>STUDENT ACTIVITIES AND SERVICES</b></p> <ul style="list-style-type: none"><li>• Counseling and Psychological Services</li><li>• Financial Aid</li></ul>	<p><b>UNIVERSITY RELATIONS AND ADVANCEMENT</b></p> <ul style="list-style-type: none"><li>• Endowment Management</li><li>• Fund Raising and Gift Processing</li></ul>
 <p><b>CSU Auxiliary Organizations</b></p>	<p><b>AUXILIARY ORGANIZATIONS</b></p> <ul style="list-style-type: none"><li>• Associated Students</li><li>• Commercial Services</li><li>• Research Foundations</li><li>• Student Unions</li></ul>		

# ASSURANCE AUDITS

## AUDIT PLAN BY ORGANIZATIONAL AREA

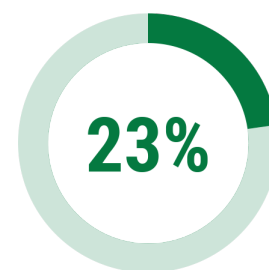
The audit plan is designed to provide broad coverage across the major organizational areas of the CSU, based on the risk assessment process and other factors. The following chart illustrates how the audit topics planned for 2023-24 are allocated across the seven areas of the organization.



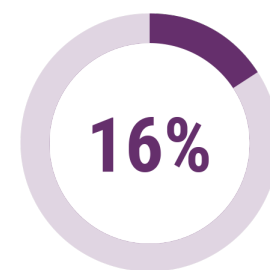
**Administration and Compliance**



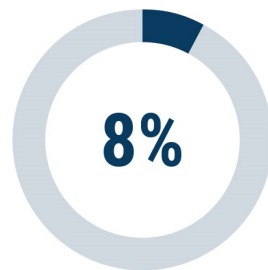
**Business and Finance**



**Information Technology**



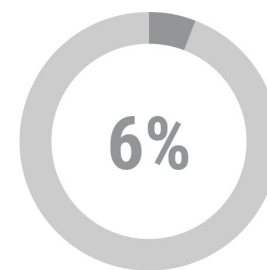
**Auxiliary Organizations**



**Academic Administration**



**Student Activities and Services**



**University Relations and Advancement**



## DATA ANALYTICS OVERVIEW

The Audit and Advisory Services data analytics program is comprehensive and focuses on the four core areas of assurance audit support, data analytics projects, periodic monitoring of analytic results, and database and dashboard management. These areas are described in more detail below.



### 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, to select more relevant samples for review, and to provide an analysis on the entire population of data when applicable.



### DATA ANALYTICS PROJECTS

The data analytics team performs projects that supplement the assurance audit plan. For example, credit card data analytics reviews were performed at each campus to assess the risks and controls related to campus credit card programs. The use of our data analytics function for this data rich topic allows us to reallocate valuable assurance resources to other high-risk topics.



### PERIODIC MONITORING OF ANALYTICS RESULTS

Automated analytics test results are periodically reviewed, and follow up is performed for possible anomalies or policy exceptions. For example, for credit card data analytics reviews, non-travel related purchases made with travel cards and credit card accounts that may not have been closed for separated employees are reviewed semi-annually. These results, as well as other trends and patterns identified by our analyses, are shared with the campuses through dashboards. These dashboards allow campus management to better understand the identified issues, obtain a broader understanding of existing risks, and aid management in business decision making.

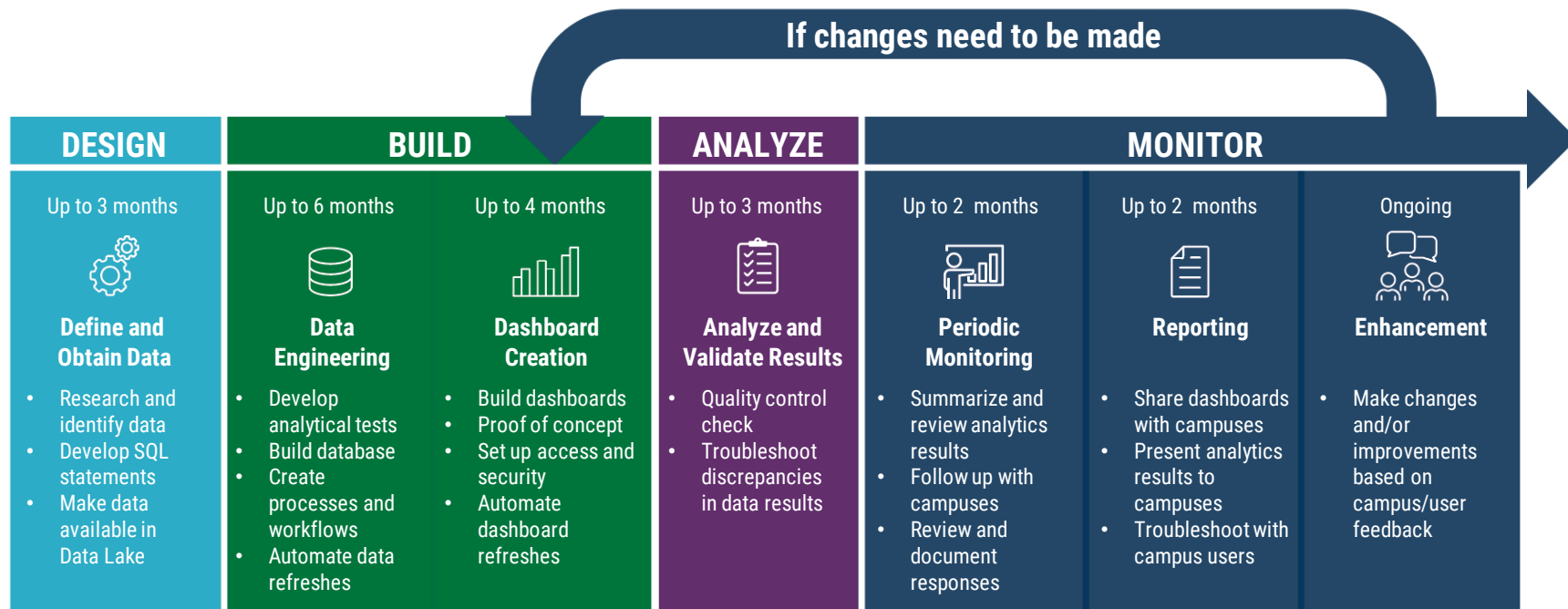


### DATABASE AND DASHBOARD MANAGEMENT

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 campus 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.

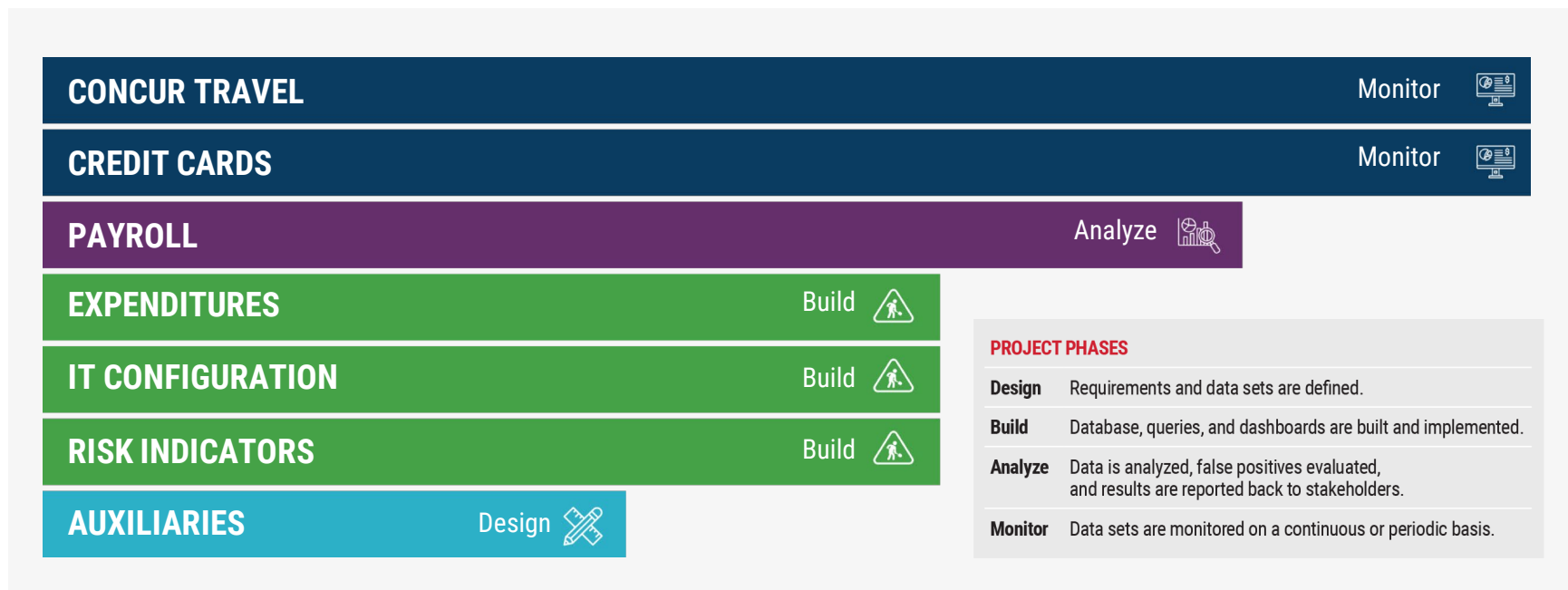
# DATA ANALYTICS PROCESS

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



# DATA ANALYTICS PROJECTS

The below chart illustrates the 2023-24 data analytics projects and their respective phases. A detailed summary of each of these data analytics projects can be found in Appendix B.



## ADVISORY SERVICES

Advisory reviews are performed at the request of campus 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 ACTIVITIES PERFORMED



#### **BUSINESS PROCESS ASSESSMENTS**

Assist campus management with assessing current or proposed business processes, addressing internal controls, governance, risk management, compliance, or other areas of interest and concern.

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#### **POLICY ADVISEMENT**

Limited scope engagements to assist the campus in assessing its compliance with current or newly issued policies, regulations and/or systemwide directives.

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#### **TRANSITION REVIEWS**

Evaluate administrative and financial procedures of an area and provide information when there is a change in management.

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#### **PRIOR AUDIT TOPICS**

Reviews based on prior audits to provide assurance over an area where the campus has not received a recent audit. Alternatively, if the campus has received an audit, a follow-up advisory review can be performed to validate the implementation of the campus' corrective action plan.

## INVESTIGATIONS

The investigations unit is responsible for conducting investigations and providing support for campus-conducted investigations. The investigations unit is also responsible for managing processes and information related to the campus 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 campuses 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 AND ENGAGEMENT

Audit and Advisory Services partners with campus 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 activities such as participating in and leading affinity groups, providing support to campus and chancellor's office management, sharing information and common themes across campuses, and considering 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 audit planning database; 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.

#### **BUSINESS CONTINUITY**

Business continuity includes a program to prioritize essential functions and services in order to develop a plan for the local continuity of operations following incidents that disrupt normal operations. Proposed scope may include, but is not limited to, review of business impact analysis and risk assessment documentation, business continuity and disaster recovery plans, testing and exercising of plans, plan maintenance, communications and training, and retention of key records.





### **EMERGENCY MANAGEMENT**

Emergency management includes a facility and resource readiness program that can be activated for immediate response when a natural disaster or other emergency situation occurs. Proposed scope may include, but is not limited to, review of the emergency operations plan, campus emergency operations center, emergency training and exercises, emergency notification systems, building evacuation procedures, and campus community readiness.

### **YOUTH PROGRAMS**

Youth programs and activities at CSU campuses may be sponsored by academic departments, campus auxiliary organizations, or third-parties, and include activities such as academic enrichment programs, music and performing arts workshops, sports camps, college readiness programs, and licensed childcare programs. Proposed scope may include, but is not limited to, review of processes to identify and approve youth programs, hiring, screening and training processes, identification and certification of mandated reporters in programs serving minors, participant documentation including required approvals and liability waivers, and execution of facility license agreements with third parties.





## BUSINESS AND FINANCE

### 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 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.

### FLEET MANAGEMENT

Fleet vehicles are any on or off-road equipment that transports people or equipment that contains a motor, whether fueled by electricity, gas, diesel, or other methods. Proposed scope may include, but is not limited to, purchase and tracking of vehicles, vehicle inspections and maintenance, driver safety and training, and related risk management processes.

### PARKING SERVICES

Parking services at each campus are self-supporting operations that are funded primarily through revenues from parking permits. In addition to parking facilities, parking services may operate shuttle services and other transportation programs. Proposed scope may include, but is not limited to, establishment of parking fees, financial operations, issuance of permits, guest and visitor parking, parking enforcement, and services provided to the campus community.

### PROPERTY AND EQUIPMENT

The CSU generally requires property and equipment to be tracked, tagged and inventoried if it meets the definition of capitalized equipment (tangible, non-consumable property with an acquisition cost of \$5,000 or more) or non-capitalized equipment that falls under the category of university police firearms, vehicles, or sensitive equipment that is at high risk to theft or loss. Proposed scope may include, but is not limited to, purchase and recording of property, accountability for and tracking of property, safeguarding and security, property reconciliations and inventories, and processes for the disposal of assets.

## **INFORMATION TECHNOLOGY**

### **ACCESSIBLE TECHNOLOGY INITIATIVE**

The accessible technology initiative reflects the California State University's (CSU) ongoing commitment to ensuring access to information resources and technologies to individuals with disabilities. Proposed scope may include, but is not limited to, the three key areas of website accessibility, procurement, and instructional materials, to ensure compliance with relevant federal and state regulations.

### **COMPUTER SECURITY INCIDENT RESPONSE**

Computer security incident response includes the formulation and adoption of an incident management plan that provides for the timely assembly of appropriate staff who can investigate and develop a response to an incident. Proposed scope may include, but is not limited to, a review of campus controls relating to information security incidents to determine if processes to identify, investigate, respond to, report, and recover from incidents are adequate to ensure compliance with relevant federal and state regulations.

### **INFORMATION SECURITY**

Information security at CSU campuses covers a broad range of sensitive data that requires protection to be in compliance with numerous state and federal regulations. Proposed scope may include, but is not limited to, review of the activities and measures undertaken to protect the confidentiality, integrity, access to, and availability of information.

### **INFORMATION TECHNOLOGY (IT) DISASTER RECOVERY**

IT disaster recovery planning is a specific subset of the campus business continuity planning process that addresses how the IT resources required to operate critical business functions will be restored in a timely and effective manner following a disaster. Proposed scope may include, but is not limited to, a review of program and facility readiness and resource planning for the recovery of data processing services following a catastrophic event.

## **ACADEMIC ADMINISTRATION**

### **ACADEMIC DEPARTMENT FISCAL REVIEW**

Colleges and academic departments may be responsible for a wide variety of financial activities such as managing budgets, generating revenues through workshops, clinics, or other services, initiating purchases, and authorizing payments. Proposed scope may include, but is not limited to, a review of cash handling practices, contracting activities, expenditure approvals, and tracking and tagging of sensitive equipment purchases.

### **ATHLETICS ADMINISTRATION**

Athletics operations cover a wide range of fiscal and administrative areas, including fund-raising, ticketing and concessions, sponsorships, sports camps, and team travel. Proposed scope may include, but is not limited to, a review of fund-raising activities and events, ticketing operations, athletics sponsorships and other agreements, and program expenditures.

### **INTERNATIONAL PROGRAMS**

International programs may include both incoming and outgoing exchange, study abroad, and degree-seeking students. Proposed scope may include, but is not limited to, review of international program approvals and agreements, fiscal administration, risk management processes, utilization of third-party providers, international travel requirements, and processes used to recruit international students, verify student credentials, and provide support to international students on campus.

### **PROFESSIONAL AND CONTINUING EDUCATION**

Professional and continuing education programs provide educational opportunities on a self-supporting basis, which include professional development and job training courses, certificate and degree programs, personal enrichment courses, and courses offered online, off-campus, at non-traditional times, or between academic terms. Proposed scope may include, but is not limited to, a review of program budgets and reserves, development and approval of course offerings, enrollment processes, establishment and modification of fees, administration of revenues and expenditures, and maintenance of student records.

## STUDENT ACTIVITIES AND SERVICES

### **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, review of provision of basic and augmented mental health services offered to students, medical records management, establishment and management of student mental health service fees, and management of third-party vendors and providers.

### **FINANCIAL AID**

Financial aid programs provide support for students to help meet the costs of obtaining a college education. Proposed scope may include, but is not limited to, review of procedures to establish and calculate student budgets and cost of attendance, documentation of student eligibility, safeguarding of sensitive information, and disbursement procedures for financial aid payments.



## UNIVERSITY RELATIONS AND ADVANCEMENT

### ENDOWMENT MANAGEMENT

Donors establish endowments as permanent sources of funds for universities to spend on scholarships, faculty positions, or other programs defined by the donor for the benefit of the university. Proposed scope may include, but is not limited to, review of the policies surrounding acceptance and establishment of endowments, compliance with endowment terms and restrictions, investment account monitoring and performance evaluation, and reporting and reconciliation practices.

### FUND RAISING AND GIFT PROCESSING

Fund raising and gift processing includes activities pertaining to the solicitation and acknowledgment of donations. Proposed scope may include, but is not limited to, review of processes to accept and acknowledge gifts, valuation of non-monetary donations, fund-raising events and activities, recording gifts and posting to accounting records, securing donor information, and expending donated funds.



## AUXILIARY ORGANIZATIONS

Auxiliary organizations are non-profit organizations and separate legal entities that are authorized to provide supplemental services and support to the campuses 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, and educational programs, 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, a review of auxiliary governance, administration of commercial operations, other auxiliary functions and programs, 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 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.

### **STUDENT UNIONS**

Student unions are auxiliary organizations that maintain facilities such as student unions or recreation centers that provide social, cultural, recreational, and educational programming. Proposed scope may include, but is not limited to, review of auxiliary governance, student body programs run by the student union such as aquatics centers, recreation centers, and outdoor excursions, and fiscal administration.

## APPENDIX B – DATA ANALYTICS PROJECTS

### CONCUR TRAVEL – MONITOR PHASE

Many of the CSU campuses use Concur, a web-based tool that fully integrates travel requests, reservations, and expense data into one automated solution. There are currently 17 campuses using the Concur system.

Key data analytics areas reviewed include, but are not limited to: travel to banned states, personal leaves in conjunction with travel, and possible duplicate transactions.

### CREDIT CARDS – MONITOR PHASE

All CSU campuses participate in the US Bank credit card program under the systemwide contract. There are three primary types of cards: procurement, travel, and one cards. Credit card analytics are currently limited to accounts participating under the campus contract (auxiliary organizations with separate US Bank or other bank accounts are not included).

Key data analytics areas reviewed include, but are not limited to: spending trends, account limits, credit exposure, possible split transactions, questionable transactions, and open accounts for separated employees.





### **PAYROLL – ANALYZE PHASE**

Payroll is responsible for processing and reconciling payroll data to ensure the accuracy of payments. The payroll analyses 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 to be reviewed include, but are not limited to: payment anomalies, employee anomalies, duplicate payments due to errors, unusually high overtime payments, bonus payments without proper supporting documents and possible related party payments.

### **EXPENDITURES – BUILD PHASE**

Expenditure analytics enable us to explore expenditure data at multiple levels by analyzing spending by month, type, and category, as well as by department, fund, and account.

Key data analytics areas to be reviewed include, but are not limited to: payments more than the purchase order amount, large payments without any purchase orders, payments made to different vendors on the same purchase order, and identification of duplicate vendors or payments.

### **IT CONFIGURATION MANAGEMENT – BUILD PHASE**

Information technology configuration management ensures systems are securely configured. The data analytics team is currently implementing the Center for Internet Security configuration assessment tool (CIS-CAT Pro) for scanning systems and reporting on the level of compliance with the CIS Benchmarks. The CIS Benchmarks are prescriptive configuration recommendations and represent the consensus-based effort of cybersecurity experts globally to help protect systems against threats.

Key data analytics areas to be reviewed include, but are not limited to: password policies, security event logging, host-based firewalls, and encryption protocol requirements.





### **RISK INDICATORS – BUILD PHASE**

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

Key data analytics areas to be reviewed include, but are not limited to: budget and revenue comparisons among campuses and trends over the years, payments without purchase orders, graduation and admission rate trends, faculty and management turnover, and insurance claims.
























### **AUXILIARIES – DESIGN PHASE**

Auxiliary organizations are nonprofit organizations authorized to provide supplemental services and support to campuses, such as student unions, commercial services, housing, philanthropic, externally funded projects, and real property acquisition and development. Auxiliary organizations usually have in-house accounting and administrative services, but some organizations rely on the university or another auxiliary for accounting and administrative support services.

Key data analytics areas to be reviewed include, but are not limited to: questionable and duplicate expenditures, payments more than the purchase order amounts, large payments without any purchase orders, and questionable credit card transactions and reimbursements.



**CSU** The California State University

<b>23 UNIVERSITIES</b>					
					
					
					

## **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**

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, completed by 15 certified public accounting firms. The CSU systemwide financial statements for fiscal year ended June 30, 2022, included as Attachment A to this item, was issued with an unmodified opinion on March 15, 2023.

The CSU Single Audit Report was also issued on March 15, 2023, 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), subject to both compliance and internal control audit procedures as required by the Office of Management and Budget Compliance Supplement and the Uniform Guidance. There were audit findings related to (1) internal controls and an instance of noncompliance over timely and accurate reporting on the HEERF grant, (2) noncompliance with the periodic physical inventory count over assets funded by federal awards. Corrective actions are currently in progress.



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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



Through a year of transition, as the California State University began a national search for its ninth chancellor and continued to emerge from the global COVID-19 pandemic, the CSU persevered and steadily continued to deliver on its mission – for its students, their families and communities, and for the state of California.

The CSU is the nation's largest, most ethnically and economically diverse, and its most consequential four-year public university – as well as its greatest escalator to opportunity. Nowhere is this more evident than in CollegeNET's 2022 Social Mobility Index (SMI), where all 23 CSU campuses appear in the ranking's top 100, with Cal State universities claiming four of the top 10 positions and eight of the top 20. 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. In fact, according to The Campaign for College Opportunity, college graduates will earn a million dollars more throughout their lifetimes than those with just a high school diploma.

But beyond economic gain, a CSU degree provides the added benefits that come with higher education: degree holders vote more, launch more small businesses, are more likely to assume leadership roles in their communities, donate more to charity, have better health outcomes and report higher levels of happiness.

Indeed, the CSU transforms lives – and at a great value. With one of the most affordable tuition rates in the country (undergraduate resident tuition fees are just \$5,742), three-quarters 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. More than 7,000 of Apple's global employees are CSU graduates; 6,000 work at Northrop Grumman; more than 4,000 Cal State alumni are employed at both Disney and Google; and Oracle, Intel and Cisco all 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.

Through times of transition, through a global pandemic and through periods of economic fluctuation, the California State University is and will forever remain undeterred in advancing its mission: transforming lives and families, elevating communities and helping to drive the state toward its brightest future.

For California,

A handwritten signature in black ink, appearing to read 'Steve Relyea', written in a cursive, stylized script.

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, 2022, 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, 2022, 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 96.5% and 94.4%, respectively, of the assets and revenues of the aggregate discretely presented component units as of June 30, 2022 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, 2022, 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 is presented for purposes of additional analysis and is 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 15, 2023 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 15, 2023

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# MANAGEMENT'S DISCUSSION AND ANALYSIS

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**CALIFORNIA STATE UNIVERSITY**  
Management's Discussion and Analysis

June 30, 2022

The discussion and analysis below provide an overview of the financial position and performance of the California State University (the University) as of and for the year ended June 30, 2022, including 23 campuses and the Office of the Chancellor (collectively referred to as the University), and 93 discretely presented component units. The discussion has been prepared by management and should be read in conjunction with the audited financial statements and accompanying notes which follow this section. Separate financial statements are issued for each of the discretely presented component units and 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 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.

The discretely presented component units of the University consist of primarily recognized auxiliary organizations. These not-for-profit organizations are separate legal entities created to perform essential functions. These functions are 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. The University, in order to safeguard the health and well-being of its students, faculty, staff and the communities it serves, immediately moved towards primarily online instruction and virtual support. The University has 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.

The COVID-19 pandemic has had a significant impact on the University's operations. Each campus began their transition back to face to face classes throughout the year with some classes remaining online. Over the last couple of years, the University received financial support from federal sources that helped mitigate the negative impacts from COVID-19.

The University has received \$3.10 billion funding through the Higher Education Emergency Relief Fund (HEERF I) authorized by the Coronavirus Aid, Relief, and Economic Security (CARES) Act ; the Coronavirus Response and Relief Supplemental Appropriations Act (2021); and the American Rescue Plan (2021) This made it possible for the University

**CALIFORNIA STATE UNIVERSITY**  
Management's Discussion and Analysis

June 30, 2022

to offer emergency grants for students experiencing financial hardships due to the COVID-19 global pandemic. A portion of the funds are also available to cover costs incurred by the University associated with significant changes to the delivery of instruction due to the COVID-19 global pandemic.

As a result of HEERF, \$726.71 million, \$292.71 million, \$242.65 million were distributed to students in fiscal years 2022, 2021, and 2020, respectively, while \$13.24 million, is left to be drawn and distributed to students in fiscal year 2023. Similarly, \$909.71 million of institutional support was disbursed by the University in fiscal year 2022, \$625.26 million in fiscal year 2021, and \$2.53 million in fiscal year 2020 with \$245.89 million, left to be drawn and disbursed.

Further, certain component units applied for and received a Payroll Protection Program (PPP) loan, a federal program administered by the U.S. Small Business Administration, launched by the U.S. federal government in response to the economic impact of the COVID-19 global pandemic.

### **Financial Statements**

The financial statements of the University as of and for the year ended June 30, 2022 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 a broad overview of the University's finances from all revenue sources, in a manner similar to the private sector. 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. 87, "Leases", effective for the fiscal year ended June 30, 2022. This changed the accounting and financial reporting for leases by establishing a single model for lease accounting based on the foundational principle that leases represent a financing transaction associated with the right to use an underlying asset. This Statement applies to contracts that convey the right to use a non-financial asset in an exchange or exchange-like transactions for a term exceeding 12 months. Lessees are now required to recognize a lease liability and an intangible right-to-use (ROU) assets, and lessors are required to recognize a lease receivable and a deferred inflows of resources.

The restatement of the Statement of Net Position as of June 30, 2021 resulted in the addition of \$474.17 million to the University's assets (\$432.28 million assets added to "capital assets, net", \$11.38 million added to "lease receivables, current portion", \$14.54 million added to "lease receivable, net of current portion", \$0.69 million added to "notes receivable, current portion", and \$15.28 million added to "notes receivable, net of current portion"). GASB Statement No. 87 also added \$219.18 million to the University's liabilities (\$39.41 million of lease liabilities added to "lease liabilities, current portion" and \$177 million of lease liabilities added to "lease liabilities, net of current portion", and \$2.77 million added to "long-term debt, net of current portion), and \$248.81 million added to "deferred inflows of resources". In addition, obligations for finance purchase arrangements of \$13.42 million (current portion) and \$204.65 million (net of current portion) were reclassified from lease liabilities to long-term debt.

**CALIFORNIA STATE UNIVERSITY**  
Management's Discussion and Analysis

June 30, 2022

The University implemented GASB Statement No. 89, "*Accounting for Interest Cost Incurred before the End of a Construction Period*", effective for the fiscal year ended June 30, 2022. This Statement requires the interest cost incurred before the end of a construction period be recognized as expense in the period in which the cost is incurred for financial statements. As a result, these costs are no longer included in the capitalized cost of capital assets reported by the University. This Statement has been applied on a prospective basis, and interest costs capitalized prior to implementation continue to be recognized as those assets are depreciated. Implementation of this Statement did not have a material impact on the University's financial statements.

The University implemented GASB Statement No. 84, "*Fiduciary Activities*", effective for the fiscal year ended June 30, 2021. The purpose of the standard is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported in the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position. The adoption of this standard did not have a significant impact on the financial reporting for the fiscal year ended June 30, 2022 and 2021, and therefore, were not reported in the basic financial statements.

***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. This Statement is prepared using the direct method. The Statement 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 University's routine activities appear in the operating and noncapital financing categories. Noncapital financing activities include borrowing money for purposes other than to acquire, construct, or improve capital assets and repaying

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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.



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**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 Statements of Net Position are as follows as of June 30, 2022, and 2021:

	University		Discretely presented component units	
	2022	2021	2022	2021
	(In thousands)			
Assets:				
Current assets	\$ 5,146,226	4,608,660	1,809,586	1,850,762
Capital assets, net	11,743,837	10,789,215	993,911	828,277
Other noncurrent assets	3,666,155	2,670,521	3,568,376	3,304,440
Total assets	20,556,218	18,068,396	6,371,873	5,983,479
Deferred outflows of resources	3,312,096	3,101,461	46,499	42,022
Liabilities:				
Current liabilities	1,705,836	1,594,255	504,021	459,549
Noncurrent liabilities	31,010,137	32,827,759	1,119,432	1,032,841
Total liabilities	32,715,973	34,422,014	1,623,453	1,492,390
Deferred inflows of resources	5,115,906	2,216,734	468,733	81,232
Net position:				
Net investment in capital assets	3,538,920	3,466,408	402,479	303,403
Restricted:				
Nonexpendable	1,641	1,663	1,731,240	1,667,753
Expendable	146,928	129,165	1,303,722	1,473,417
Unrestricted	(17,651,054)	(19,066,127)	888,745	1,007,306
Total net position	<u>\$ (13,963,565)</u>	<u>(15,468,891)</u>	<u>4,326,186</u>	<u>4,451,879</u>

The University's net position increased by \$1.51 billion in 2022. The University adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, in 2018. This change was the primary reason for the deficit in the unrestricted net position. 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 2.95.

**The University's Financial Position**

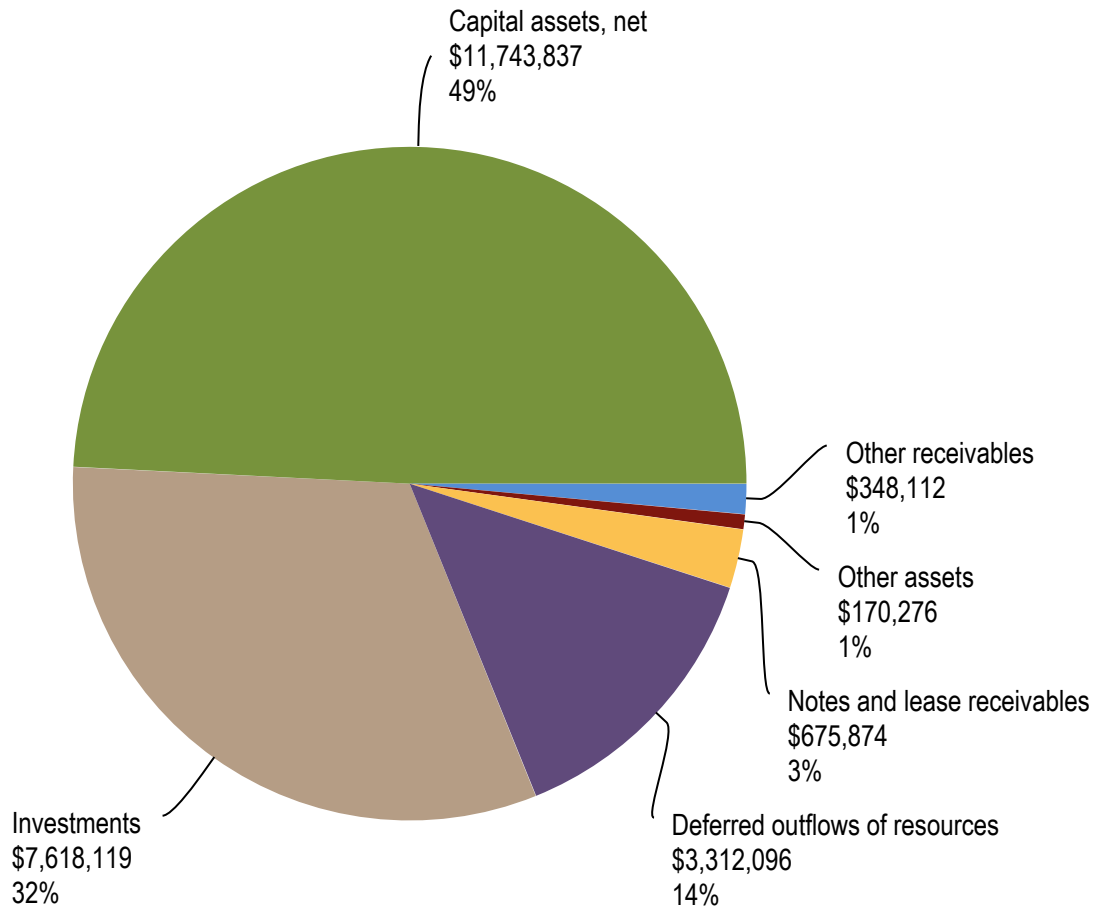
**Assets and Deferred Outflows of Resources**

Total assets increased from \$18.07 billion in 2021 to \$20.56 billion in 2022. Deferred outflows of resources increased from \$3.10 billion in 2021 to \$3.31 billion in 2022.

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**Assets and Deferred Outflows of Resources**  
(In thousands)



Current and other noncurrent assets of the University are assets that are not capital assets and are used to meet current and noncurrent obligations. These assets consist of cash and cash equivalents, investments, accounts receivable, notes receivable, leases receivable, student loans receivable, pledges receivable, prepaid expenses, and other assets.

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*Capital Assets, Net*

The University's capital assets, net of accumulated depreciation and amortization, represents the largest portion of total assets. The University's net capital assets are as follows as of June 30, 2022, and 2021:

	<u>2022</u>	<u>2021</u>
	(In thousands)	
Land and land improvements	\$ 403,563	378,757
Buildings and building improvements	7,745,208	7,306,120
Improvements other than buildings	195,634	193,511
Infrastructure	721,235	702,000
Equipment	205,797	212,380
Library books and materials	32,607	30,223
Works of art and historical treasures	58,119	57,058
Intangible assets	115,611	68,425
Construction work in progress	1,955,854	1,840,741
Right of use assets	310,209	—
Total	<u>\$ 11,743,837</u>	<u>10,789,215</u>

The University continues to expand its campuses and renovate existing facilities to meet the needs of its students, faculty, and staff. The capital spending includes constructing and renovating academic buildings, student union and recreation centers, and housing facilities. Major projects in 2022 included the San Diego Land Mission Valley and the Aztec Recreation Center expansion, Fullerton Student Housing expansion, Fresno Student Union building, Fresno Central Utility Plant replacement, San Jose Interdisciplinary Science building, and Sonoma Stevenson Hall renovation (Phase II).

*Investments*

The University invests its funds mainly in the Liquidity Portfolio (Systemwide Investment Fund Trust or SWIFT), 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 SRB are held by the State and invested in SMIF, as required by state law. The investment balances are as follows as of June 30, 2022, and 2021:

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	2022	Percentage of total	2021	Percentage of total
	(In thousands)	%	(In thousands)	%
Liquidity Portfolio	\$ 3,487,319	45.78	\$ 3,579,832	57.45
Intermediate Duration Portfolio	1,251,320	16.43	—	—
Total Return Portfolio	1,374,368	18.04	1,361,864	21.85
State's Surplus Money Investment Fund	1,505,112	19.75	1,290,042	20.70
Total	<u>\$ 7,618,119</u>	<u>100.00</u>	<u>\$ 6,231,738</u>	<u>100.00</u>

Investments increased due to unspent proceeds from issuance of SRB Series 2021A and 2021B and increase in operating resources from additional general fund appropriation from the State and amounts received from federal sources pertaining to COVID-19. This is offset by capital project spending and debt service payments.

*Notes Receivable*

The University has a program utilizing 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 by SRB using either lease or loan arrangements.

In the loan arrangement, facilities are financed or refinanced by a loan of SRB proceeds from the University to the discretely presented component unit pursuant to a loan agreement. 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 from \$362.30 million in 2021 to \$431.15 million in 2022. This is due to \$86.20 million new loan agreements reduced by collection of \$14.08 million, and \$3.27 million decrease from refunding of existing loan agreements.

*Deferred Outflows of Resources*

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 the following transactions:

- *Pension* - Increases in the net pension liability that are not recognized as pension expenses for the reporting period are reported as deferred outflows of resources. This includes the difference between expected and actual experience with regard to economic or demographic factors, and changes in assumptions used by an actuary to determine total pension liability, and changes in proportionate share from the State's pension plan. The employer contributions subsequent to measurement date are recognized as deferred outflows of resources related to pensions and reduction of net pension liability in the following year.
- *Other Postemployment Benefits (OPEB)* - The employer contributions subsequent to measurement date are recognized as deferred outflows of resources and a reduction of total OPEB liability in the following year. This includes changes in the actuarial OPEB assumptions, which are recognized as OPEB expense over the average remaining working lifetime of all participants.
- *Loss on Debt Refunding* - The defeasance of previously outstanding systemwide revenue bonds results in deferring refunding losses. These deferred losses 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.

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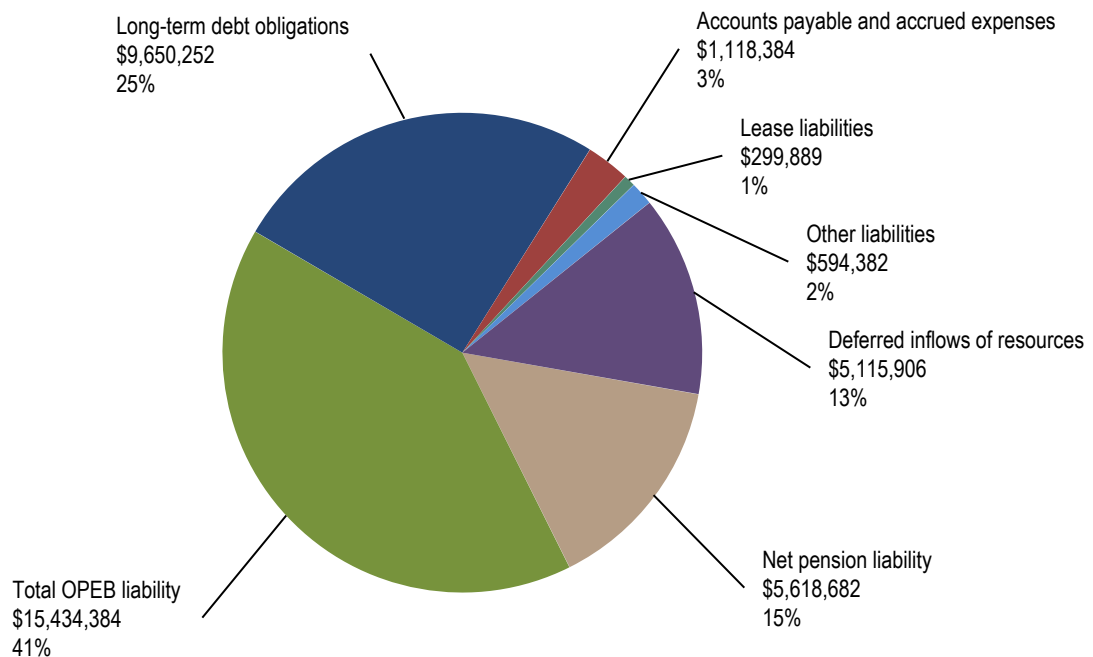
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Deferred outflows of resources increased by \$210.63 million due to \$437.93 million increase related to changes in actuarial assumptions (i.e. discount rate changed from 2.45% to 1.92% and impact of the CalPERS recent experience study) used in determining total OPEB liability. In addition, the deferred outflows related to net pension liability increased by \$179.13 million due to changes in assumptions and changes in the demographic experience wherein more members are retiring, retiring earlier, and living longer than assumed. Further, the increase in the University's proportionate share in the State's pension plan added \$317.98 million. The University's OPEB and pension contributions made subsequent to measurement date increased by \$23.24 million. The loss on debt refunding had a net increase of \$25.16 million. Lastly, these were offset by amortization expense of \$565.10 million and higher than projected earnings on pension plan investments of \$207.71 million.

**Liabilities and Deferred Inflows of Resources**

Total liabilities of \$32.72 billion represent a decrease of \$1.70 billion compared to \$34.42 billion in 2021. Deferred inflows of resources increased from \$2.22 billion in 2021 to \$5.12 billion in 2022.

**Liabilities and Deferred Inflows of Resources  
 (In thousands)**



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Current liabilities (liabilities due within one year) and noncurrent liabilities (liabilities due in more than one year) include major components such as net pension liability, long-term debt obligations, accounts payable and accrued expenses, total OPEB liability, lease liabilities, and other liabilities.

*Total OPEB Liability*

The State has a Retiree Health Benefits Program with 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. The total OPEB liability slightly increased from \$15.32 billion in 2021 to \$15.43 billion in 2022 mainly due to lower discount rate at 1.92% as compared to 2.45% in previous measurement date, offset by changes in other actuarial assumptions.

*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 decreased from \$8.42 billion in 2021 to \$5.62 billion in 2022 due mainly to the high earnings on investment which reduced the net pension liability by \$4.87 billion and reduction from the combined retirement contributions by the University and its employees of \$1.18 billion. This reduction was offset by \$3.09 billion of additional pension liability for the current year service costs, interest, and administrative expenses, and \$0.16 billion due to change in assumptions.

*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 increased by \$1.02 billion in 2022. The University's long-term debt obligations are summarized as follows as of June 30, 2022, and 2021:

	<u>2022</u>	<u>2021</u>
	(In thousands)	
Systemwide revenue bonds	\$ 8,760,030	7,888,250
Bond anticipation notes	115,370	63,266
State public works board	96,805	—
Other long-term debt obligations	96,637	8,070
Total	<u>9,068,842</u>	<u>7,959,586</u>
Unamortized net bond premium	581,410	669,351
Total long-term debt obligations	<u>9,650,252</u>	<u>8,628,937</u>
Less current portion	(232,066)	(184,641)
Long-term debt obligations, net of current portion	<u>\$ 9,418,186</u>	<u>8,444,296</u>

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- *Systemwide Revenue Bonds*

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. Standard & Poor's 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 the Standard & Poor's Ratings Services.

The long-term debt obligations related to SRB increased by \$0.87 billion due to issuance of SRB Series 2021A, and 2021B with principal amounting to \$1.79 billion offset by \$0.92 billion in combined payments and partial refunding of SRB Series 2013A and 2014A.

- *Bond Anticipation Notes*

BANs are used as short-term financing to acquire and construct capital assets. The BAN payable increased by \$52.10 million from a prior year's ending balance of \$63.27 million, based on additional BANs amounting to \$114.73 million, offset by redemption of \$62.63 million using proceeds from sale of SRB Series 2021A.

- *State Public Works Board Lease Revenue Bonds*

The University participated in the State's State Public Works Board (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. This long-term debt obligation to SPWB of \$137.35 million was reported under lease liabilities in the Statement of Net Position as of June 30, 2021, prior to implementation of GASB Statement No. 87. During the year, \$40.55 million was paid using proceeds from the sale of SRB Series 2021A.

- *State General Obligation 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 from \$1.94 billion in 2021 to \$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.

*Deferred Inflows of Resources*

Deferred inflows of resources are acquisition of net assets that is applicable to a future reporting period, which has a decreasing effect on the net position.

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Deferred inflows of resources increased by \$2.90 billion from \$2.22 billion in 2021 to \$5.12 billion in 2022. The increase related to pension is \$3.11 billion mainly due to higher actual earnings on pension plan investments compared to projected earnings. The favorable healthcare claims experience as member claims cost is lower than assumed costs resulted to increase of \$1.07 billion in deferred inflows of resources related to OPEB. Implementation of GASB Statement No. 87, *Leases*, increased deferred inflows of resources by \$0.23 billion. These are offset by the \$1.51 billion amortization during the year.

*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 is as follows as of June 30, 2022, and 2021:

	2022	2021
	(In thousands)	
Net investment in capital assets	\$ 3,538,920	3,466,408
Restricted:		
Nonexpendable	1,641	1,663
Expendable	146,928	129,165
Unrestricted	(17,651,054)	(19,066,127)
Total net position	\$ (13,963,565)	(15,468,891)

- *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 from \$3.47 billion in 2021 to \$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".



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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.

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 increased due to a decrease in unearned revenues for institutional supported related to amounts received in prior year pertaining to COVID-19.

- *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.

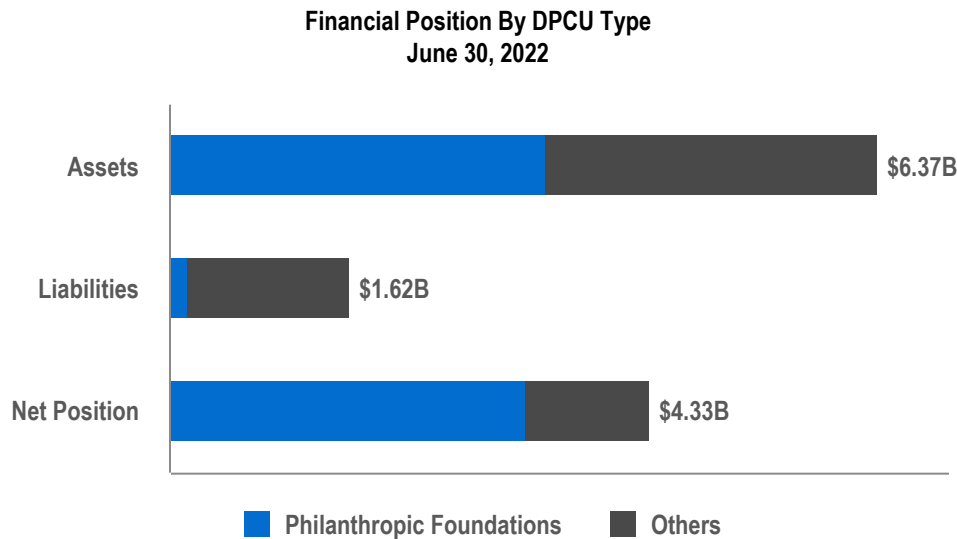
These resources are derived from fee collections and other activities that are designated for very specific purposes and are not to be repurposed and spent on other activities. For example, students pay fees, including housing, parking, and campus activities fees, all of which are to be used for specific 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, 2022, unrestricted net position reflects a deficit of \$17.65 billion due primarily to the implementation of GASB Statement No. 68 (pension) during 2015, and the implementation of GASB Statement No. 75 (OPEB) 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 \$1.42 billion in 2022. Operating losses associated with unrestricted activities and interest expense on capital-asset-related debt were offset by unrestricted investment income, state appropriations, and other nonoperating revenues from federal resources related to the University's response to the COVID-19 pandemic.

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**Discretely Presented Component Units' Financial Position**



*Assets*

Discretely presented component units managed \$6.37 billion and \$5.98 billion of assets, representing 23.66% and 24.88% of the University's combined total assets in fiscal year 2022 and 2021, respectively. The philanthropic activities of the University are managed mostly by its foundations which managed \$3.38 billion or 53% of the total assets of all discretely presented component units in 2022.

The increase in assets is primarily due to increase in capital assets and lease receivable resulting from implementation of GASB Statement No. 87, offset by decline in the market value of investments.

*Liabilities*

Discretely presented component units have \$1.62 billion and \$1.49 billion of liabilities, representing 4.73% and 4.16% of the University's combined total liabilities in fiscal year 2022 and 2021, respectively. The liabilities from commercial papers issued by CSU Institute, claims liability for losses and loss adjustment expenses of California State University Risk Management Authority, and notes payable due to the University increased in 2022.

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*Net Position*

Discretely presented component units' net position is \$4.33 billion and \$4.45 billion in 2022 and 2021, respectively.

The restricted net position, expendable and nonexpendable, of the discretely presented component units (mainly from foundations) was \$3.03 billion and \$3.14 billion, representing 95.33% and 96% of the University's total combined restricted net position in 2022 and 2021, respectively.

The combined University and discretely presented component units' net position reflects a deficit of \$9.64 billion in 2022 when compared to \$11.02 billion deficit in 2021.

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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, 2022, and 2021:

	University		Discretely presented component units	
	2022	2021	2022	2021
	(In thousands)			
Operating revenues:				
Student tuition and fees, net	\$ 2,331,726	2,289,439	—	—
Grants and contracts, noncapital	73,966	72,047	634,268	590,750
Sales and services of educational activities	38,580	19,103	36,911	31,728
Sales and services of auxiliary enterprises, net	627,545	153,952	354,116	221,308
Other operating revenues	258,134	200,831	583,977	472,975
Total operating revenues	3,329,951	2,735,372	1,609,272	1,316,761
Operating expenses	10,594,647	10,233,573	1,852,515	1,544,117
Operating loss	(7,264,696)	(7,498,201)	(243,243)	(227,356)
Nonoperating revenues (expenses):				
State appropriations, noncapital	5,596,488	4,041,103	—	—
Financial aid grants, noncapital	1,986,733	2,066,476	1,845	2,470
Grants and gifts, noncapital	1,760,041	946,778	316,119	381,189
Investment income (loss), net	(334,395)	326,398	(110,523)	166,370
Endowment income (loss), net	11	39	(231,458)	456,886
Interest expense	(319,381)	(278,539)	(21,736)	(23,971)
Other nonoperating revenues (expenses)	(51,624)	(97,666)	32,393	(35,132)
Net nonoperating revenues (expenses)	8,637,873	7,004,589	(13,360)	947,812
Income (loss) before other revenues (expenses)	1,373,177	(493,612)	(256,603)	720,456
State appropriations, capital	138	210	—	—
Grants and gifts, capital	132,011	91,559	42,238	23,185
Additions to permanent endowments	—	—	73,237	119,763
Change in net position	1,505,326	(401,843)	(141,128)	863,404
Net position – beginning of year, as restated	(15,468,891)	(15,067,048)	4,467,314	3,588,475
Net position – end of year	\$ (13,963,565)	(15,468,891)	4,326,186	4,451,879

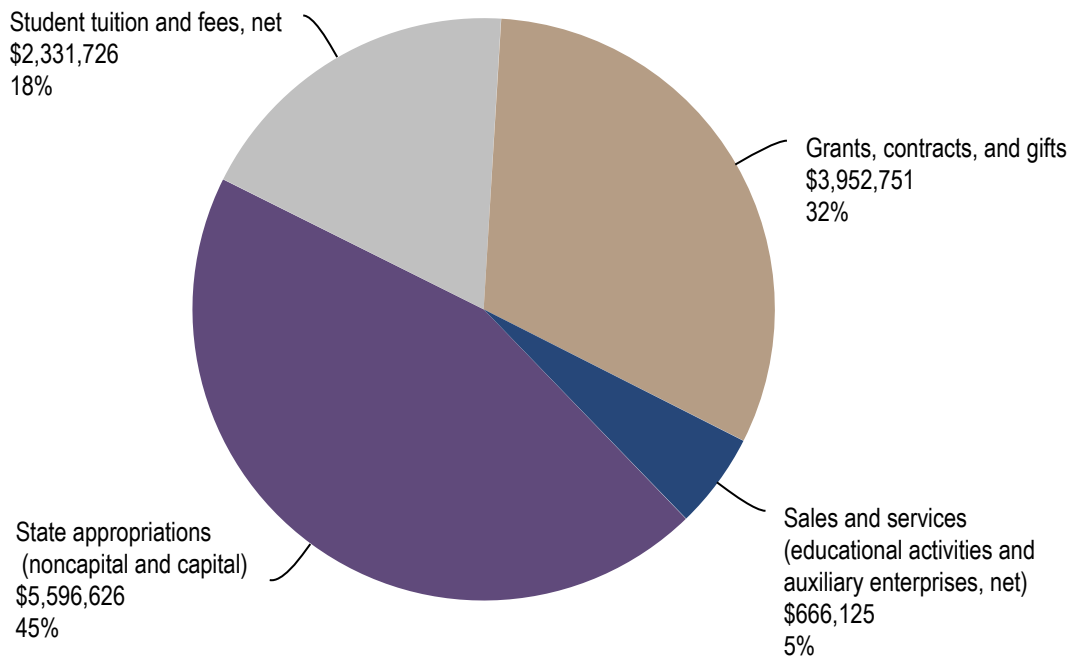
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**Revenues (Operating and Nonoperating)**

The University's two major sources of revenues are state appropriations and student tuition and fees, net, which accounted for a combined 63.57% and 62.02% of total revenues in 2022 and 2021, respectively. State appropriations are received for both noncapital and capital purposes. Another major source of revenues are grants, contracts, and gifts which represent 31.70% of total revenues in 2022. This includes revenues from student financial aid grants and contracts and funding through HEERF I, II, and III.

**Revenues (Operating and Nonoperating)**  
(In thousands)



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The University's total revenues consisted of the following:

	<b>2022</b>	<b>Percentage of total</b>	<b>2021</b>	<b>Percentage of total</b>
	(In thousands)		(In thousands)	
State appropriations (noncapital and capital)	\$ 5,596,626	44.88 %	\$ 4,041,313	39.59 %
Student tuition and fees, net	2,331,726	18.70	2,289,439	22.43
Grants, contracts, and gifts	3,952,751	31.70	3,176,860	31.12
Sales and services (educational activities and auxiliary enterprises), net	666,125	5.34	173,055	1.70
Investment income (loss), net and other revenues	(76,250)	(0.62)	527,268	5.16
<b>Total revenues (operating and nonoperating)</b>	<b>\$ 12,470,978</b>	<b>100.00 %</b>	<b>\$ 10,207,935</b>	<b>100.00 %</b>

*State Appropriations (Noncapital and Capital)*

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

	<b>2022</b>	<b>2021</b>
	(In thousands)	
State appropriations, general fund	\$ 5,207,394	3,691,390
State's contribution on behalf of the University for OPEB	389,094	349,713
<b>Total state appropriations, noncapital</b>	<b>5,596,488</b>	<b>4,041,103</b>
State appropriations, capital	138	210
<b>Total state appropriations (noncapital and capital)</b>	<b>\$ 5,596,626</b>	<b>4,041,313</b>

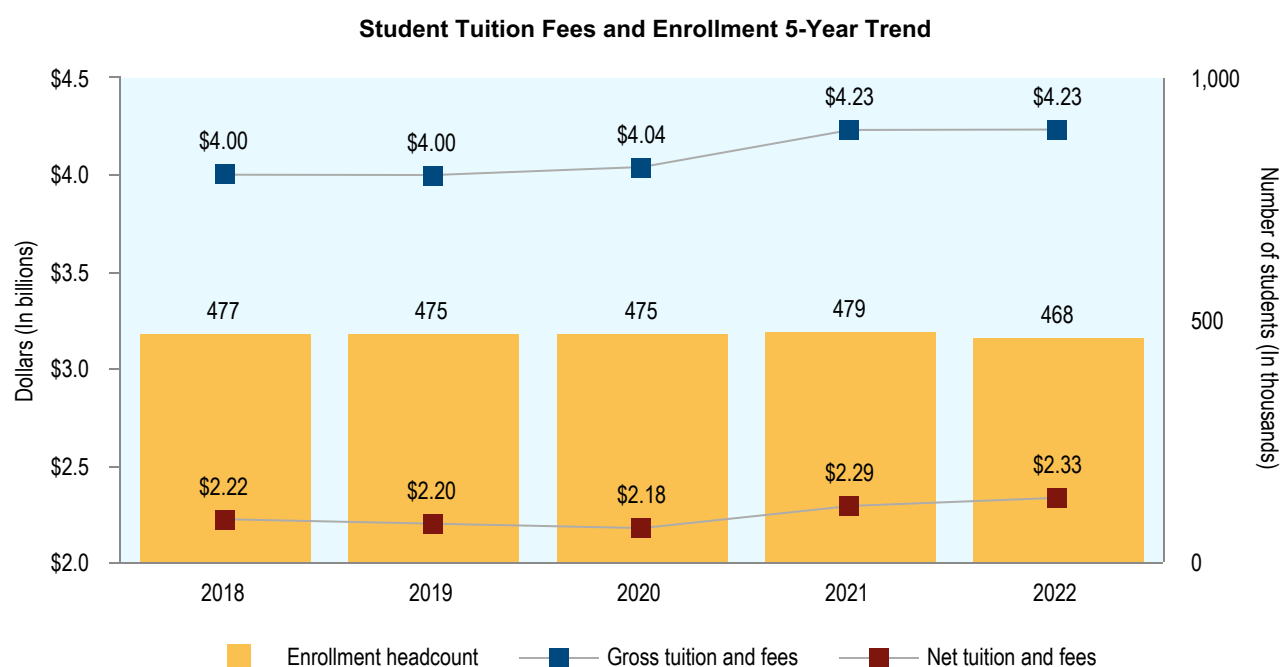
State appropriations are shown as nonoperating revenue but are primarily used to fund the University's core operations. The State general fund appropriations increased from \$3.69 billion in 2021 to \$5.21 billion in 2022. This includes an increase of \$965 million one-time general fund, to support transition of Humboldt State University into a polytechnic university, deferred maintenance, infrastructure and building improvements, student financial aid grants, and various programs, services and research at the University. In addition, the ongoing general fund had an increase of \$547 million, which includes the \$299 million restoration of general fund reduction from the 2020 Budget Act.

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*Student Tuition and Fees, Net*

The student tuition and fees (before scholarship allowances) amounted to \$4.23 billion for the year ended June 30, 2022. The following chart displays the five-year trend between enrollment headcount and student tuition and fees:



The gross student tuition fees revenue reflects an increasing trend from fiscal year 2019 to 2021. The peak in 2021 is primarily due to the implementation of GASB Statement No. 84, *Fiduciary Activities*, wherein 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.

The University offers eligible students fee waivers and institutional grants to be applied against student tuition and fees. This is in addition to federal agencies, state agencies, and nongovernmental grantor's 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 the student tuition and fees were paid through waivers and financial aid grants. The gap in the last two years is shown in the following table.

	2022	2021
	(In thousands)	
Gross student tuition and fees	\$ 4,233,773	4,231,654
Less: Institutional grants	(803,609)	(782,620)
Less: Financial aid grants	(1,098,438)	(1,159,595)
Net student tuition and fees	\$ 2,331,726	2,289,439

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Management's Discussion and Analysis

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The emergency student aid received by the University through HEERF I, II, and III were distributed to students as scholarship and fellowship amounting to \$726.74 million, which are reported as operating expense rather than an offset to student tuition and fees.

*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 and 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 \$38.58 million, an increase from \$19.10 million in 2021.

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, which are primarily for student housing and parking, amounted to \$627.55 million, which is a \$473.59 million increase when compared to 2021. The increase is due to the slowing down of COVID-19 pandemic wherein operations and demand returned closer to normal.

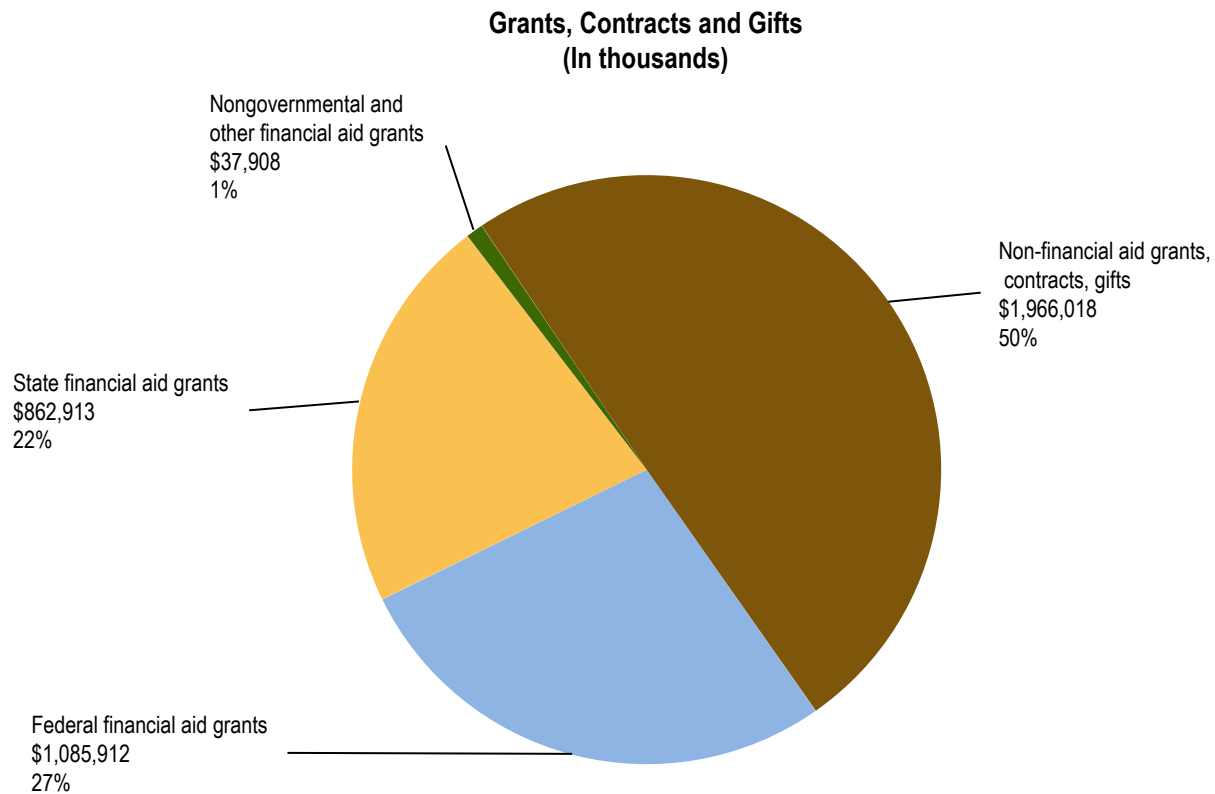
*Grants, Contracts and Gifts*

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, Supplemental Educational Opportunity Grant, and College 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.



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Student financial aid grants totaled to \$1.99 billion, a decrease of \$79.74 million from the previous year.

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 \$1.97 billion, or 49.74%, of total grants, contracts, and gifts. This included \$1.63 billion of HEERF grants mainly used for emergency aid to students, including but not limited to grants for food, housing, course materials, technology, health care, and childcare. Further, gifts received from discretely presented component units amounted to \$125.39 million.

*Investment and Endowment Income (Loss), Net and Other Revenues*

Investment and endowment income (loss) , net and other revenues for 2022 has decreased by \$603.52 million due to rise in unrealized investment losses during the fiscal year compared to unrealized investment gains in prior year.

**Expenses (Operating and Nonoperating)**

The University's total expenses of \$10.96 billion are comprised of operating expenses of \$10.59 billion, or 96.70%, and nonoperating expenses of \$0.37 billion, or 3.39%.

*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

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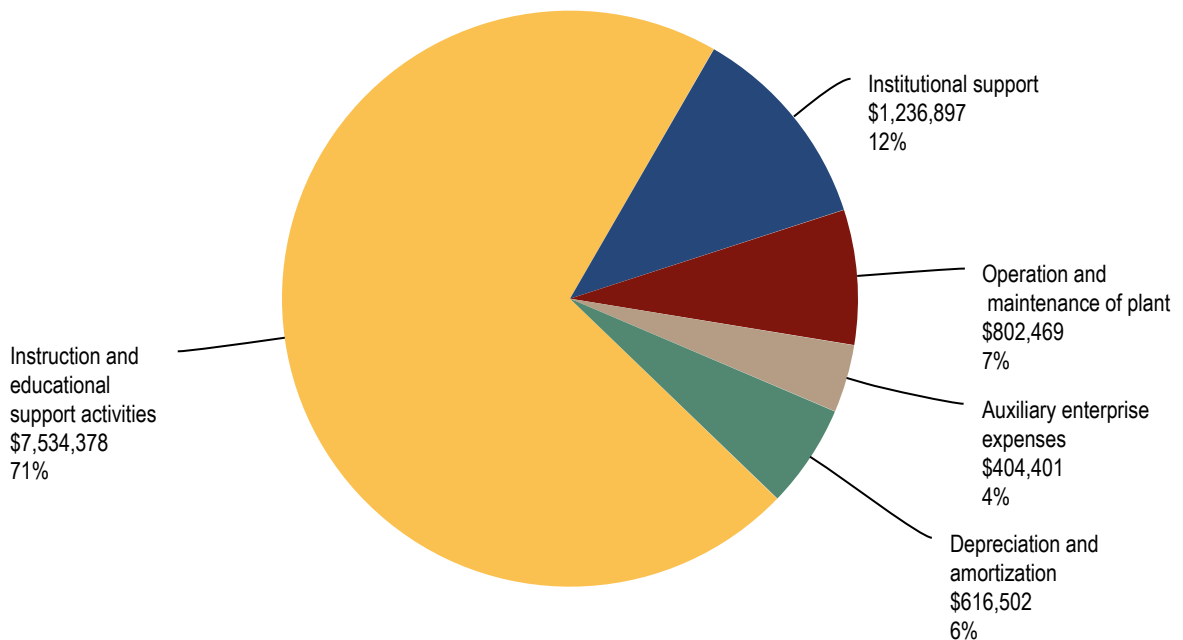
educational support activities account for 71.11% and 70.53% of the 2022 and 2021 total operating expenses of the University, respectively.

	<b>2022</b>	<b>Percentage of total</b>	<b>2021</b>	<b>Percentage of total</b>
	(In thousands)		(In thousands)	
Instruction	\$ 3,577,426	33.77 %	\$ 3,530,908	34.50 %
Research	63,883	0.60	57,268	0.56
Public service	34,386	0.33	50,452	0.49
Academic support	938,008	8.85	1,000,371	9.78
Student services	1,214,545	11.46	1,243,642	12.15
Student grants and scholarships	1,706,130	16.10	1,335,231	13.05
Total instruction and educational support activities	<u>7,534,378</u>	<u>71.11</u>	<u>7,217,872</u>	<u>70.53</u>
Institutional support	1,236,897	11.68	1,184,370	11.57
Operation and maintenance of plant	802,469	7.57	867,215	8.48
Auxiliary enterprise expenses	404,401	3.82	403,504	3.94
Depreciation and amortization	616,502	5.82	560,612	5.48
Total operating expenses	<u><u>\$ 10,594,647</u></u>	<u><u>100.00 %</u></u>	<u><u>\$ 10,233,573</u></u>	<u><u>100.00 %</u></u>

**CALIFORNIA STATE UNIVERSITY**  
Management's Discussion and Analysis

June 30, 2022

**Operating Expenses**  
(In thousands)



- **Salaries**

The University's salaries expense increased from \$3.78 billion in 2021 to \$3.96 billion in 2022. The majority of the increase in salaries are in instruction and education support of \$190.38 million and in auxiliary enterprise of \$24 million. This is mainly due to increases in compensation for faculty members which were paused during the COVID-19 pandemic. The increase also reflects the return to normal operations which showed an increase in FTE particularly in auxiliary enterprise services compared to the impact of COVID-19 pandemic in the previous year. All these were offset by the decrease in salaries for institutional support and operation and maintenance of plant of \$28.11 million and \$5.22 million, respectively.

- **Benefits**

The University's benefits decreased by \$0.86 billion from \$2.97 billion in 2021 to \$2.11 billion in 2022.

The pension related benefits expense decreased by \$807.19 million in 2022 due mainly to investment earnings on the pension plan assets during the measurement period. The OPEB expense decreased by \$39.80 million in 2022, due mainly to lower interest costs, net effect of the changes in the assumptions and differences between actual

**CALIFORNIA STATE UNIVERSITY**  
Management's Discussion and Analysis

June 30, 2022

and expected experience. This resulted in the decrease in benefits in instruction and educational support of \$416.70 million.

- *Scholarships and Fellowships*

The scholarship and fellowships, which represent financial aid directly paid to students, increased from \$1.34 billion in 2021 to \$1.71 billion in 2022. The increase is mainly due to the HEERF grants given to eligible students.

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

The discretely presented component units generated \$1.73 billion of revenues, representing 12.20% of the University's \$14.20 billion combined total revenues. This is lower compared to the 19.46% in the prior year due to the significant increase in unrealized losses on endowment investments as compared to prior year's unrealized gains.

The discretely presented component units managed \$1 billion grants, contracts, and gifts revenues, representing 21.27% of the University's \$5.02 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.

**Factors Impacting Future Periods**

In 2023, the University received from the State a permanent base budget increase of \$365.70 million and will receive a \$69.50 million state-funded retirement adjustment in a subsequent General Fund appropriation. The University's operating budget for 2023 includes \$4.70 billion in state General Fund.

It is the intent of the University to strategically place new enrollment at campuses that are experiencing significant prospective student demand and can expand more seats in academic programs that support high-demand career fields in California.

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

**Subsequent Events**

In January 2023, the University issued BAN amounting to \$14.31 million for the Science Replacement Building at San Francisco State University.

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# BASIC FINANCIAL STATEMENTS

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**CALIFORNIA STATE UNIVERSITY**

Statement of Net Position

June 30, 2022

(In thousands)

<b>Assets</b>	<b>University</b>	<b>Discretely presented component units</b>	<b>Total</b>
<b>Current assets:</b>			
Cash and cash equivalents	\$ 48,406	356,197	404,603
Short-term investments	4,669,441	930,683	5,600,124
Accounts receivable, net	302,901	296,968	599,869
Lease receivables, current portion	20,946	24,580	45,526
Notes receivable, current portion	16,648	19,311	35,959
Pledges receivable, net	2,000	151,190	153,190
Prepaid expenses and other current assets	85,884	30,657	116,541
Total current assets	<u>5,146,226</u>	<u>1,809,586</u>	<u>6,955,812</u>
<b>Noncurrent assets:</b>			
Restricted cash and cash equivalents	—	55,194	55,194
Accounts receivable, net	6,447	21,149	27,596
Lease receivables, net of current portion	213,468	434,635	648,103
Notes receivable, net of current portion	424,812	111,749	536,561
Student loans receivable, net	36,764	428	37,192
Pledges receivable, net	—	129,441	129,441
Endowment investments	1,641	2,232,731	2,234,372
Other long-term investments	2,947,037	513,230	3,460,267
Capital assets, net	11,743,837	993,911	12,737,748
Other assets	35,986	69,819	105,805
Total noncurrent assets	<u>15,409,992</u>	<u>4,562,287</u>	<u>19,972,279</u>
Total assets	<u>20,556,218</u>	<u>6,371,873</u>	<u>26,928,091</u>
<b>Deferred Outflows of Resources</b>			
Deferred outflows of resources	<u>3,312,096</u>	<u>46,499</u>	<u>3,358,595</u>
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Accounts payable	374,529	130,167	504,696
Accrued salaries and benefits	462,489	33,067	495,556
Accrued compensated absences, current portion	135,884	16,744	152,628
Unearned revenues	287,135	137,358	424,493
Lease liabilities, current portion	25,787	21,860	47,647
Long-term debt obligations, current portion	232,066	42,352	274,418
Claims liability for losses and loss adjustment expenses, current portion	—	21,401	21,401
Depository accounts	4,184	14,218	18,402
Other liabilities	183,762	86,854	270,616
Total current liabilities	<u>\$ 1,705,836</u>	<u>504,021</u>	<u>2,209,857</u>

**CALIFORNIA STATE UNIVERSITY**

Statement of Net Position

June 30, 2022

(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	\$ 145,482	6,542	152,024
Unearned revenues	5,529	67,665	73,194
Grants refundable	30,543	5,386	35,929
Lease liabilities, net of current portion	274,102	218,959	493,061
Long-term debt obligations, net of current portion	9,418,186	584,619	10,002,805
Claims liability for losses and loss adjustment expenses, net of current portion	—	42,580	42,580
Depository accounts	6	9,777	9,783
Total other postemployment benefits liability	15,434,384	87,666	15,522,050
Net pension liability	5,618,682	49,182	5,667,864
Other liabilities	83,223	47,056	130,279
<b>Total noncurrent liabilities</b>	<b>31,010,137</b>	<b>1,119,432</b>	<b>32,129,569</b>
<b>Total liabilities</b>	<b>32,715,973</b>	<b>1,623,453</b>	<b>34,339,426</b>
<b>Deferred Inflows of Resources</b>			
Deferred inflows of resources	5,115,906	468,733	5,584,639
<b>Net Position</b>			
<b>Net position:</b>			
Net investment in capital assets	3,538,920	402,479	3,941,399
Restricted for:			
Nonexpendable – endowments	1,641	1,731,240	1,732,881
Expendable:			
Scholarships and fellowships	28,908	234,269	263,177
Research	—	31,642	31,642
Loans	26,091	2,263	28,354
Capital projects	25,937	90,878	116,815
Debt service	14,931	6,682	21,613
Others	51,061	937,988	989,049
Unrestricted	(17,651,054)	888,745	(16,762,309)
<b>Total net position</b>	<b>\$ (13,963,565)</b>	<b>4,326,186</b>	<b>(9,637,379)</b>

See accompanying notes to financial statements.

**CALIFORNIA STATE UNIVERSITY**

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2022

(in thousands)

	<u>University</u>	<u>Discretely presented component units</u>	<u>Eliminations</u>	<u>Total</u>
<b>Revenues:</b>				
Operating revenues:				
Student tuition and fees (net of University scholarship allowances of \$1,902,047)	\$ 2,331,726	—	—	2,331,726
Grants and contracts, noncapital:				
Federal	49,488	402,840	(5)	452,323
State	7,343	143,375	(237)	150,481
Local	3,887	18,079	—	21,966
Nongovernmental	13,248	69,974	(363)	82,859
Sales and services of educational activities	38,580	36,911	(16)	75,475
Sales and services of auxiliary enterprises (net of University scholarship allowances of \$108,820)	627,545	354,116	(3,256)	978,405
Other operating revenues	258,134	583,977	(12,251)	829,860
Total operating revenues	<u>3,329,951</u>	<u>1,609,272</u>	<u>(16,128)</u>	<u>4,923,095</u>
<b>Expenses:</b>				
Operating expenses:				
Instruction	3,577,426	129,689	(3,900)	3,703,215
Research	63,883	249,581	(3,219)	310,245
Public service	34,386	221,626	(2,794)	253,218
Academic support	938,008	91,956	(8,220)	1,021,744
Student services	1,214,545	209,174	(11,990)	1,411,729
Institutional support	1,236,897	268,231	(36,419)	1,468,709
Operation and maintenance of plant	802,469	86,993	(45,445)	844,017
Student grants and scholarships	1,706,130	94,888	(38,282)	1,762,736
Auxiliary enterprise expenses	404,401	425,889	(9,793)	820,497
Depreciation and amortization	616,502	74,488	—	690,990
Total operating expenses	<u>10,594,647</u>	<u>1,852,515</u>	<u>(160,062)</u>	<u>12,287,100</u>
Operating loss	<u>(7,264,696)</u>	<u>(243,243)</u>	<u>143,934</u>	<u>(7,364,005)</u>
<b>Nonoperating revenues (expenses):</b>				
State appropriations, noncapital	5,596,488	—	—	5,596,488
Federal financial aid grants, noncapital	1,085,912	1,266	—	1,087,178
State financial aid grants, noncapital	862,913	421	—	863,334
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	37,908	158	(20,887)	17,179
Other federal nonoperating grants, noncapital	1,688,181	4,852	—	1,693,033



**CALIFORNIA STATE UNIVERSITY**

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2022

(in thousands)

	University	Discretely presented component units	Eliminations	Total
<b>Nonoperating revenues (expenses), continued:</b>				
Gifts, noncapital	\$ 71,860	311,267	(51,456)	331,671
Investment loss, net	(334,395)	(110,523)	—	(444,918)
Endowment income (loss), net	11	(231,458)	—	(231,447)
Interest expense	(319,381)	(21,736)	—	(341,117)
Other nonoperating revenues (expenses)	(51,624)	32,393	2,342	(16,889)
Net nonoperating revenues (expenses)	<u>8,637,873</u>	<u>(13,360)</u>	<u>(70,001)</u>	<u>8,554,512</u>
Income (loss) before other revenues	1,373,177	(256,603)	73,933	1,190,507
State appropriations, capital	138	—	—	138
Grants and gifts, capital	132,011	42,238	(73,933)	100,316
Additions to permanent endowments	—	73,237	—	73,237
Increase (decrease) in net position	1,505,326	(141,128)	—	1,364,198
<b>Net position:</b>				
Net position at beginning of year	<u>(15,468,891)</u>	<u>4,467,314</u>	<u>—</u>	<u>(11,001,577)</u>
Net position at end of year	<u>\$ (13,963,565)</u>	<u>4,326,186</u>	<u>—</u>	<u>(9,637,379)</u>

See accompanying notes to financial statements.

**CALIFORNIA STATE UNIVERSITY**

Statement of Cash Flows

Year ended June 30, 2022

(In thousands)

	<u>University</u>
<b>Cash flows from operating activities:</b>	
Student tuition and fees	\$ 2,270,110
Federal grants and contracts	46,525
State grants and contracts	10,223
Local grants and contracts	4,479
Nongovernmental grants and contracts	10,555
Payments to suppliers	(2,170,923)
Payments to employees	(3,937,612)
Payments for benefits	(1,945,382)
Payments to students	(1,703,228)
Collections of student loans	2,361
Sales and services of educational activities	39,616
Sales and services of auxiliary enterprises	615,141
Other receipts	230,617
	<hr/>
Net cash used in operating activities	(6,527,518)
	<hr/>
<b>Cash flows from noncapital financing activities:</b>	
State appropriations	5,207,403
Federal financial aid grants	1,086,714
State financial aid grants	863,993
Nongovernmental and other financial aid grants	37,896
Other federal nonoperating grants	1,677,005
Gifts and grants received for other than capital purposes	71,019
Federal loan program receipts	1,156,104
Federal loan program disbursements	(1,158,154)
Monies received on behalf of others	68,074
Monies disbursed on behalf of others	(69,235)
Transfers to escrow agent	(98,097)
Proceeds from long-term debt	168,627
Principal paid on long-term debt	(19,035)
Interest paid on long-term debt	(16,339)
Issuance of notes receivable	(86,071)
Principal collections on notes receivable	37,472
Interest collections on notes receivable	18,256
Other noncapital financing activities	(84,825)
	<hr/>
Net cash provided by noncapital financing activities	8,860,807
	<hr/>

**CALIFORNIA STATE UNIVERSITY**

Statement of Cash Flows

Year ended June 30, 2022

(In thousands)

	<u>University</u>
<b>Cash flows from capital and related financing activities:</b>	
Proceeds from capital debt	\$ 1,769,683
State appropriations	6,887
Capital grants and gifts	133,843
Proceeds from sale of capital assets	14,405
Acquisition of capital assets	(1,173,176)
Transfers to escrow agent	(741,196)
Principal paid on capital debt and leases	(316,500)
Interest paid on capital debt and leases	(328,781)
Principal collection on leases receivable	83,943
Interest collection on leases receivable	4,667
Net cash used in capital and related financing activities	<u>(546,225)</u>
<b>Cash flows from investing activities:</b>	
Proceeds from sales of investments	10,277,495
Purchases of investments	(12,138,316)
Investment income proceeds	114,651
Net cash used in investing activities	<u>(1,746,170)</u>
Net increase in cash and cash equivalents	40,894
Cash and cash equivalents at beginning of year	7,512
Cash and cash equivalents at end of year	<u>\$ 48,406</u>
<b>Summary of cash and cash equivalents at end of year:</b>	
Cash and cash equivalents	\$ 48,406
Total cash and cash equivalents at end of year	<u>\$ 48,406</u>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>	
Operating loss	\$ (7,264,696)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	616,502
Change in assets and liabilities:	
Accounts receivable, net	(45,048)
Student loans receivable, net	(369)
Prepaid expenses and other current assets	(14,932)
Other assets	(7,031)
Deferred outflows of resources	166,712
Accounts payable	62,107
Accrued salaries and benefits	34,401
Accrued compensated absences	(9,936)
Unearned revenues	(47,754)
Total other postemployment benefits liability	139,424

**CALIFORNIA STATE UNIVERSITY**

Statement of Cash Flows

Year ended June 30, 2022

(In thousands)

	<u>University</u>
<b>Reconciliation of operating loss to net cash used in operating activities, continued:</b>	
Net pension liability	\$ (2,800,631)
Other liabilities	(6,221)
Deferred inflows of resources	2,649,954
Net cash used in operating activities	<u>\$ (6,527,518)</u>

**Supplemental schedule of noncash transactions:**

Change in unrealized gain (loss) of investment	\$ 474,374
State's contribution for OPEB	389,094
Change in capital assets due to implementation of GASB 87	352,021
Acquisition of capital asset through long-term debt obligations	195,721
Other assets paid through long-term debt	82,378

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, 2022

(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, 2022:

- 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 (formerly Humboldt State University)
- 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, 2022

(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 23 campuses and the Office of the Chancellor 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 80.50% 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 are issued for each of the discretely presented component units and 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 Channel Islands Site Authority
- Chico State Enterprises

# CALIFORNIA STATE UNIVERSITY

## Notes to Financial Statements

June 30, 2022

(In thousands)

- The University Foundation, California State University, Chico
- Associated Students of California State University, Chico
- California State University, Dominguez Hills Foundation\*
- 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
- Humboldt State University Foundation
- Humboldt State University Sponsored Programs Foundation
- Associated Students of Humboldt State University
- 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, Los Angeles Foundation
- Associated Students of California State University, Los Angeles, Inc.



# CALIFORNIA STATE UNIVERSITY

## Notes to Financial Statements

June 30, 2022

(In thousands)

- 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
- Aztec Shops, Ltd. (San Diego)
- San Francisco State University Foundation

# CALIFORNIA STATE UNIVERSITY

## Notes to Financial Statements

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(In thousands)

- 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 to CSUDH Toro Auxiliary Partners effective FY22-23.*

*\*\*New in FY21-22.*

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 from the reporting entity 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 these financial statements.

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.

# CALIFORNIA STATE UNIVERSITY

## Notes to Financial Statements

June 30, 2022

(In thousands)

### **(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. 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 these financial statements.

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

On July 1, 2021, the University implemented GASB Statement No. 87, "Leases." This Statement changed the accounting and financial reporting for leases, by establishing a single model for lease accounting based on the foundational principle that leases represent a financing transaction associated with the right to use an underlying asset. This Statement applies to contracts that convey the right to use a non-financial asset in an exchange or exchange-like transaction for a term exceeding 12 months. Lessees are now required to recognize a lease liability and an intangible right-to-use (ROU) lease asset, and lessors are required to recognize a lease receivable and a deferred inflow of resources.

Restatement of the Statement of Net Position as of June 30, 2021 resulted in the addition of \$474,156 to the University's assets (\$432,279 ROU assets added to "capital assets, net", \$11,377 added to "lease receivables, current portion", \$14,540 added to "lease receivable, net of current portion", \$685 added to "notes receivable, current portion", and \$15,275 added to "notes receivable, net of current portion"). GASB Statement No. 87 also added \$219,178 to the University's liabilities (\$39,410 of lease liabilities added to "lease liabilities, current portion" and \$176,999 of lease liabilities added to "lease liabilities, net of current portion", obligations for finance purchase arrangements of \$13,423 (current portion) and \$204,653 (net of current portion) were reclassified from lease liabilities to long-term debt, and \$2,768 added to "long-term debt, net of current portion", and \$248,812 added to "deferred inflows of resources".

On July 1, 2021, the University implemented GASB Statement No. 89, "Accounting for Interest Cost Incurred before the End of a Construction Period." This Statement requires that interest costs incurred before the end of a construction period be recognized as expense in the period in which the cost incurred for financial statements prepared using the economic resources measurement focus. As a result, these costs are no longer included in the capitalized cost of capital assets reported by the University. This Statement has been applied on a prospective basis, and interest costs capitalized prior to implementation continue to be recognized as those assets are depreciated.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, effective for the University's fiscal year beginning July 1, 2022. This Statement is intended to improve financial reporting by addressing issues related to public-private and public-public partnership

# CALIFORNIA STATE UNIVERSITY

## Notes to Financial Statements

June 30, 2022

(In thousands)

arrangements (PPPs). The University is evaluating the effect GASB Statement No. 94 will have on its financial statements.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective for the University's fiscal year beginning July 1, 2022. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users. The University is evaluating the effect GASB Statement No. 96 will have on its financial statements.

In April 2022, the GASB issued Statement No. 99, *Omnibus 2022*, provisions of which will be effective for the fiscal year ending June 30, 2023, and 2024. Requirements related to leases, PPPs, and SBITAs are effective for fiscal year ending June 30, 2023. Requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53 are effective for the fiscal year ending June 30, 2024. The University is currently assessing the impact of implementation of this Statement on its financial statements but does not expect it to have any material impact on its financial statements.

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, 2023. 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 (i) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (ii) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (iii) changes in accounting estimates be reported prospectively by recognizing the change in the current period.

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.

### **(d) 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 reasonably can 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(f).

### **(e) 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.

# CALIFORNIA STATE UNIVERSITY

## Notes to Financial Statements

June 30, 2022

(In thousands)

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 equity in the CSU Consolidated Investment Pool as investing cash flows of the University in the accompanying Statement of Cash Flows.

### **(f) 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's Office 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.

### **(g) 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.

### **(h) 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 assets and is responsible for the maintenance of these assets and thus has recorded the cost of these assets in the accompanying financial statements. Right of use leased 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

# CALIFORNIA STATE UNIVERSITY

## Notes to Financial Statements

June 30, 2022

(In thousands)

the acquisition value (an entry price) 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.

### (i) **Leases**

The University determines if an arrangement is a lease at inception of the lease contract. Lessee arrangements are included in capital assets 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. The University recognized payments for short-term leases with a lease term of 12 months or less as expense as the payments are made.

#### *Key Estimates and Judgments*

Key estimates and judgments include how the University determines (1) the discount rate it uses to calculate the present value of the expected lease payments, (2) lease term, and (3) payments.

- The University generally uses its estimated incremental borrowing rate as the discount rate for leases unless the rate that the lessor/vendor charges is known. The University's incremental borrowing rate for leases is based on the rate of interest it would need to pay to borrow an amount equal to the lease payments, under similar terms at the commencement or remeasurement date.
- The lease term includes the noncancellable period of the lease plus any additional periods covered by either the University's or lessor's unilateral option to (1) extend for which it is reasonably certain to be exercised, or (2) terminate for which it is reasonably certain not to be exercised. Periods in which both the University and the lessor/vendor have an option to terminate (or if both parties have to agree to extend) are excluded from the lease term.
- Payments are evaluated by the University to determine if they should be included in the measurement of the lease liability including those payments that require a determination of whether they are reasonably certain of being made, such as purchase options, payments for termination penalties, and other payments.

#### *Remeasurement of Lease Amounts*

The University monitors changes in circumstances that may require remeasurement of a lease arrangement. When certain changes occur that are expected to significantly affect the amount of the lease liability, the liability is remeasured, and a corresponding adjustment is made to the lease asset.

#### *Presentation in Statement of Net Position*

Lease assets are reported with capital assets and lease liabilities are reported separately in the Statement of Net Position.

Lessor arrangements are included in lease receivables (current portion), lease receivables (net of current portion), and deferred inflows of resources in the Statement of Net Position. Lease receivables represent the University's claim to receive lease payments over the lease term, as specified in the contract, in an exchange or exchange-like

# CALIFORNIA STATE UNIVERSITY

## Notes to Financial Statements

June 30, 2022

(In thousands)

transaction. Lease receivables 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. The University recognized payments received for short-term leases with a lease term of 12 months or less as revenue as the payments are received. Lease revenues are included in the other operating revenue in the Statement of Revenues, Expenses, and Changes in Net Position.

### **(j) *Unearned Revenues***

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

### **(k) *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 an employee's current pay rate as of July 1, 2022, to calculate the liability for accrued compensated absences. The University provides vacation based on length of service and job classifications.

### **(l) *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 its 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 fiscal year 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.

### **(l) *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, 2022. 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.

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.

# CALIFORNIA STATE UNIVERSITY

## Notes to Financial Statements

June 30, 2022

(In thousands)

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.

### **(m) 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 expenses are reported as deferred outflows of resources or deferred inflows of resources. Employer contributions subsequent to the measurement date of the net pension liability are reported as deferred outflows 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.

Changes in total OPEB liability not included in OPEB expense are reported as deferred outflows of resources or deferred inflows of resources. Employer contributions subsequent to the measurement date of the total OPEB liability are reported as deferred outflows 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.

### **(n) 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



# CALIFORNIA STATE UNIVERSITY

## Notes to Financial Statements

June 30, 2022

(In thousands)

position is negative due primarily to liabilities for pension and other postemployment health benefits exceeding University assets available to pay such obligations.

### **(o) 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. Certain other scholarship and fellowships are paid directly to, or refunded to, the student and are reflected as operating expenses.

### **(p) Total Other Postemployment Benefits (OPEB) Liability**

The University's total OPEB liability is an actuarial accrued liability that reflects the present value of future healthcare benefits earned by employees up to June 30, 2021. The University's total 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 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.

### **(q) 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 consistent 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/ 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.

# CALIFORNIA STATE UNIVERSITY

## Notes to Financial Statements

June 30, 2022

(In thousands)

### **(r) 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 revenue is recorded as the expenditures are incurred, in amounts equal to the expenditures.

### **(s) 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.

### **(t) 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.

### **(u) 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.

### **(v) Use of Estimates**

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

### **(w) Risk and Uncertainties**

The Coronavirus Disease 2019 (COVID-19) has negatively affected national, state, and local economies along with global financial markets and the higher education landscape in general. While the future impact of the COVID-19 pandemic cannot be quantified at this time, the University continues to monitor its course and, if necessary, is prepared to take additional measures to protect the health and welfare of the University.

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

The University's cash, cash equivalents, and investments as of June 30, 2022, are classified in the accompanying Statement of Net Position as follows:

# CALIFORNIA STATE UNIVERSITY

## Notes to Financial Statements

June 30, 2022

(In thousands)

Cash and cash equivalents	\$	48,406
Total cash and cash equivalents		48,406
Short-term investments		4,669,441
Endowment investments		1,641
Other long-term investments:		
Restricted for capital projects expenditures		1,400,359
Others		1,546,678
Other long-term investments		2,947,037
Total investments		7,618,119
Total cash, cash equivalents, and investments	\$	7,666,525

**(a) Cash and Cash Equivalents**

At June 30, 2022, cash and cash equivalents consist of demand deposits held at the State Treasury, commercial banks, and petty cash. Total cash and cash equivalents of \$48,406.

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

*(i) 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 policy permits 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.

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## Notes to Financial Statements

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(In thousands)

Per the Education and Government Code of the State, the permitted investments 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), or in United States registered real estate investment trusts, resulting in the establishment of the CSU Total Return Portfolio (TRP). 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 thirty percent of eligible investments thereafter. TRP investments amounted to \$1,374,368 as of June 30, 2022.

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

(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% 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, 2022, are presented in the following table:

Investment type	Fair value	Duration
Money market funds	\$ 141,874	—
Certificates of deposit	251,767	0.11986
U.S. agency securities	326,878	1.32794
U.S. Treasury securities	1,811,154	1.61571
Municipal bonds	28,026	5.49911
Corporate bonds	1,761,525	2.69923
Asset-backed securities	10,846	5.63374
Mortgage-backed securities	323,921	5.40606
Commercial paper	66,743	0.01128
Supranational	15,907	0.77960
Mutual funds:		
Fixed income	540,090	5.96492
Equity and real assets	834,276	N/A
SMIF	1,505,112	0.85205
Total	<u>\$ 7,618,119</u>	

# CALIFORNIA STATE UNIVERSITY

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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.

### (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, 2022 are presented in the following table:

Investment type	Fair value	AAA	AA	A	BBB	BB	B	Not rated
Money market funds	\$ 141,874	155	—	—	—	—	—	141,719
Certificates of deposit	251,767	76,655	—	175,112	—	—	—	—
U.S. agency securities	326,878	18,348	308,530	—	—	—	—	—
U.S. Treasury securities	1,811,154	193,212	1,617,942	—	—	—	—	—
Municipal bonds	28,026	—	21,857	6,169	—	—	—	—
Corporate bonds	1,761,525	18,791	222,805	1,514,217	5,712	—	—	—
Asset-backed securities	10,846	9,841	—	—	1,005	—	—	—
Mortgage-backed securities	323,921	267,758	56,163	—	—	—	—	—
Commercial paper	66,743	—	—	66,743	—	—	—	—
Supranational	15,907	15,907	—	—	—	—	—	—
Mutual funds:								
Fixed income	540,090	67,257	307,970	—	—	41,122	123,741	—
Equity and real assets	834,276	—	—	—	—	—	—	834,276
SMIF	1,505,112	—	—	—	—	—	—	1,505,112
Total	<u>\$7,618,119</u>	<u>667,924</u>	<u>2,535,267</u>	<u>1,762,241</u>	<u>6,717</u>	<u>41,122</u>	<u>123,741</u>	<u>2,481,107</u>

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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.

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, 2022, there were no investments (excluding U.S. Treasury securities, mutual funds, and external investment pools) that represented 5% 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

# CALIFORNIA STATE UNIVERSITY

## Notes to Financial Statements

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(In thousands)

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 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, 2022:

Investment type	Fair value	Level 2	NAV	Not required to be leveled
Money market funds	\$ 141,874	—	141,874	—
Certificates of deposit	251,767	251,767	—	—
U.S. agency securities	326,878	326,878	—	—
U.S. Treasury securities	1,811,154	1,811,154	—	—
Municipal bonds	28,026	28,026	—	—
Corporate bonds	1,761,525	1,761,525	—	—
Asset-backed securities	10,846	10,846	—	—
Mortgage-backed securities	323,921	323,921	—	—
Commercial paper	66,743	66,743	—	—
Supranational	15,907	15,907	—	—
Mutual funds:				
Fixed income	540,090	540,090	—	—
Equity and real asset	834,276	834,276	—	—
SMIF	1,505,112	—	—	1,505,112
Total	<u>\$ 7,618,119</u>	<u>5,971,133</u>	<u>141,874</u>	<u>1,505,112</u>

The following discussions 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

# CALIFORNIA STATE UNIVERSITY

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are valued at the quoted bid price provided by the 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 included in the TRP, 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 United States dollars.



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(In thousands)

*(viii) Discretely Presented Component Units' Investments*

Investments of the discretely presented component units at fair value consisted of the following at June 30, 2022:

Investment type	Current	Noncurrent	Total
Money market funds	\$ 60,341	55,097	115,438
Certificates of deposit	14,930	719	15,649
U.S. agency securities	7,204	9,752	16,956
U.S. Treasury securities	69,220	88,675	157,895
Municipal bonds	3,179	10,185	13,364
Corporate bonds	86,004	159,343	245,347
Asset-backed securities	1,902	2,006	3,908
Mortgage-backed securities	9,907	25,829	35,736
Commercial paper	1,206	29	1,235
Supranational	287	7	294
Mutual funds	235,123	961,824	1,196,947
Exchange-traded funds	56,340	340,371	396,711
Equity securities	71,388	543,868	615,256
Alternative investments:			
Private equity (including limited partnerships)	5,047	171,597	176,644
Hedge funds	10,522	177,050	187,572
Managed futures	—	4,145	4,145
Real estate investments (including real estate investment trust)	4,984	48,531	53,515
Commodities	—	20,776	20,776
Other alternative investments	2,730	65,141	67,871
Other external investment pools	—	39,048	39,048
Local Agency Investment Fund (LAIF)	289,136	2,201	291,337
Other investments	1,233	19,767	21,000
<b>Total</b>	<b>\$ 930,683</b>	<b>2,745,961</b>	<b>3,676,644</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, 2022:

Investment type	Fair value	Level 1	Level 2	Level 3	NAV
Money market funds	\$ 115,438	98,890	10,836	233	5,479
Certificates of deposit	15,649	263	15,386	—	—
U.S. agency securities	16,956	1,604	15,352	—	—
U.S. Treasury securities	157,895	28,635	103,112	—	26,148
Municipal bonds	13,364	4,492	8,872	—	—
Corporate bonds	245,347	124,411	110,477	—	10,459
Asset-backed securities	3,908	—	3,908	—	—
Mortgage-backed securities	35,736	5,024	15,023	—	15,689
Commercial paper	1,235	—	1,235	—	—
Supranational	294	—	294	—	—
Mutual funds	1,196,947	1,121,931	45,509	—	29,507
Exchange-traded funds	396,711	396,210	501	—	—
Equity securities	615,256	582,666	17,951	10,926	3,713
Alternative investments:					
Private equity (including limited partnerships)	176,644	783	909	45,481	129,471
Hedge funds	187,572	6,048	15,879	11,077	154,568
Managed futures	4,145	—	—	—	4,145
Real estate investments					
(including real estate investment trust)	53,515	8,410	1,995	23,907	19,203
Commodities	20,776	10,334	—	—	10,442
Other alternative investments	67,871	285	1,119	—	66,467
Other external investment pools	39,048	—	—	39,048	—
LAIF	291,337	—	—	—	291,337
Other investments	21,000	12,472	1,264	1,076	6,188
Total	<u>\$ 3,676,644</u>	<u>2,402,458</u>	<u>369,622</u>	<u>131,748</u>	<u>772,816</u>

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

Investments reported by the University of \$69,281 are invested under contractual agreements on behalf of the discretely presented component units of the University.

**CALIFORNIA STATE UNIVERSITY**

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(In thousands)

**(4) Accounts Receivable**

Accounts receivable of the University at June 30, 2022 consisted of the following:

	<b>Current</b>	<b>Noncurrent</b>	<b>Total</b>
State appropriations	\$ 166	2,116	2,282
State appropriations – SPWB Lease Revenue Bond program	—	835	835
Discretely presented component units	84,379	3,101	87,480
Student accounts	135,696	—	135,696
Government grants and contracts	97,857	—	97,857
Others	28,280	395	28,675
	<u>346,378</u>	<u>6,447</u>	<u>352,825</u>
Less allowance for doubtful accounts	<u>(43,477)</u>	<u>—</u>	<u>(43,477)</u>
Total accounts receivable, net	<u>\$ 302,901</u>	<u>6,447</u>	<u>309,348</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 2084 and provide renewal options ranging from one year to fifteen years. The University recognizes lease receivables and deferred inflows of resources based on the present value of expected receipts over the term of the respective leases. The expected received 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 \$19,334 for the year ended June 30, 2022, reported in other operating revenues in the Statements of Revenues, Expenses and Changes in Net Position.

Future minimum lease payments to be received under lessor arrangements as of June 30, 2022, are as follows:

Fiscal year ending June 30:	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 20,946	5,167	26,113
2024	18,540	4,659	23,199
2025	18,418	4,221	22,639
2026	16,121	3,822	19,943
2027	16,569	3,445	20,014
2028 - 2032	81,828	11,623	93,451
2033 - 2037	38,874	4,285	43,159
2038 - 2042	9,768	1,804	11,572
2043 - 2047	5,745	1,338	7,083
2048 - 2052	1,336	1,050	2,386
Thereafter	6,269	3,302	9,571
Total	<u>\$ 234,414</u>	<u>44,716</u>	<u>279,130</u>

**CALIFORNIA STATE UNIVERSITY**

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(In thousands)

**(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 \$431,145. 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:

Fiscal year ending June 30:

2023	\$	33,241
2024		33,476
2025		34,731
2026		34,902
2027		34,575
2028 - 2032		161,728
2033 - 2037		132,888
2038 - 2042		89,992
2043 - 2047		67,762
2048 - 2052		27,649
2053 - thereafter		3,582
Total minimum note payments to be received		654,526
Less amounts representing interest		(213,066)
Present value of future minimum note payments to be received		441,460
Less current portion		(16,648)
Notes receivable, net of current portion		\$ 424,812

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(In thousands)

**(7) Capital Assets**

Capital assets activity for the University for the year ended June 30, 2022, 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	\$ 378,757	29,506	(4,700)	—	403,563
Works of art and historical treasures	57,058	1,061	—	—	58,119
Construction work in progress	1,840,741	956,389	(10,754)	(830,522)	1,955,854
Intangible assets	41,617	44,384	(6,220)	(1,268)	78,513
Total nondepreciable/ nonamortizable capital assets	<u>2,318,173</u>	<u>1,031,340</u>	<u>(21,674)</u>	<u>(831,790)</u>	<u>2,496,049</u>
Depreciable/amortizable capital assets:					
Buildings and building improvements	14,407,112	192,724	(147,901)	792,788	15,244,723
Improvements other than buildings	789,009	16,126	(1,348)	14,657	818,444
Infrastructure	1,326,398	42,919	(16,362)	18,811	1,371,766
Personal property:					
Equipment	978,677	45,438	(26,052)	4,266	1,002,329
Library books and materials	392,627	8,969	(2,695)	—	398,901
Intangible assets	296,870	19,558	(845)	1,268	316,851
Total depreciable/ amortizable capital assets	<u>18,190,693</u>	<u>325,734</u>	<u>(195,203)</u>	<u>831,790</u>	<u>19,153,014</u>
Total cost	<u>20,508,866</u>	<u>1,357,074</u>	<u>(216,877)</u>	<u>—</u>	<u>21,649,063</u>
Less accumulated depreciation/ amortization:					
Buildings and building improvements	(7,100,992)	(442,794)	44,271	—	(7,499,515)
Improvements other than buildings	(595,498)	(27,721)	409	—	(622,810)
Infrastructure	(624,398)	(38,872)	12,739	—	(650,531)
Personal property:					
Equipment	(766,297)	(54,614)	24,379	—	(796,532)
Library books and materials	(362,404)	(6,218)	2,328	—	(366,294)
Intangible assets	(270,062)	(10,491)	800	—	(279,753)
Total accumulated depreciation/amortization	<u>(9,719,651)</u>	<u>(580,710)</u>	<u>84,926</u>	<u>—</u>	<u>(10,215,435)</u>
Net capital assets, excluding right of use lease assets	<u>\$ 10,789,215</u>	<u>776,364</u>	<u>(131,951)</u>	<u>—</u>	<u>11,433,628</u>
Right of use asset, net					<u>310,209</u>
Net capital assets					<u>\$ 11,743,837</u>

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As a result of implementing GASB Statement No. 87 on July 1, 2021, *Leases*, the University additions included \$209,703 assets re-established from existing lease arrangements as lessor. Further, the University's retirements include \$109,882 assets reclassified to right of use assets. This is part of the beginning balance of the right of use assets.

The University's right of use asset and related accumulated amortization for the year ended June 30, 2022 are as follows:

	<b>Beginning balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending balance</b>
Amortizable lease assets:				
Land and land improvements	\$ 6,757	202	—	6,959
Buildings and building improvements	320,071	9,448	(480)	329,039
Improvements other than buildings	757	77	—	834
Infrastructure	217	—	—	217
Personal property:				
Equipment	5,548	3,314	—	8,862
<b>Total amortizable right of use assets</b>	<b>333,350</b>	<b>13,041</b>	<b>(480)</b>	<b>345,911</b>
Less accumulated amortization:				
Land and land improvements	—	(472)	—	(472)
Buildings and building improvements	—	(32,663)	90	(32,573)
Improvements other than buildings	—	(260)	—	(260)
Infrastructure	—	(20)	—	(20)
Personal property:				
Equipment	—	(2,377)	—	(2,377)
<b>Total accumulated amortization</b>	<b>—</b>	<b>(35,792)</b>	<b>90</b>	<b>(35,702)</b>
<b>Right of use asset, net</b>	<b>\$ 333,350</b>	<b>(22,751)</b>	<b>(390)</b>	<b>310,209</b>

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(In thousands)

Capital assets activity of the discretely presented component units of the University for the year ended June 30, 2022 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	\$ 144,045	3,149	(106)	—	147,088
Works of art and historical treasures	12,230	199	(740)	—	11,689
Construction work in progress	27,472	76,873	(3,157)	(19,904)	81,284
Intangible assets	5,098	123	—	(123)	5,098
Total nondepreciable/ nonamortizable capital assets	<u>188,845</u>	<u>80,344</u>	<u>(4,003)</u>	<u>(20,027)</u>	<u>245,159</u>
Depreciable/amortizable capital assets:					
Buildings and building improvements	820,514	49,037	(133,798)	5,359	741,112
Improvements other than buildings	209,920	5,917	(31,091)	11,427	196,173
Infrastructure	67,693	—	(58,976)	—	8,717
Personal property:					
Equipment	233,192	34,121	(10,127)	3,118	260,304
Intangible assets	7,475	227	(1,502)	123	6,323
Total depreciable/ amortizable capital assets	<u>1,338,794</u>	<u>89,302</u>	<u>(235,494)</u>	<u>20,027</u>	<u>1,212,629</u>
Total cost	<u>1,527,639</u>	<u>169,646</u>	<u>(239,497)</u>	<u>—</u>	<u>1,457,788</u>
Less accumulated depreciation/ amortization:					
Buildings and building improvements	(372,233)	(26,853)	65,550	—	(333,536)
Improvements other than buildings	(113,900)	(13,142)	22,750	—	(104,292)
Infrastructure	(27,630)	(218)	24,653	—	(3,195)
Personal property:					
Equipment	(179,124)	(21,522)	8,375	—	(192,271)
Intangible assets	(6,475)	(209)	949	—	(5,735)
Total accumulated depreciation/amortization	<u>(699,362)</u>	<u>(61,944)</u>	<u>122,277</u>	<u>—</u>	<u>(639,029)</u>
Net capital assets excluding right of use lease asset	<u>\$ 828,277</u>	<u>107,702</u>	<u>(117,220)</u>	<u>—</u>	<u>818,759</u>
Right of use assets					175,152
Net capital assets					<u>\$ 993,911</u>

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

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(In thousands)

The University's discretely presented component units' right of use assets and related accumulated amortization for the year ended June 30, 2022 are as follows:

	<b>Beginning balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending balance</b>
<b>Amortizable lease assets:</b>				
Land and land improvements	\$ 21,410	8,435	—	29,845
Buildings and building improvements	—	124,101	—	124,101
Improvements other than buildings	—	38,373	—	38,373
Infrastructure	—	484	—	484
<b>Personal property:</b>				
Equipment	20	538	—	558
<b>Total amortizable right of use assets</b>	<b>21,430</b>	<b>171,931</b>	<b>—</b>	<b>193,361</b>
<b>Less accumulated amortization:</b>				
Land and land improvements	—	(1,856)	—	(1,856)
Buildings and building improvements	—	(13,862)	—	(13,862)
Improvements other than buildings	—	(2,257)	—	(2,257)
Infrastructure	—	(36)	—	(36)
<b>Personal property:</b>				
Equipment	—	(198)	—	(198)
<b>Total accumulated amortization</b>	<b>—</b>	<b>(18,209)</b>	<b>—</b>	<b>(18,209)</b>
<b>Right of use asset, net</b>	<b>\$ 21,430</b>	<b>153,722</b>	<b>—</b>	<b>175,152</b>



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**(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 2083 and provide for renewal options ranging from one year to ten years. In accordance with GASB Statement No. 87, the University records right-to-use 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 were reported as "capital lease obligations" prior to implementation of GASB Statement No. 87.

	<b>Beginning balance</b>	<b>Additions</b>	<b>Remeasurement</b>	<b>Reductions</b>	<b>Ending balance</b>	<b>Current portion</b>
Lease liabilities	\$ 336,081	13,042	(1,666)	(47,568)	299,889	25,787

Future minimum lease payments of the University under lessee arrangements as of June 30, 2022 are as follows:

Fiscal year ending June 30:	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 25,787	7,378	33,165
2024	23,834	6,933	30,767
2025	22,671	6,484	29,155
2026	20,679	6,042	26,721
2027	17,668	5,618	23,286
2028 - 2032	18,765	5,300	24,065
2033 - 2037	41,866	13,283	55,149
2038 - 2042	52,580	15,318	67,898
2043 - 2047	47,932	8,302	56,234
2048 - 2052	18,621	3,307	21,928
Thereafter	9,486	537	10,023
Total	\$ <b>299,889</b>	<b>78,502</b>	<b>378,391</b>

The University's aggregated discretely presented component units' lease liabilities as of June 30, 2022 are as follows:

	<b>Beginning balance</b>	<b>Additions</b>	<b>Remeasurement</b>	<b>Reductions</b>	<b>Ending balance</b>	<b>Current portion</b>
Lease liabilities	\$ 281,383	141,491	269	(182,324)	240,819	21,860

Future minimum lease payments of the University' discretely presented component units under lessee arrangements as of June 30, 2022 are as follows:

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Fiscal year ending June 30:	Principal	Interest	Total
2023	\$ 21,860	7,390	29,250
2024	20,297	5,671	25,968
2025	20,589	5,125	25,714
2026	18,663	4,560	23,223
2027	19,002	4,005	23,007
2028 - 2032	84,260	13,484	97,744
2033 - 2037	43,841	4,102	47,943
2038 - 2042	4,428	1,314	5,742
2043 - 2047	1,236	1,069	2,305
2048 - 2052	544	956	1,500
Thereafter	6,099	3,325	9,424
Total	<b>\$ 240,819</b>	<b>51,001</b>	<b>291,820</b>

**(9) Long-Term Debt Obligations**

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

The General Obligation 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 State's General Obligation 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 General Obligation Bonds carried by the State related to the University projects is approximately \$1,815,868 as of June 30, 2022.

**(b) Systemwide Revenue Bond 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 \$8,760,030 at June 30, 2022. 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 construction 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).

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Systemwide Revenue Bonds 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 sixty (60) days after written notice by bondholders of not less than twenty-five percent (25%) 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.

### **(c) Bond Anticipation Notes**

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 Institute's commercial paper program. The maximum and minimum weighted average interest rates for the year ended June 30, 2022 were 1.40% and 0.06%, respectively. The University's BANs totaled \$115,370 at June 30, 2022. The authorized amounts totaled \$391,695, of which \$276,325 has not been issued and \$115,370 has 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.

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Long-term debt obligations of the University as of June 30, 2022 consisted of the following:

Description	Interest rate percentage	Final maturity date	Original issue amount	Amount outstanding
Systemwide Revenue Bonds:				
Series 2007-B	5.45-5.55	2037/38	\$ 13,165	7,905
Series 2007-C	5.00	2028/29	63,275	16,790
Series 2010-B	5.45-6.48	2041/42	205,145	205,145
Series 2012-A	4.00-5.00	2022/23	436,220	7,525
Series 2012-B	2.79-4.17	2036/37	16,700	13,195
Series 2013-A	3.00-5.00	2026/27	222,340	60,615
Series 2014-A	3.00-5.00	2044/45	106,270	30,300
Series 2015-A	2.25-5.00	2047/48	1,032,920	857,810
Series 2015-B	2.61-4.41	2035/36	29,305	14,220
Series 2016-A	2.50-5.00	2045/46	1,133,105	1,061,775
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	743,620
Series 2017-B	2.11-3.90	2047/48	335,155	330,875
Series 2017-C	3.25-5.00	2037/38	49,175	40,685
Series 2018-A	5.00	2050/51	492,690	475,120
Series 2018-B	2.98-4.25	2050/51	171,000	167,510
Series 2019-A	4.00-5.00	2051/52	449,430	440,110
Series 2019-B	2.00-3.59	2051/52	81,335	76,020
Series 2020-A	5.00	2031/32	65,240	47,075
Series 2020-B	1.49-3.07	2042/43	829,425	823,665
Series 2020-C	2.25 - 5.00	2051/52	314,030	314,030
Series 2020-D	0.35 - 2.82	2042/43	528,575	528,575
Series 2020-E	0.48 - 3.27	2060/61	466,010	466,010
Series 2021-A	3.00-5.00	2052/53	124,235	117,370
Series 2021-B	0.20-2.94	2044/45	1,664,085	1,664,085
			<u>\$ 9,890,860</u>	<u>8,760,030</u>
Bond Anticipation Notes	Various			115,370
Due to State Public Works Board	Various			96,805
Others	Various			96,637
Total				<u>9,068,842</u>
Unamortized net bond premium				581,410
Total long-term debt				<u>9,650,252</u>
Less current portion				(232,066)
Long-term debt, net of current portion				<u>\$ 9,418,186</u>

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

Fiscal year ending June 30:	Principal	Interest
2023	\$ 232,066	331,700
2024	261,523	323,075
2025	269,495	313,652
2026	289,626	304,916
2027	310,875	310,495
2028 - 2032	1,503,790	1,334,872
2033 - 2037	1,486,760	1,036,701
2038 - 2042	1,560,278	736,227
2043 - 2047	1,636,560	415,422
2048 - 2052	1,328,525	135,358
Thereafter	189,344	18,801
	\$ 9,068,842	5,261,219

Long-term debt obligations of the individual 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 their 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, 2022, the Board had approved SRB and BANs that were authorized but unissued in the aggregate principal amount of \$264,240 for projects including academic, infrastructure, housing, and parking facilities. As of June 30, 2022, there are approximately \$96,805 of remaining authorized and unissued debt for the purpose of refunding certain bonds of the SPWB 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 State's State Public Works Board (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 2034.

**(10) Long-Term Debt Refunding**

*Current Year Refunding*

In July 2021, the University issued SRB Series 2021A (Tax Exempt) and 2021B (Taxable), a portion of Series 2021B proceeds was applied for advance refunding a portion of the SRB Series 2013A (Tax Exempt) and a portion of the SRB series 2014A (Tax Exempt). The defeasance will reduce the University's total financing cost by approximately \$105,719

# CALIFORNIA STATE UNIVERSITY

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over the life of the refunded bonds. The economic gain (difference between net present values of the debt service payments on the old debt and new debt) from these transactions was approximately \$94,803. Accordingly, the refunded bonds have been considered defeased and, therefore, removed as a liability from the accompanying financial statements. The total par amount of bonds outstanding as of date of refunding totaled \$727,985 which remained outstanding as of June 30, 2022 .

### *Prior Year Refunding*

In prior years, the University refunded a portion of SRB Series 2011A (Tax Exempt) and 2012A (Tax Exempt) by placing the proceeds from the issuance of SRB Series 2020B (Taxable) and 2020D (Taxable) in an irrevocable trust with the State Treasurer to provide for all future debt service payments on the defeased bonds. The proceeds were used to purchase U.S. federal, state, and local government securities that were placed in escrow accounts. The investments and fixed earnings from the investments are considered sufficient to fully service the refunded debt until the debt is called or matured. Accordingly, the trust account assets and liability for the refunded bonds are not included in the University's financial statements. The amount of refunded bonds outstanding totaled \$377,240 as of June 30, 2022

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

Long-term liabilities activity of the University for the year ended June 30, 2022 was as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Current portion</u>
Accrued compensated absences	\$ 291,301	154,666	(164,601)	281,366	135,884
Long-term debt obligations (note 9):					
Systemwide revenue bonds	7,888,250	1,788,320	(916,540)	8,760,030	203,410
Bond anticipation notes	63,266	114,734	(62,630)	115,370	16,348
State Public Works Board	—	137,350	(40,545)	96,805	—
Other	8,070	99,064	(10,497)	96,637	12,308
	<u>7,959,586</u>	<u>2,139,468</u>	<u>(1,030,212)</u>	<u>9,068,842</u>	<u>232,066</u>
Unamortized net bond premium	669,351	23,528	(111,469)	581,410	—
Total long-term debt obligations	<u>8,628,937</u>	<u>2,162,996</u>	<u>(1,141,681)</u>	<u>9,650,252</u>	<u>232,066</u>
Total long-term liabilities, excluding lease liabilities	<u>\$ 8,920,238</u>	<u>2,317,662</u>	<u>(1,306,282)</u>	<u>9,931,618</u>	<u>367,950</u>
Lease Liabilities				299,889	25,787
Total long-term liabilities				<u>\$ 10,231,507</u>	<u>393,737</u>

Long-term liabilities activity of the aggregated discretely presented component units of the University for the year ended June 30, 2022, was as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Current portion</u>
Accrued compensated absences	\$ 23,105	12,527	(12,346)	23,286	16,744
Claims liability for losses					
and loss adjustment expenses	54,811	48,004	(38,834)	63,981	21,401
Long-term debt obligations:					
Revenue bonds	17,790	—	(1,075)	16,715	1,140
Commercial paper, including principal rollovers	63,266	294,296	(265,724)	91,838	16,348
Notes payable	313,716	97,451	(12,217)	398,950	12,580
Other	87,262	54,657	(57,722)	84,197	12,284
	<u>482,034</u>	<u>446,404</u>	<u>(336,738)</u>	<u>591,700</u>	<u>42,352</u>
Unamortized net bond premium	33,428	5,296	(3,453)	35,271	—
Total long-term debt obligations	<u>515,462</u>	<u>451,700</u>	<u>(340,191)</u>	<u>626,971</u>	<u>42,352</u>
Total long-term liabilities, excluding lease liabilities	<u>\$ 593,378</u>	<u>512,231</u>	<u>(391,371)</u>	<u>714,238</u>	<u>80,497</u>
Lease liabilities				240,819	21,860
				<u>\$ 955,057</u>	<u>102,357</u>

The University has entered into note agreements with certain discretely presented component units to finance existing and newly constructed facilities, using proceeds from issuance of SRB and BANs, for the discretely presented

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component units amounting to \$398,950 included in notes payable and \$48,585 in other long-term debt obligations as of June 30, 2022.

For additional information regarding the long-term liabilities of the individual discretely presented component units of the University, refer to their 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, which includes the State. 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.

#### **(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, 2020, State 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 Comprehensive Annual Financial Report (CAFR) that includes financial statements and required supplementary information. Copies of the CalPERS Actuarial Valuation Report and CAFR 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, 2020 through June 30, 2021.



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**(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, 2021, the average State's active employee contribution rates for State Miscellaneous and Peace Officer and Firefighters Plans are 7.12% and 11.62% of annual payroll, respectively. For the measurement period ended June 30, 2021, the State's contribution rates for State Miscellaneous and Peace Officer and Firefighters Plans are 29.37% and 36.10% of annual payroll, respectively.

State Miscellaneous Plan members of the University are required to contribute 5% 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% of the normal cost for their category (e.g., State Miscellaneous Plan members contribute 7.25% 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% 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% of the normal cost for their category (e.g., State Peace Officers and Firefighters Plan members contribute 12% 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 were as follows:

	<u>University's contributions</u>	
Fiscal year ended June 30:		
2022	\$	963,723
2021		950,935
2020		1,011,518

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, 2022, the outstanding amount to be repaid by the University is \$58,153.

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**(e) Actuarial Methods and Assumptions**

The total pension liability was measured as of June 30, 2021 (measurement date), by rolling forward the total pension liability determined by the June 30, 2020 actuarial valuation (valuation date), based on the following actuarial methods and assumptions:

Valuation date:	June 30, 2020
Actuarial cost method:	Entry age normal in accordance with the requirements of GASB Statement No. 68
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2.50%
Salary increases	Varies by entry age and service
Investment rate of return	7.15%, net of pension plan investment expense but without reduction for administrative expenses including 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 2.50% until purchasing power protection allowance floor on purchasing power applies; 2.50% thereafter

The mortality table used was developed based on CalPERS' specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found at [www.CalPERS.ca.gov](http://www.CalPERS.ca.gov) under Forms and Publications.

**(f) Discount Rate**

The discount rate used to measure the total pension liability was 7.15%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress-tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the plans tested, none of the plan assets were exhausted. Therefore, the current 7.15% discount rate is appropriate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 7.15% is applied to all plans in the PERF. The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test result is presented in the GASB Crossover Testing Report, which can be obtained from [www.CalPERS.ca.gov](http://www.CalPERS.ca.gov) under GASB Statement No. 68 section.

**(g) Investment Rate of Return**

The long-term expected rate of return on pension plan investments of 7.15% was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, but without reduction for administrative expenses, 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, as well as the expected pension fund cash flows. Taking into account historical returns

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of all the PERF's asset classes (which includes the agent plan and two cost-sharing plans), expected compound (geometric) returns were calculated over the short term (first 10 years) and the long term (11– 60 years) using a building-block approach. Using the expected nominal returns for both short term and long term, the present value of benefits was calculated for each PERF fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation used to measure the total pension liability.

Asset class	Current target allocation %	years 1–10 <sup>1</sup> %	years 11+ <sup>2</sup> %
Global equity	50	4.80	5.98
Fixed income	28	1.00	2.62
Inflation assets	—	0.77	1.81
Private equity	8	6.30	7.23
Real estate	13	3.75	4.93
Liquidity	1	—	(0.92)
Total	<u>100</u>		

<sup>1</sup> An expected inflation of 2% used for this period

<sup>2</sup> An expected inflation of 2.92% used for this period

**(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 7.15%, as well as what the net pension liability would be if it were calculated using a discount rate that is one-percentage point lower (6.15%) or one-percentage point higher (8.15%) than the current rate:

Plan	Discount rate -1% (6.15%)	Current discount rate (7.15%)	Discount rate + 1% (8.15%)
Miscellaneous Plan	\$ 9,296,202	5,516,848	2,348,538
Peace Officers and Firefighters Plan	185,517	101,834	33,107
Net pension liability	<u>\$ 9,481,719</u>	<u>5,618,682</u>	<u>2,381,645</u>

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(In thousands)

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

The University reported a liability of \$5,618,682 for its proportionate share of the State's net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined based on an actuarial valuation as of June 30, 2020 rolled forward to the measurement date. 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 State considered this a practical, systematic, and rational approach. At measurement date June 30, 2021, the University's proportionate share of the total State net pension liability for the State Miscellaneous and Peace Officers and Firefighters Plans were 24.75083% and 1.10385%, respectively.

	<b>State Miscellaneous Plan</b>	<b>State Peace Officers and Firefighters Plan</b>	<b>Total</b>
Balance at June 30, 2020 (measurement date)	\$ 8,270,213	149,100	8,419,313
Changes in proportionate share	333,587	6,345	339,932
Balance at June 30, 2020, adjusted	8,603,800	155,445	8,759,245
Changes recognized for the measurement period:			
Service cost	547,558	12,273	559,831
Interest on total pension liability	2,129,370	41,340	2,170,710
Recognized difference between expected and actual experience	155,520	6,465	161,985
Plan to plan resource movement	633	1	634
Employer contributions	(935,194)	(14,471)	(949,665)
Employee contributions	(229,725)	(4,681)	(234,406)
Projected earnings on pension plan assets	(1,521,821)	(29,950)	(1,551,771)
Investment earnings greater than projected earnings	(3,254,866)	(65,013)	(3,319,879)
Administrative expenses	21,574	424	21,998
Net changes	(3,086,951)	(53,612)	(3,140,563)
Balance at June 30, 2021 (measurement date)	\$ 5,516,849	101,833	5,618,682

**(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.

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

The University recognized pension expense of \$470,728 for State Miscellaneous Plan and State Peace Officers and Firefighters Plan, which were reported as benefits expense.

**CALIFORNIA STATE UNIVERSITY**

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June 30, 2022

(In thousands)

The following table presents deferred outflows and inflows of resources as of June 30, 2022. Deferred outflows and inflows of resources are recognized for the difference between expected and actual experience and changes in assumptions. Deferred outflows of resources are recognized for the University's retirement contributions made subsequent to the measurement date of June 30, 2021, which will be recognized as a reduction of the net pension liability in the next measurement date. Net deferred outflows of resources are recognized for the aggregate difference (positive and negative) between projected and actual earnings on pension plan investments arising in different measurement periods.

	Deferred outflows of resources	Deferred inflows of resources
University's retirement contributions subsequent to the measurement date	\$ 963,723	—
Differences due to changes in assumptions	1,108	8,371
Net differences between projected and actual earnings on pension plan investments	—	2,377,239
Differences due to changes in proportionate share	244,195	—
Differences between expected and actual experience	363,238	122
Total	<u>\$ 1,572,264</u>	<u>2,385,732</u>

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

**(i) Schedule of Differences due to Changes in Assumptions**

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)	
			2022	Total
Peace Officers and Firefighters Plan:				
2017	28,797	5.2	1,108	1,108
Increase in pension expense			<u>\$ 1,108</u>	<u>1,108</u>

**CALIFORNIA STATE UNIVERSITY**

Notes to Financial Statements

June 30, 2022

(In thousands)

**(ii) Schedule of Differences between Expected and Actual Experience**

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)				
			2022	2023	2024	2025	Total
Miscellaneous Plan:							
2018	\$ 110,325	4.1	\$ 2,691	—	—	—	2,691
2019	503,051	4.1	122,695	12,270	—	—	134,965
2020	183,770	4.2	43,755	43,755	8,751	—	96,261
2021	155,520	4.3	36,167	36,167	36,167	10,850	119,351
Peace Officers and Firefighters Plan:							
2018	3,909	5	782	—	—	—	782
2019	7,334	5	1,467	1,467	—	—	2,934
2020	1,901	4.8	396	396	317	—	1,109
2021	6,465	4.9	1,319	1,319	1,319	1,188	5,145
Increase in pension expense			<u>\$ 207,953</u>	<u>94,055</u>	<u>45,235</u>	<u>10,850</u>	<u>363,238</u>

**(iii) Schedule of Differences due to Changes in 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 dues to change in proportionate share				
			2022	2023	2024	2025	Total
Miscellaneous Plan:							
2021	\$ 312,344	4.3	\$ 72,638	72,638	72,638	21,791	239,705
Peace Officers and Firefighters Plan:							
2021	5,640	5.1	1,151	1,151	1,151	1,037	4,490
Increase in pension expense			<u>\$ 73,789</u>	<u>73,789</u>	<u>73,789</u>	<u>22,828</u>	<u>244,195</u>

**CALIFORNIA STATE UNIVERSITY**

Notes to Financial Statements

June 30, 2022

(In thousands)

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

**(iv) Schedule of Differences between Projected and Actual Earnings on Pension Plan Investments**

Decrease (increase) in pension expense arising from the recognition of the differences between projected and actual earnings on pension plan investments (measurement dates)

Measurement Period ended June 30	Initial differences*	Recognition period (year)	Decrease (increase) in pension expense arising from the recognition of the differences between projected and actual earnings on pension plan investments (measurement dates)				Total
			2022	2023	2024	2025	
<b>Miscellaneous Plan:</b>							
2018	\$ 226,293	5	\$ 45,259	—	—	—	45,259
2019	(123,125)	5	(24,625)	(24,625)	—	—	(49,250)
2020	(449,376)	5	(89,875)	(89,875)	(89,875)	—	(269,625)
2021	3,254,866	5	650,973	650,973	650,973	650,972	2,603,891
<b>Peace Officers and Firefighters Plan:</b>							
2018	4,115	5.0	823	—	—	—	823
2019	(2,165)	5.0	(433)	(433)	—	—	(866)
2020	(8,341)	5.0	(1,668)	(1,668)	(1,668)	—	(5,004)
2021	65,013	5.0	13,003	13,003	13,003	13,002	52,011
Decrease in pension expense			<u>\$ 593,457</u>	<u>547,375</u>	<u>572,433</u>	<u>663,974</u>	<u>2,377,239</u>

**(v) Schedule of Differences between Expected and Actual Experience**

Decrease in pension expense arising from the recognition of the differences between projected and actual earnings on pension plan investments (measurement dates)

Measurement Period ended June 30	Initial differences*	Recognition period (year)	Decrease in pension expense arising from the recognition of the differences between projected and actual earnings on pension plan investments (measurement dates)	
			2022	Total
<b>Peace Officers and Firefighters Plan:</b>				
2017	\$ 3,163	5.2	\$ 122	122
Decrease in pension expense			<u>\$ 122</u>	<u>122</u>

**CALIFORNIA STATE UNIVERSITY**

Notes to Financial Statements

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(In thousands)

**(vi) Schedule of Differences due to Changes in Assumptions**

Measurement Period ended June 30	Initial differences*	Recognition period (year)	Decrease in pension expense arising from the recognition of the effects of changes in assumptions (measurement dates)	
			2022	Total
Miscellaneous Plan:				
2018	\$ 340,957	4.1	8,316	8,316
Peace Officers and Firefighters Plan:				
2018	277	5	55	55
Decrease in pension expense			<u>8,371</u>	<u>8,371</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.

**(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, which 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	33,242
Active employees	49,146
Total	<u>82,388</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



# CALIFORNIA STATE UNIVERSITY

## Notes to Financial Statements

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(In thousands)

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 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:

**CALIFORNIA STATE UNIVERSITY**

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June 30, 2022

(In thousands)

Valuation date:	June 30, 2021
Actuarial cost method:	Entry Age Normal Actuarial Cost Method and the blended discount rates in accordance with the requirements of GASB Statement No. 74 and 75.
Actuarial assumptions:	
Discount rate	1.92%
Price inflation	2.30%
Wage inflation	2.80%
Healthcare-related:	Assumptions were updated based on the 2018 Experience Review for the Years July 1, 2014, to June 30, 2018, performed by State Actuary and were first adopted beginning with the June 30, 2019 actuarial valuation.
Healthcare trend rate:	
Pre-Medicare cost trend rate	Select and ultimate trend rates were set at actual increases for 2022, 7.50 percent in 2023 grading down to 4.50 percent in 2029, 4.50 percent from 2030 to 2037, and 4.25 percent on after 2038.
Post-Medicare cost trend rate	Select and ultimate trend rates were set at actual increases for 2022, 7.50 percent in 2023 grading down to 4.50 percent in 2029, 4.50 percent from 2030 to 2037, and 4.25 percent on after 2038.
Participation rate	On average approximately 95% of all eligible retirees elect healthcare coverage.
Per capita claim costs	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 are 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.

The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 CalPERS Experience Study and Review of Actuarial Assumptions report (Experience Study), based on CalPERS demographic data from 1997 to 2015. The Experience Study report can be obtained from [www.CalPERS.ca.gov](http://www.CalPERS.ca.gov) under Forms and Publications.

**(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 rates that are one-percentage-point lower of (6.5% decreasing to 3.25%) or one-percentage-point higher (8.5% decreasing to 5.25%) than the current healthcare cost trend rate:

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(In thousands)

	Trend rate -1% (6.5% decreasing to 3.25%)	Current trend rate (7.5% decreasing to 4.25%)	Trend rate + 1% (8.5% decreasing to 5.25%)
Total OPEB liability	\$ 12,986,433	15,434,384	18,613,710

**(f) Discount Rate**

The discount rate used to estimate the total OPEB liability as of measurement dates June 30, 2021 and 2020 was 1.92% and 2.45%, respectively. The discount rates were based on Fidelity Index'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 1.92%, as well as what the total other postemployment benefits liability would be if it were calculated using a discount rate that is one-percentage point lower (0.92%) or one-percentage point higher (2.92%) than the current rate:

	Discount rate -1% (0.92%)	Current discount rate (1.92%)	Discount rate + 1% (2.92%)
Total OPEB liability	\$ 18,191,326	15,434,384	13,221,238

**(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, 2020 (Measurement Date)	\$ 15,323,276
Changes recognized for the measurement period:	
Service cost	768,498
Interest on total OPEB liability	389,155
Recognized changes of assumptions	437,934
Differences between expected and actual experience (non-investment)	(1,066,155)
Employer contribution	(418,324)
Net changes	111,108
Balance at June 30, 2021 (Measurement Date)	\$ 15,434,384

**CALIFORNIA STATE UNIVERSITY**

Notes to Financial Statements

June 30, 2022

(In thousands)

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

The University recognized OPEB expense of \$708,171 which was reported as benefits expense.

The following table presents deferred outflows and inflows of resources. Deferred outflows of resources are recognized for the University's retirement contributions made subsequent to the measurement date of June 30, 2021 which will be recognized as a reduction of total OPEB liability on the subsequent measurement date. The deferred inflows of resources are recognized for the change in assumptions.

	Deferred outflows of resources	Deferred inflows of resources
University's contributions subsequent to the measurement date	\$ 400,463	—
Differences due to changes in assumptions	1,243,765	681,505
Differences between expected and actual experience (non-investment)	—	1,809,109
Total	<u>\$ 1,644,228</u>	<u>2,490,614</u>

The University's contributions subsequent to the measurement date includes \$389,094 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 due to changes in assumptions will be recognized as OPEB expense as follows:

Measurement Period ended June 30	Initial difference	Recognition period (year)	Increase in OPEB expenses from changes of assumptions (measurement dates)							Total
			2022	2023	2024	2025	2026	2027	2028	
2019	\$ 751,688	7.25	\$ 103,631	103,631	103,631	103,631	26,271	—	—	440,795
2020	585,190	7.30	80,110	80,110	80,110	80,110	80,110	24,420	—	424,970
2021	437,934	7.31	59,934	59,934	59,934	59,934	59,934	59,934	18,396	378,000
Increase in OPEB expenses			<u>\$ 183,741</u>	<u>183,741</u>	<u>183,741</u>	<u>183,741</u>	<u>166,315</u>	<u>84,354</u>	<u>18,396</u>	<u>1,243,765</u>

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

Measurement Period ended June 30	Initial difference	Recognition period (year)	Decrease in OPEB expenses arising from changes in assumptions (measurement dates)				Total
			2022	2023	2024	2025	
2017	\$ 1,663,194	6.86	\$ 242,299	209,400	—	—	451,699
2018	519,714	7.17	72,477	72,477	72,477	12,375	229,806
Decrease in OPEB expenses			<u>\$ 314,776</u>	<u>281,877</u>	<u>72,477</u>	<u>12,375</u>	<u>681,505</u>

**CALIFORNIA STATE UNIVERSITY**

Notes to Financial Statements

June 30, 2022

(In thousands)

**Decrease in OPEB expenses arising from differences between expected and actual  
experience (non investment)  
(measurement dates)**

Measurement Period ended June 30	Initial difference	Recognition period (year)	2022	2023	2024	2025	2026	2027	2028	Total
2018	\$ 1,111,239	7.17	\$ 154,968	154,968	154,968	26,463	—	—	—	491,367
2019	94,145	7.25	12,979	12,979	12,979	12,979	3,292	—	—	55,208
2020	471,337	7.30	64,524	64,524	64,524	64,524	64,524	19,669	—	342,289
2021	1,066,155	7.31	145,910	145,910	145,910	145,910	145,910	145,910	44,785	920,245
Decrease in OPEB expenses			<u>\$ 378,381</u>	<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>1,809,109</u>

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

The composition of deferred outflows and inflows of resources at June 30, 2022 is summarized as follows:

	Deferred outflows of resources	Deferred inflows of resources
Related to:		
Net pension liability (note 12)	\$ 1,572,264	2,385,732
Total other postemployment benefits liability (note 13)	1,644,228	2,490,614
Unamortized loss on SRB debt refunding	95,579	—
Unamortized gain on SRB debt refunding	—	4,262
Nonexchange transactions	—	908
Leases	—	234,390
Others	25	—
<b>Total</b>	<u>\$ 3,312,096</u>	<u>5,115,906</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, 2022. 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, 2022.

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.

# CALIFORNIA STATE UNIVERSITY

## Notes to Financial Statements

June 30, 2022

(In thousands)

### **(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.

Authorized but unexpended costs for construction projects as of June 30, 2022 totaled \$934,164. 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 \$38,601 of electricity at fixed prices through December 2023. The University estimates that the special purchase contract in place represent approximately 42.40% 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. For the year ended June 30, 2022, operating expenses by natural classification consisted of the following:

**CALIFORNIA STATE UNIVERSITY**

Notes to Financial Statements

June 30, 2022

(In thousands)

	<u>Salaries</u>	<u>Benefits</u>	<u>Scholarships and fellowships expense</u>	<u>Supplies and other services</u>	<u>Depreciation and amortization</u>	<u>Total operating expenses</u>
Instruction	\$ 2,168,499	1,216,098	—	192,829	—	3,577,426
Research	32,321	11,141	—	20,421	—	63,883
Public service	23,476	(1,610)	—	12,520	—	34,386
Academic support	449,395	256,738	—	231,875	—	938,008
Student services	484,873	274,085	—	455,587	—	1,214,545
Institutional support	464,135	315,905	—	456,857	—	1,236,897
Operation and maintenance of plant	244,496	89,293	—	468,680	—	802,469
Student grants and scholarships	—	—	1,706,130	—	—	1,706,130
Auxiliary enterprise expenses	91,832	(47,537)	—	360,106	—	404,401
Depreciation and amortization	—	—	—	—	616,502	616,502
<b>Total</b>	<b>\$ 3,959,027</b>	<b>2,114,113</b>	<b>1,706,130</b>	<b>2,198,875</b>	<b>616,502</b>	<b>10,594,647</b>

**(18) Transactions with Related Entities**

The University is an agency of the State and receives approximately 44.88% of total revenues through state appropriations. State appropriations allocated to the University aggregated \$5,596,626 for the year ended June 30, 2022. State appropriations receivable is \$3,116 at June 30, 2022.

State appropriations allocated to the University for the year ended June 30, 2022, consisted of the following:

	<u>2022</u>
State appropriations, general fund	\$ 5,207,394
State's contribution on behalf of the University for OPEB	389,094
State appropriation, noncapital	5,596,488
State appropriations, capital	138
<b>Total state appropriations</b>	<b>\$ 5,596,626</b>

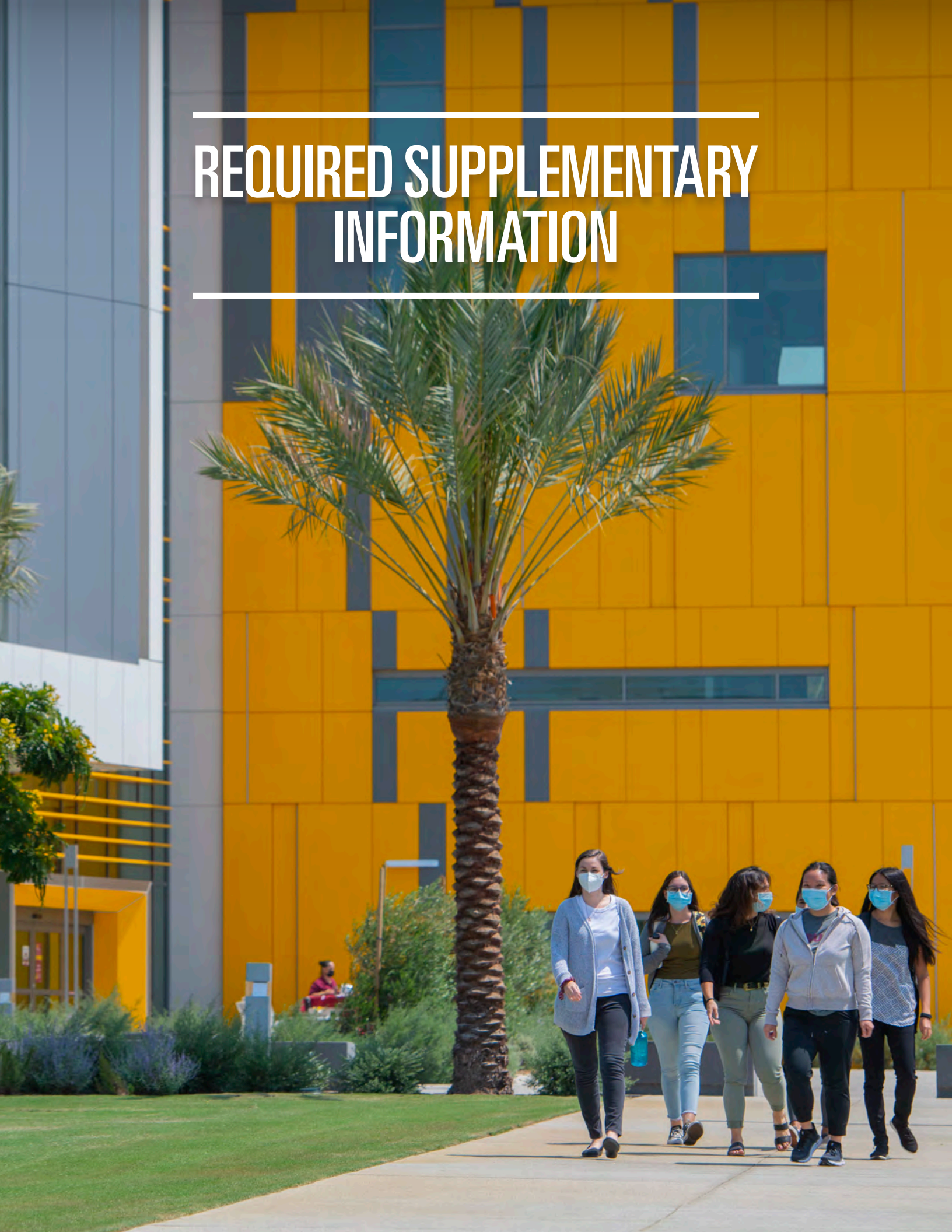
**(19) Subsequent Events**

In January 2023, the University issued BAN amounting to \$14,315 for the Science Replacement Building at San Francisco State University.

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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, 2022

(In thousands)

*Last Ten Fiscal Years<sup>(1)</sup>*

<b>State of California Miscellaneous Plan</b>	<b>2021<sup>(2)</sup></b>	<b>2020<sup>(2)</sup></b>	<b>2019<sup>(2)</sup></b>	<b>2018<sup>(2)</sup></b>	<b>2017<sup>(2)</sup></b>	<b>2016<sup>(2)</sup></b>	<b>2015<sup>(2)</sup></b>	<b>2014<sup>(2)</sup></b>
University's proportion of the net pension liability	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	\$ 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	\$ 3,441,594	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	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	82.39493 %	71.51054 %	71.34328 %	71.82994 %	66.41644 %	66.81100 %	70.68274 %	74.17418 %

**State of California Peace Officers and Firefighters Plan**

University's proportion of the net pension liability	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	\$ 101,834	149,100	168,535	163,075	176,894	158,599	124,994	102,216
University's proportionate share of covered payroll	\$ 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	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	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, 2022  
 (In thousands)

*Last Ten Fiscal Years<sup>(1)</sup>*

<b>State of California Miscellaneous Plan</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Actuarially determined contribution	\$ 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	(950,453)	(936,487)	(992,004)	(909,834)	(839,367)	(740,571)	(644,679)	(589,385)
Contribution deficiency (excess)	<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	\$ 3,241,442	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	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	\$ 12,465	19,601	19,512	\$ 18,374	17,762	15,858	14,027	11,737
Contributions in relation to the actuarially determined contributions	(13,270)	(14,448)	(19,514)	(19,153)	(18,442)	(16,600)	(14,647)	(13,610)
Contribution deficiency (excess)	<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	\$ 39,966	40,060	41,342	\$ 42,022	41,696	39,372	37,568	33,363
Contributions as a percentage of covered payroll	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.

**CALIFORNIA STATE UNIVERSITY**  
 Schedule of Employer Contributions Related to Pension  
 Year ended June 30, 2022

**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, 2020 Funding Valuation Report.
Asset valuation method	Actuarial Value of Assets. For details, see June 30, 2020 Funding Valuation Report.
Inflation	2.5%
Salary increases	Varies by entry age and duration of service
Payroll growth	2.75%
Investment rate of return	7%, net of pension plan investment and administrative expenses; includes inflation.
Retirement age	The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details, please refer to the 2017 CalPERS Experience Study and Review of Actuarial Assumptions report.
Significant factors affecting contribution rates	For details, see June 30, 2020 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, 2022

(In thousands)

Last Ten Fiscal Years <sup>(1)</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	15,323,276	14,498,545	\$ 13,128,996	13,918,525	14,683,420
Changes recognized for the measurement period:					
Service cost	768,498	643,745	603,049	680,934	795,696
Interest on total other postemployment benefits liability	389,155	467,733	490,260	513,512	436,431
Recognized changes of assumptions	437,934	585,190	751,688	(519,714)	(1,663,194)
(Non-Investment)	(1,066,155)	(471,337)	(94,145)	(1,111,239)	—
Employer contributions	(418,324)	(400,600)	(381,303)	(353,022)	(333,828)
Net changes	111,108	824,731	1,369,549	(789,529)	(764,895)
University's total other postemployment benefits liability at end of the year	15,434,384	15,323,276	\$ 14,498,545	13,128,996	13,918,525
University's covered payroll	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	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, 2022

(In thousands)

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

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

**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

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 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

2.3%

## Payroll growth

2.80%

## Retirement age

The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.

## Mortality

The mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board. The pre-retirement and postretirement mortality assumptions include generational mortality improvement and the rates are projected using 80 percent 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, 2022

(In thousands)

Gross revenues:	
Tuition fees	\$ 3,364,117
Student housing	594,671
Student unions/recreation centers	267,225
Parking	80,390
Health centers	9,450
Professional and continuing education	427,045
Auxiliary organizations <sup>1</sup>	607,007
Other related entity <sup>2</sup>	5,728
Total gross revenues	<u>5,355,633</u>
Maintenance and operation expenses <sup>3</sup> :	
Academic facilities	491,755
Student housing	360,565
Student unions/recreation centers	140,809
Parking	33,320
Health centers	3,598
Professional and continuing education	373,482
Auxiliary organizations <sup>1</sup>	489,025
Total maintenance and operation expenses	<u>1,892,554</u>
Net income available for debt service	<u>\$ 3,463,079</u>
Debt service:	
Systemwide revenue bonds debt	\$ 487,613
Designated auxiliary organizations debt	2,007
Total debt service	<u>\$ 489,620</u>

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.

- (1) 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.
- (2) 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.
- (3) Maintenance and operation expenses for the year ended June 30, 2022 include extraordinary maintenance and repair projects, which are generally paid from existing program fund balance of \$105 million, other postemployment benefits expense of \$708.17 million pursuant to GASB Statement No. 75, and pension expense of \$12.2 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, 2022

	(In thousands)						
	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>
California State University, Bakersfield	\$ 4,852	5,639	(787)	500	496	276	56%
California State University Channel Islands	16,303	13,904	2,399	1,529	1,526	1,116	73%
California State University, Chico	23,610	(4,726)	28,336	2,239	2,308	1,922	83%
California State University, Dominguez Hills	5,179	3,324	1,855	1,155	1,023	580	57%
California State University, East Bay	12,895	6,820	6,075	1,296	1,634	970	59%
California State University, Fullerton	27,984	12,024	15,960	1,918	2,040	1,974	97%
California State Polytechnic University, Humboldt	24,943	18,311	6,632	2,069	2,095	1,426	68%
California State University, Long Beach	38,974	27,567	11,408	2,296	2,507	2,376	95%
California State University, Los Angeles	18,267	10,031	8,236	2,570	2,565	1,474	57%
California State University Maritime Academy	8,527	3,544	4,984	823	823	701	85%
California State University, Northridge	19,833	4,824	15,009	3,623	3,440	2,365	69%
California State Polytechnic University, Pomona	38,821	20,805	18,016	2,862	2,884	2,263	78%
California State University, Sacramento	24,243	15,384	8,859	2,088	2,172	1,737	80%
California State University, San Bernardino	7,133	3,562	3,571	1,934	1,475	743	50%
San Diego State University <sup>(5)</sup>	102,951	70,597	32,355	6,354	6,139	5,969	97%
San Francisco State University <sup>(6)</sup>	59,112	37,097	22,015	4,552	4,332	3,180	73%
San José State University	57,107	44,840	12,267	3,740	4,261	3,665	86%
California Polytechnic State University, San Luis Obispo	85,651	34,695	50,955	7,755	8,187	7,988	98%
Sonoma State University <sup>(7)</sup>	28,964	14,877	14,086	3,244	3,389	2,023	60%
California State University, Stanislaus	4,234	4,220	14	460	470	285	61%
	\$ 609,583	347,339	262,245	53,007	53,766	43,033	80%
Interest loss	(14,912)	—	(14,912)				
Total	\$ 594,671	347,339	247,333				



**CALIFORNIA STATE UNIVERSITY**

Systemwide Revenue Bond Program's Residence and Dining Halls Operating Data by Campus <sup>(1)</sup>  
 Year ended June 30, 2022

	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	\$ 7,500	9,000	12,600						
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	8,608				
California State University, Dominguez Hills	11,235	9,630	8,828	12,305	9,095				
California State University, East Bay		9,723		11,632	10,111				
California State University, Fullerton		12,918	11,318	13,764	10,386				
California State Polytechnic University, Humboldt	8,216	6,638	4,938	8,216	6,638				
California State University, Long Beach	9,590	8,590	7,590				10,590		
California State University, Los Angeles	12,574	9,712	8,502	13,669	10,558	8,501	11,908		
California State University Maritime Academy	8,250	6,342							
California State University, Northridge				12,449	7,316			7,050	
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	7,644	7,644		10,352		11,272	9,652		
San Diego State University (5)	14,744	12,824	11,136						
San Francisco State University <sup>(6)</sup>		10,134		10,872	9,720	10,656			
San José State University	10,328	9,062	7,601	14,457	11,492	10,456	17,198	11,467	10,022
California Polytechnic State University, San Luis Obispo		9,642	9,159	12,465	11,331				
Sonoma State University <sup>(7)</sup>	10,634	7,798	5,689	12,731	8,773	5,958			
California State University, Stanislaus	7,895	6,970	4,813	8,409	6,790				
Average annual rates	\$ 10,013	9,115	8,160	11,755	9,345	9,369	11,705	9,471	10,022

<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, which was impacted by the COVID-19 pandemic.

<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> Includes housing facilities owned and operated by the campus housing program and Auxiliary Organization.

<sup>(6)</sup> The operational capacity does not include 1,914 apartment units, of which 1,417 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 \$2,250 and \$4,325.

<sup>(7)</sup> The operational capacity does not include 103 apartment units, of which 93 units were occupied by faculty and staff.

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY

## Systemwide Revenue Bond Program's Statement of Insurance Coverage

Year ended June 30, 2022

(In thousands)

Expiration date <sup>(1)</sup>	Insurance Coverage	Coverage Limit	Insurance Company	Policy number
<b>Property Insurance</b>				
July 1, 2022	CSU Master Property Policy, "All Risk" Building, Equipment, Rental Income (excluding earthquake)	\$1,000,000 per occurrence	Alliant Property Insurance Program	Multiple
July 1, 2022	CSU Master Property Policy, Boiler & Machinery	100,000	Alliant Property Insurance Program	Multiple
<b>General Liability Insurance</b>				
July 1, 2022	Bodily Injury & Property Damage Liability (Primary)	10,000	CSU Risk Management Authority (self-insured portion)	CSURMA-LIAB-2122
July 1, 2022	Bodily Injury & Property Damage Liability (Reinsurance)	2,000 xs 8,000	SiriusPoint Bermuda Insurance Co. Ltd (Arcadian)	ARGL98072021
July 1, 2022	Bodily Injury & Property Damage Liability (Reinsurance)	3,000 xs 5,000	Continental Indemnity (Applied)/Upland	CI21NPX-01046-01 USXPE0021521
July 1, 2022	Bodily Injury & Property Damage Liability (Reinsurance)	4,500 xs 500	Great American Insurance Company	1827309
July 1, 2022	Bodily Injury & Property Damage Liability (Reinsurance)	5,000 xs 10,000	Everest Reinsurance Company	FC10044208-2021
July 1, 2022	Bodily Injury & Property Damage Liability (Excess)	10,000 xs 15,000	Allied World National Assurance Company	0312-4050
July 1, 2022	Bodily Injury & Property Damage Liability (Excess)	5,000 xs 25,000	Liberty Surplus Insurance Corporation	1000479134-01
July 1, 2022	Bodily Injury & Property Damage Liability (Excess)	5,000 xs 30,000	Hallmark Specialty Insurance Company	77PEF210136
July 1, 2022	Bodily Injury & Property Damage Liability (Excess)	10,000 xs 35,000	Gemini Insurance Company	CEX09600368-08
July 1, 2022	Bodily Injury & Property Damage Liability (Excess)	5,000 xs 45,000	Hamilton Re	CX21-6549
July 1, 2022	Bodily Injury & Property Damage Liability (Excess)	5,000 xs 50,000	Group Ark Insurance Limited	YLZ21-00302
July 1, 2022	Bodily Injury & Property Damage Liability (Excess)	5,000 xs 55,000	Howden Insurance Brokers Limited/Arcadian	B0180PN2105698
July 1, 2022	Bodily Injury & Property Damage Liability (Excess)	25,000 xs 60,000	Multiple	Multiple
July 1, 2022	Bodily Injury & Property Damage Liability (Excess)	15,000 xs 85,000	Multiple	Multiple
July 1, 2022	Bodily Injury & Property Damage Liability (Excess)	30,000 xs 100,000	Multiple	Multiple
July 1, 2022	Bodily Injury & Property Damage Liability (Excess)	30,000 xs 130,000	Multiple	Multiple
July 1, 2022	Bodily Injury & Property Damage Liability (Excess)	65,000 xs 160,000	Multiple	Multiple
<b>Workers' Compensation and Employer's Liability Insurance:</b>				
July 1, 2022	Workers' Compensation and Employer's Liability	2,500	PRISM	PRISM-PE 21 EWC-143
July 1, 2022	Workers' Compensation and Employer's Liability	in excess of 2,500 up to California Workers' Compensation Statutes	Safety National Casualty Corporation	SP 4064889

<sup>(1)</sup> Additional insurance policies are maintained for the period from July 1, 2022 through July 1, 2023. 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, 2022

(In thousands)

Assets	Campus	Discretely presented component units	Total
<b>Current assets:</b>			
Cash and cash equivalents	\$ 107	22,209	22,316
Short-term investments	107,841	—	107,841
Accounts receivable, net	9,099	2,669	11,768
Lease receivables, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	3,151	3,151
Prepaid expenses and other current assets	220	1	221
Total current assets	<u>117,267</u>	<u>28,030</u>	<u>145,297</u>
<b>Noncurrent assets:</b>			
Restricted cash and cash equivalents	—	—	—
Accounts receivable, net	125	—	125
Lease receivables, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	1,055	—	1,055
Pledges receivable, net	—	4,748	4,748
Endowment investments	—	32,218	32,218
Other long-term investments	26,097	1,550	27,647
Capital assets, net	144,963	1,163	146,126
Other assets	10	3	13
Total noncurrent assets	<u>172,250</u>	<u>39,682</u>	<u>211,932</u>
Total assets	<u>289,517</u>	<u>67,712</u>	<u>357,229</u>
<b>Deferred Outflows of Resources</b>			
Deferred outflows of resources	<u>76,901</u>	<u>—</u>	<u>76,901</u>
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Accounts payable	4,563	2,152	6,715
Accrued salaries and benefits	10,524	224	10,748
Accrued compensated absences, current portion	2,782	59	2,841
Unearned revenues	1,478	785	2,263
Lease liabilities, current portion	82	—	82
Long-term debt obligations, current portion	1,387	—	1,387
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	19	—	19
Other liabilities	2,104	2,446	4,550
Total current liabilities	<u>22,939</u>	<u>5,666</u>	<u>28,605</u>
<b>Noncurrent liabilities:</b>			
Accrued compensated absences, net of current portion	4,069	—	4,069
Unearned revenues	—	—	—
Grants refundable	1,353	—	1,353
Lease liabilities, net of current portion	165	—	165
Long-term debt obligations, net of current portion	46,666	—	46,666
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	320,348	766	321,114
Net pension liability	128,620	—	128,620
Other liabilities	4	—	4
Total noncurrent liabilities	<u>501,225</u>	<u>766</u>	<u>501,991</u>
Total liabilities	<u>524,164</u>	<u>6,432</u>	<u>530,596</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflows of resources	<u>106,354</u>	<u>—</u>	<u>106,354</u>
<b>Net Position</b>			
<b>Net position:</b>			
Net investment in capital assets	98,292	1,163	99,455
Restricted for:			
Nonexpendable – endowments	—	26,976	26,976
Expendable:			
Scholarships and fellowships	144	5,626	5,770
Research	—	—	—
Loans	240	—	240
Capital projects	5,416	—	5,416
Debt service	10	—	10
Others	3,816	18,650	22,466
Unrestricted	(372,018)	8,865	(363,153)
Total net position	<u>\$ (264,100)</u>	<u>61,280</u>	<u>(202,820)</u>

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, BAKERSFIELD

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

Year ended June 30, 2022

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
<b>Revenues:</b>				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$49,402)	\$ 38,806	—	—	38,806
Grants and contracts, noncapital:				
Federal	774	7,795	—	8,569
State	61	642	—	703
Local	—	112	—	112
Nongovernmental	746	128	—	874
Sales and services of educational activities	1,719	—	(16)	1,703
Sales and services of auxiliary enterprises (net of scholarship allowances of \$740)	5,049	—	—	5,049
Other operating revenues	1,660	15,564	(32)	17,192
Total operating revenues	<u>48,815</u>	<u>24,241</u>	<u>(48)</u>	<u>73,008</u>
<b>Expenses:</b>				
Operating expenses:				
Instruction	80,836	1,505	(3)	82,338
Research	221	2,721	(201)	2,741
Public service	267	705	(35)	937
Academic support	21,691	6,977	(168)	28,500
Student services	30,732	9,696	(1,058)	39,370
Institutional support	29,406	6,841	(5,050)	31,197
Operation and maintenance of plant	16,826	—	—	16,826
Student grants and scholarships	52,556	4,214	—	56,770
Auxiliary enterprise expenses	4,050	1,020	—	5,070
Depreciation and amortization	11,368	240	—	11,608
Total operating expenses	<u>247,953</u>	<u>33,919</u>	<u>(6,515)</u>	<u>275,357</u>
Operating loss	<u>(199,138)</u>	<u>(9,678)</u>	<u>6,467</u>	<u>(202,349)</u>
<b>Nonoperating revenues (expenses):</b>				
State appropriations, noncapital	121,617	—	—	121,617
Federal financial aid grants, noncapital	30,839	—	—	30,839
State financial aid grants, noncapital	24,661	—	—	24,661
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	41,659	—	—	41,659
Gifts, noncapital	1,365	7,886	(186)	9,065
Investment loss, net	(7,495)	(863)	—	(8,358)
Endowment loss, net	—	(3,985)	—	(3,985)
Interest expense	(1,457)	—	—	(1,457)
Other nonoperating revenues (expenses)	8,885	(207)	—	8,678
Net nonoperating income	<u>220,074</u>	<u>2,831</u>	<u>(186)</u>	<u>222,719</u>
Income (loss) before other revenues	<u>20,936</u>	<u>(6,847)</u>	<u>6,281</u>	<u>20,370</u>
State appropriations, capital	—	—	—	—
Grants and gifts, capital	7,754	—	(6,281)	1,473
Additions to permanent endowments	—	2,973	—	2,973
Increase (decrease) in net position	<u>28,690</u>	<u>(3,874)</u>	<u>—</u>	<u>24,816</u>
<b>Net position:</b>				
Net position at beginning of year	(292,790)	65,154	—	(227,636)
Net position at end of year	<u>\$ (264,100)</u>	<u>61,280</u>	<u>—</u>	<u>(202,820)</u>

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, BAKERSFIELD

## Statement of Cash Flows

Year ended June 30, 2022

(In thousands)

	<u>Campus</u>
<b>Cash flows from operating activities:</b>	
Student tuition and fees	\$ 39,744
Federal grants and contracts	310
State grants and contracts	59
Local grants and contracts	—
Nongovernmental grants and contracts	132
Payments to suppliers	(37,547)
Payments to employees	(91,259)
Payments for benefits	(44,756)
Payments to students	(52,576)
Collections of student loans	24
Sales and services of educational activities	1,719
Sales and services of auxiliary enterprises	4,420
Other receipts	2,749
Net cash used in operating activities	<u>(176,981)</u>
<b>Cash flows from noncapital financing activities:</b>	
State appropriations	113,636
Federal financial aid grants	30,839
State financial aid grants	24,661
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	44,327
Gifts and grants received for other than capital purposes	1,365
Federal loan program receipts	25,245
Federal loan program disbursements	(24,983)
Monies received on behalf of others	590
Monies disbursed on behalf of others	(1,141)
Transfers to escrow agent	—
Proceeds from long-term debt	—
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	7,665
Net cash provided by noncapital financing activities	<u>222,204</u>
<b>Cash flows from capital and related financing activities:</b>	
Proceeds from capital debt	28,360
State appropriations	—
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	5,626
Proceeds from sale of capital assets	106
Acquisition of capital assets	(9,220)
Transfers to escrow agent	(28,269)
Principal paid on capital debt and leases	(1,549)
Interest paid on capital debt and leases	(1,843)
Principal collection on leases receivable	—
Interest collection on leases receivable	—
Net cash used in capital and related financing activities	<u>(6,789)</u>

## CALIFORNIA STATE UNIVERSITY, BAKERSFIELD

## Statement of Cash Flows

Year ended June 30, 2022

(In thousands)

	<u>Campus</u>
<b>Cash flows from investing activities:</b>	
Proceeds from sales of investments	\$ 323,346
Purchases of investments	(364,413)
Investment income proceeds	2,415
Net cash used in investing activities	(38,652)
Net decrease in cash and cash equivalents	(218)
Cash and cash equivalents at beginning of year	325
Cash and cash equivalents at end of year	\$ 107
<b>Summary of cash and cash equivalents at end of year:</b>	
Cash and cash equivalents	\$ 107
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	\$ 107
<b>Reconciliation of operating loss to net cash used in operating activities:</b>	
Operating loss	\$ (199,138)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	11,368
Change in assets and liabilities:	
Accounts receivable, net	1,181
Student loans receivable, net	(7)
Pledges receivable, net	—
Prepaid expenses and other current assets	23
Other assets	(10)
Deferred outflows of resources	(1,587)
Accounts payable	(942)
Accrued salaries and benefits	(289)
Accrued compensated absences	(244)
Unearned revenues	(1,242)
Depository accounts	—
Total other postemployment benefits liability	8,584
Net pension liability	(57,150)
Other liabilities	1,179
Deferred inflows of resources	61,293
Net cash used in operating activities	\$ (176,981)
<b>Supplemental schedule of noncash transactions:</b>	
Change in unrealized gain (loss) of investment	\$ (9,910)
State's contribution for OPEB	7,981
Change in capital assets due to implementation of GASB 87	329
Acquisition of capital asset through long-term debt obligations	—
Other assets paid through long-term debt	—

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, BAKERSFIELD

## Transactions with Related Entities

Year ended June 30, 2022

(In thousands)

	<b>Campus</b>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 2,923
Payments from discretely presented component units for other than salaries	13,054
Payments to discretely presented component units for services, space, and programs	5,646
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	—
Accounts receivable from discretely presented component units	3,226
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(772)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	167
Payments to the Office of the Chancellor for state pro rata charges	49
Accounts receivable from the Office of the Chancellor	1,179
Accounts payable to the Office of the Chancellor	—
Accounts receivable from campuses other than the Office of the Chancellor	2
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery allocation received	971
Other interagency payments (receipts) for services, space, and programs	(119)

See accompanying independent auditors' report.



## CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS

Schedule 8

## Statement of Net Position

June 30, 2022

(In thousands)

Assets	Campus	Discretely presented component units	Total
<b>Current assets:</b>			
Cash and cash equivalents	\$ 3	9,135	9,138
Short-term investments	165,902	1,786	167,688
Accounts receivable, net	7,001	2,123	9,124
Lease receivables, current portion	2,135	—	2,135
Notes receivable, current portion	2,290	—	2,290
Pledges receivable, net	—	29,664	29,664
Prepaid expenses and other current assets	1,455	80	1,535
Total current assets	<u>178,786</u>	<u>42,788</u>	<u>221,574</u>
<b>Noncurrent assets:</b>			
Restricted cash and cash equivalents	—	20,236	20,236
Accounts receivable, net	—	—	—
Lease receivables, net of current portion	34,940	—	34,940
Notes receivable, net of current portion	51,070	161	51,231
Student loans receivable, net	17	—	17
Pledges receivable, net	—	981	981
Endowment investments	—	21,140	21,140
Other long-term investments	1,247	21,490	22,737
Capital assets, net	361,921	37,285	399,206
Other assets	8,788	—	8,788
Total noncurrent assets	<u>457,983</u>	<u>101,293</u>	<u>559,276</u>
Total assets	<u>636,769</u>	<u>144,081</u>	<u>780,850</u>
<b>Deferred Outflows of Resources</b>			
Deferred outflows of resources	<u>53,212</u>	<u>5,571</u>	<u>58,783</u>
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Accounts payable	6,414	1,923	8,337
Accrued salaries and benefits	1,259	72	1,331
Accrued compensated absences, current portion	2,129	104	2,233
Unearned revenues	3,659	317	3,976
Lease liabilities, current portion	33	2,219	2,252
Long-term debt obligations, current portion	7,065	2,304	9,369
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	—	138	138
Other liabilities	2,862	857	3,719
Total current liabilities	<u>23,421</u>	<u>7,934</u>	<u>31,355</u>
<b>Noncurrent liabilities:</b>			
Accrued compensated absences, net of current portion	3,194	68	3,262
Unearned revenues	—	—	—
Grants refundable	—	—	—
Lease liabilities, net of current portion	340	35,304	35,644
Long-term debt obligations, net of current portion	199,737	51,217	250,954
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	217,124	—	217,124
Net pension liability	105,370	—	105,370
Other liabilities	—	—	—
Total noncurrent liabilities	<u>525,765</u>	<u>86,589</u>	<u>612,354</u>
Total liabilities	<u>549,186</u>	<u>94,523</u>	<u>643,709</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflows of resources	<u>116,517</u>	<u>—</u>	<u>116,517</u>
<b>Net Position</b>			
<b>Net position:</b>			
Net investment in capital assets	210,671	2,733	213,404
Restricted for:			
Nonexpendable – endowments	—	16,295	16,295
Expendable:			
Scholarships and fellowships	—	3,823	3,823
Research	—	473	473
Loans	44	—	44
Capital projects	41	16,497	16,538
Debt service	13	3,330	3,343
Others	1,715	26,089	27,804
Unrestricted	(188,206)	(14,111)	(202,317)
Total net position	<u>\$ 24,278</u>	<u>55,129</u>	<u>79,407</u>

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS

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

Year ended June 30, 2022

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
<b>Revenues:</b>				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$22,960)	\$ 28,390	—	—	28,390
Grants and contracts, noncapital:				
Federal	4,009	—	—	4,009
State	1,194	—	—	1,194
Local	76	—	—	76
Nongovernmental	446	—	20	466
Sales and services of educational activities	106	—	—	106
Sales and services of auxiliary enterprises (net of scholarship allowances of \$1,022)	16,922	—	—	16,922
Other operating revenues	6,960	16,531	—	23,491
Total operating revenues	<u>58,103</u>	<u>16,531</u>	<u>20</u>	<u>74,654</u>
<b>Expenses:</b>				
Operating expenses:				
Instruction	51,837	568	5	52,410
Research	2,784	74	—	2,858
Public service	661	15	—	676
Academic support	27,848	409	27	28,284
Student services	15,787	1,713	—	17,500
Institutional support	21,446	1,233	—	22,679
Operation and maintenance of plant	12,839	—	—	12,839
Student grants and scholarships	25,363	918	—	26,281
Auxiliary enterprise expenses	15,164	10,978	—	26,142
Depreciation and amortization	16,420	2,757	—	19,177
Total operating expenses	<u>190,149</u>	<u>18,665</u>	<u>32</u>	<u>208,846</u>
Operating loss	<u>(132,046)</u>	<u>(2,134)</u>	<u>(12)</u>	<u>(134,192)</u>
<b>Nonoperating revenues (expenses):</b>				
State appropriations, noncapital	115,399	—	—	115,399
Federal financial aid grants, noncapital	16,330	—	—	16,330
State financial aid grants, noncapital	13,727	—	—	13,727
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	51	—	51
Other federal nonoperating grants, noncapital	19,646	—	—	19,646
Gifts, noncapital	50	34,994	—	35,044
Investment loss, net	(5,983)	(3,406)	—	(9,389)
Endowment loss, net	—	(1,222)	—	(1,222)
Interest expense	(6,823)	(2,534)	—	(9,357)
Other nonoperating revenues	8,558	2,382	—	10,940
Net nonoperating income	<u>160,904</u>	<u>30,265</u>	<u>—</u>	<u>191,169</u>
Income before other revenues	<u>28,858</u>	<u>28,131</u>	<u>(12)</u>	<u>56,977</u>
State appropriations, capital	—	—	—	—
Grants and gifts, capital	12	—	12	24
Additions to permanent endowments	—	7,210	—	7,210
Increase in net position	<u>28,870</u>	<u>35,341</u>	<u>—</u>	<u>64,211</u>
<b>Net position:</b>				
Net position at beginning of year	(4,592)	19,788	—	15,196
Net position at end of year	<u>\$ 24,278</u>	<u>55,129</u>	<u>—</u>	<u>79,407</u>

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS

## Statement of Cash Flows

Year ended June 30, 2022

(In thousands)

	<u>Campus</u>
<b>Cash flows from operating activities:</b>	
Student tuition and fees	\$ 27,459
Federal grants and contracts	4,099
State grants and contracts	1,125
Local grants and contracts	114
Nongovernmental grants and contracts	665
Payments to suppliers	(38,754)
Payments to employees	(75,812)
Payments for benefits	(34,909)
Payments to students	(25,387)
Collections of student loans	4
Sales and services of educational activities	106
Sales and services of auxiliary enterprises	16,331
Other receipts	4,350
Net cash used in operating activities	<u>(120,609)</u>
<b>Cash flows from noncapital financing activities:</b>	
State appropriations	110,154
Federal financial aid grants	16,432
State financial aid grants	13,377
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	23,821
Gifts and grants received for other than capital purposes	50
Federal loan program receipts	18,044
Federal loan program disbursements	(17,387)
Monies received on behalf of others	—
Monies disbursed on behalf of others	—
Transfers to escrow agent	(49,075)
Proceeds from long-term debt	52,609
Principal paid on long-term debt	(3,250)
Interest paid on long-term debt	(840)
Issuance of notes receivable	(6,690)
Principal collections on leases receivable	—
Interest collections on leases receivable	—
Principal collections on notes receivable	1,915
Interest collections on notes receivable	2,478
Other noncapital financing activities	9,202
Net cash provided by noncapital financing activities	<u>170,840</u>
<b>Cash flows from capital and related financing activities:</b>	
Proceeds from capital debt	—
State appropriations	74
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	24
Proceeds from sale of capital assets	—
Acquisition of capital assets	(8,441)
Transfers to escrow agent	—
Principal paid on capital debt and leases	(3,244)
Interest paid on capital debt and leases	(7,038)
Principal collection on leases receivable	2,189
Interest collection on leases receivable	1,065
Net cash used in capital and related financing activities	<u>(15,371)</u>

## CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS

## Statement of Cash Flows

Year ended June 30, 2022

(In thousands)

	<u>Campus</u>
<b>Cash flows from investing activities:</b>	
Proceeds from sales of investments	\$ 266,019
Purchases of investments	(304,220)
Investment income proceeds	3,340
Net cash used in investing activities	(34,861)
Net decrease in cash and cash equivalents	(1)
Cash and cash equivalents at beginning of year	4
Cash and cash equivalents at end of year	<u>\$ 3</u>
<b>Summary of cash and cash equivalents at end of year:</b>	
Cash and cash equivalents	\$ 3
Restricted cash and cash equivalents	—
Total 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	\$ (132,046)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	16,420
Change in assets and liabilities:	
Accounts receivable, net	(1,317)
Student loans receivable, net	4
Pledges receivable, net	—
Prepaid expenses and other current assets	(117)
Other assets	(3,549)
Deferred outflows of resources	8,985
Accounts payable	3,336
Accrued salaries and benefits	608
Accrued compensated absences	82
Unearned revenues	902
Depository accounts	—
Total other postemployment benefits liability	(2,015)
Net pension liability	(57,377)
Other liabilities	(13)
Deferred inflows of resources	45,488
Net cash used in operating activities	<u>\$ (120,609)</u>
<b>Supplemental schedule of noncash transactions:</b>	
Change in unrealized gain (loss) of investment	\$ (12,963)
State's contribution for OPEB	5,246
Change in capital assets due to implementation of GASB 87	397
Acquisition of capital asset through long-term debt obligations	—
Other assets paid through long-term debt	—

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS

## Transactions with Related Entities

Year ended June 30, 2022

(In thousands)

	<b>Campus</b>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 877
Payments from discretely presented component units for other than salaries	7,123
Payments to discretely presented component units for services, space, and programs	11,365
Gifts in kind from discretely presented component units	24
Gifts (cash or assets) from discretely presented component units	8
Accounts receivable from discretely presented component units	1,092
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(775)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	97
Payments to the Office of the Chancellor for state pro rata charges	53
Accounts receivable from the Office of the Chancellor	312
Accounts payable to the Office of the Chancellor	—
Accounts receivable from campuses other than the Office of the Chancellor	9
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery allocation received	750
Other interagency payments (receipts) for services, space, and programs	(65)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, CHICO

Schedule 8

Statement of Net Position

June 30, 2022

(In thousands)

Assets	Campus	Discretely presented component units	Total
<b>Current assets:</b>			
Cash and cash equivalents	\$ 8	10,216	10,224
Short-term investments	140,668	45,980	186,648
Accounts receivable, net	9,040	18,072	27,112
Lease receivables, current portion	—	—	—
Notes receivable, current portion	—	193	193
Pledges receivable, net	—	2,558	2,558
Prepaid expenses and other current assets	3,083	868	3,951
Total current assets	<u>152,799</u>	<u>77,887</u>	<u>230,686</u>
<b>Noncurrent assets:</b>			
Restricted cash and cash equivalents	—	470	470
Accounts receivable, net	110	—	110
Lease receivables, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	963	—	963
Pledges receivable, net	—	3,585	3,585
Endowment investments	—	79,281	79,281
Other long-term investments	59,664	16,435	76,099
Capital assets, net	349,115	14,637	363,752
Other assets	261	878	1,139
Total noncurrent assets	<u>410,113</u>	<u>115,286</u>	<u>525,399</u>
Total assets	<u>562,912</u>	<u>193,173</u>	<u>756,085</u>
<b>Deferred Outflows of Resources</b>			
Deferred outflows of resources	<u>128,925</u>	<u>1,007</u>	<u>129,932</u>
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Accounts payable	11,291	6,650	17,941
Accrued salaries and benefits	15,088	2,619	17,707
Accrued compensated absences, current portion	4,567	945	5,512
Unearned revenues	4,671	3,584	8,255
Lease liabilities, current portion	223	14	237
Long-term debt obligations, current portion	5,491	155	5,646
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	—	—	—
Other liabilities	1,668	1,288	2,956
Total current liabilities	<u>42,999</u>	<u>15,255</u>	<u>58,254</u>
<b>Noncurrent liabilities:</b>			
Accrued compensated absences, net of current portion	3,683	334	4,017
Unearned revenues	—	3,814	3,814
Grants refundable	2,540	—	2,540
Lease liabilities, net of current portion	251	32	283
Long-term debt obligations, net of current portion	118,259	1,830	120,089
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	684,158	924	685,082
Net pension liability	195,977	—	195,977
Other liabilities	—	474	474
Total noncurrent liabilities	<u>1,004,868</u>	<u>7,408</u>	<u>1,012,276</u>
Total liabilities	<u>1,047,867</u>	<u>22,663</u>	<u>1,070,530</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflows of resources	<u>193,753</u>	<u>859</u>	<u>194,612</u>
<b>Net Position</b>			
<b>Net position:</b>			
Net investment in capital assets	233,610	9,406	243,016
Restricted for:			
Nonexpendable – endowments	—	73,490	73,490
Expendable:			
Scholarships and fellowships	201	2,640	2,841
Research	—	4,597	4,597
Loans	646	—	646
Capital projects	259	4,919	5,178
Debt service	16	—	16
Others	580	30,993	31,573
Unrestricted	(785,095)	44,613	(740,482)
Total net position	<u>\$ (549,783)</u>	<u>170,658</u>	<u>(379,125)</u>

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, CHICO

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

Year ended June 30, 2022

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
<b>Revenues:</b>				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$57,778)	\$ 72,832	—	—	72,832
Grants and contracts, noncapital:				
Federal	—	32,854	—	32,854
State	10	9,028	—	9,038
Local	—	1,537	—	1,537
Nongovernmental	—	3,099	—	3,099
Sales and services of educational activities	140	3,542	—	3,682
Sales and services of auxiliary enterprises (net of scholarship allowances of \$3,674)	21,045	10,829	—	31,874
Other operating revenues	6,594	7,249	—	13,843
Total operating revenues	<u>100,621</u>	<u>68,138</u>	<u>—</u>	<u>168,759</u>
<b>Expenses:</b>				
Operating expenses:				
Instruction	117,161	3,595	(30)	120,726
Research	1,224	3,244	—	4,468
Public service	1,560	28,121	(106)	29,575
Academic support	39,958	3,344	(491)	42,811
Student services	44,594	7,256	(441)	51,409
Institutional support	35,767	10,380	(467)	45,680
Operation and maintenance of plant	51,648	4,018	(161)	55,505
Student grants and scholarships	63,106	5,025	(1,915)	66,216
Auxiliary enterprise expenses	(5,060)	9,015	—	3,955
Depreciation and amortization	19,951	1,875	—	21,826
Total operating expenses	<u>369,909</u>	<u>75,873</u>	<u>(3,611)</u>	<u>442,171</u>
Operating loss	<u>(269,288)</u>	<u>(7,735)</u>	<u>3,611</u>	<u>(273,412)</u>
<b>Nonoperating revenues (expenses):</b>				
State appropriations, noncapital	178,339	—	—	178,339
Federal financial aid grants, noncapital	32,347	—	—	32,347
State financial aid grants, noncapital	24,982	—	—	24,982
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	4,101	—	(2,051)	2,050
Other federal nonoperating grants, noncapital	49,870	—	—	49,870
Gifts, noncapital	1,046	7,233	(1,046)	7,233
Investment loss, net	(13,116)	(5,440)	—	(18,556)
Endowment loss, net	—	(8,020)	—	(8,020)
Interest expense	(4,562)	(25)	—	(4,587)
Other nonoperating revenues (expenses)	5,980	(125)	—	5,855
Net nonoperating income (loss)	<u>278,987</u>	<u>(6,377)</u>	<u>(3,097)</u>	<u>269,513</u>
Income (loss) before other revenues	9,699	(14,112)	514	(3,899)
State appropriations, capital	—	—	—	—
Grants and gifts, capital	524	428	(514)	438
Additions to permanent endowments	—	2,306	—	2,306
Increase (decrease) in net position	<u>10,223</u>	<u>(11,378)</u>	<u>—</u>	<u>(1,155)</u>
<b>Net position:</b>				
Net position at beginning of year	(560,006)	182,036	—	(377,970)
Net position at end of year	<u>\$ (549,783)</u>	<u>170,658</u>	<u>—</u>	<u>(379,125)</u>

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, CHICO

## Statement of Cash Flows

Year ended June 30, 2022

(In thousands)

	<u>Campus</u>
<b>Cash flows from operating activities:</b>	
Student tuition and fees	\$ 71,470
Federal grants and contracts	—
State grants and contracts	17
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(75,179)
Payments to employees	(129,690)
Payments for benefits	(66,785)
Payments to students	(63,319)
Collections of student loans	193
Sales and services of educational activities	140
Sales and services of auxiliary enterprises	20,059
Other receipts	5,694
Net cash used in operating activities	<u>(237,400)</u>
<b>Cash flows from noncapital financing activities:</b>	
State appropriations	160,997
Federal financial aid grants	32,347
State financial aid grants	24,855
Nongovernmental and other financial aid grants	4,101
Other federal nonoperating grants	48,220
Gifts and grants received for other than capital purposes	1,046
Federal loan program receipts	37,458
Federal loan program disbursements	(37,549)
Monies received on behalf of others	3,015
Monies disbursed on behalf of others	(3,017)
Transfers to escrow agent	—
Proceeds from long-term debt	—
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	8,518
Net cash provided by noncapital financing activities	<u>279,991</u>
<b>Cash flows from capital and related financing activities:</b>	
Proceeds from capital debt	—
State appropriations	479
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	654
Proceeds from sale of capital assets	9
Acquisition of capital assets	(14,402)
Transfers to escrow agent	—
Principal paid on capital debt and leases	(5,744)
Interest paid on capital debt and leases	(4,905)
Principal collection on leases receivable	—
Interest collection on leases receivable	—
Net cash used in capital and related financing activities	<u>(23,909)</u>



## CALIFORNIA STATE UNIVERSITY, CHICO

## Statement of Cash Flows

Year ended June 30, 2022

(In thousands)

	<u>Campus</u>
<b>Cash flows from investing activities:</b>	
Proceeds from sales of investments	\$ 431,466
Purchases of investments	(453,881)
Investment income proceeds	3,735
Net cash used in investing activities	(18,680)
Net increase in cash and cash equivalents	2
Cash and cash equivalents at beginning of year	6
Cash and cash equivalents at end of year	<u>\$ 8</u>
<b>Summary of cash and cash equivalents at end of year:</b>	
Cash and cash equivalents	\$ 8
Restricted cash and cash equivalents	—
Total 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	\$ (269,288)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	19,951
Change in assets and liabilities:	
Accounts receivable, net	(1,302)
Student loans receivable, net	7
Pledges receivable, net	—
Prepaid expenses and other current assets	(554)
Other assets	(245)
Deferred outflows of resources	10,297
Accounts payable	6,603
Accrued salaries and benefits	534
Accrued compensated absences	(420)
Unearned revenues	(1,132)
Depository accounts	—
Total other postemployment benefits liability	4,739
Net pension liability	(103,283)
Other liabilities	700
Deferred inflows of resources	95,993
Net cash used in operating activities	<u>\$ (237,400)</u>
<b>Supplemental schedule of noncash transactions:</b>	
Change in unrealized gain (loss) of investment	\$ (16,852)
State's contribution for OPEB	17,342
Change in capital assets due to implementation of GASB 87	699
Acquisition of capital asset through long-term debt obligations	—
Other assets paid through long-term debt	—

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, CHICO

## Transactions with Related Entities

Year ended June 30, 2022

(In thousands)

	<b>Campus</b>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 2,279
Payments from discretely presented component units for other than salaries	3,874
Payments to discretely presented component units for services, space, and programs	15,231
Gifts in kind from discretely presented component units	158
Gifts (cash or assets) from discretely presented component units	1,401
Accounts receivable from discretely presented component units	1,840
Other amounts receivable from discretely presented component units	110
Accounts payable to discretely presented component units	(797)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	110
Payments to the Office of the Chancellor for state pro rata charges	45
Accounts receivable from the Office of the Chancellor	1,919
Accounts payable to the Office of the Chancellor	—
Accounts receivable from campuses other than the Office of the Chancellor	2
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery allocation received	1,618
Other interagency payments (receipts) for services, space, and programs	431

See accompanying independent auditors' report.



**NATION'S LARGEST**

four-year public  
university



## CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS

Schedule 8

## Statement of Net Position

June 30, 2022

(In thousands)

Assets	Campus	Discretely presented component units	Total
<b>Current assets:</b>			
Cash and cash equivalents	\$ 4	12,876	12,880
Short-term investments	96,755	5,889	102,644
Accounts receivable, net	28,696	6,348	35,044
Lease receivables, current portion	—	—	—
Notes receivable, current portion	—	184	184
Pledges receivable, net	—	2,833	2,833
Prepaid expenses and other current assets	588	255	843
Total current assets	<u>126,043</u>	<u>28,385</u>	<u>154,428</u>
<b>Noncurrent assets:</b>			
Restricted cash and cash equivalents	—	2,326	2,326
Accounts receivable, net	—	274	274
Lease receivables, net of current portion	—	—	—
Notes receivable, net of current portion	—	1,227	1,227
Student loans receivable, net	510	—	510
Pledges receivable, net	—	512	512
Endowment investments	—	20,123	20,123
Other long-term investments	64,047	5,245	69,292
Capital assets, net	358,749	1,407	360,156
Other assets	26	179	205
Total noncurrent assets	<u>423,332</u>	<u>31,293</u>	<u>454,625</u>
Total assets	<u>549,375</u>	<u>59,678</u>	<u>609,053</u>
<b>Deferred Outflows of Resources</b>			
Deferred outflows of resources	<u>103,840</u>	<u>1,002</u>	<u>104,842</u>
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Accounts payable	8,831	1,779	10,610
Accrued salaries and benefits	13,335	427	13,762
Accrued compensated absences, current portion	3,691	470	4,161
Unearned revenues	9,699	3,400	13,099
Lease liabilities, current portion	200	—	200
Long-term debt obligations, current portion	2,511	1,174	3,685
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	915	—	915
Other liabilities	5,038	3,451	8,489
Total current liabilities	<u>44,220</u>	<u>10,701</u>	<u>54,921</u>
<b>Noncurrent liabilities:</b>			
Accrued compensated absences, net of current portion	6,023	34	6,057
Unearned revenues	—	—	—
Grants refundable	273	—	273
Lease liabilities, net of current portion	299	—	299
Long-term debt obligations, net of current portion	69,587	1,258	70,845
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	427,879	1,513	429,392
Net pension liability	173,403	260	173,663
Other liabilities	—	—	—
Total noncurrent liabilities	<u>677,464</u>	<u>3,065</u>	<u>680,529</u>
Total liabilities	<u>721,684</u>	<u>13,766</u>	<u>735,450</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflows of resources	<u>142,737</u>	<u>1,540</u>	<u>144,277</u>
<b>Net Position</b>			
<b>Net position:</b>			
Net investment in capital assets	287,011	1,407	288,418
Restricted for:			
Nonexpendable – endowments	—	22,480	22,480
Expendable:			
Scholarships and fellowships	103	8,572	8,675
Research	—	—	—
Loans	484	—	484
Capital projects	830	—	830
Debt service	12	—	12
Others	—	274	274
Unrestricted	(499,646)	12,641	(487,005)
Total net position	<u>\$ (211,206)</u>	<u>45,374</u>	<u>(165,832)</u>

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS

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

Year ended June 30, 2022

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
<b>Revenues:</b>				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$72,265)	\$ 52,991	—	—	52,991
Grants and contracts, noncapital:				
Federal	—	11,116	—	11,116
State	—	1,277	—	1,277
Local	—	—	—	—
Nongovernmental	—	686	—	686
Sales and services of educational activities	162	—	—	162
Sales and services of auxiliary enterprises (net of scholarship allowances of \$1,800)	5,501	3,415	—	8,916
Other operating revenues	11,433	11,423	—	22,856
Total operating revenues	<u>70,087</u>	<u>27,917</u>	<u>—</u>	<u>98,004</u>
<b>Expenses:</b>				
Operating expenses:				
Instruction	101,238	3,428	—	104,666
Research	80	4,324	—	4,404
Public service	2,402	—	—	2,402
Academic support	26,616	5,786	—	32,402
Student services	27,948	4,842	(485)	32,305
Institutional support	61,561	959	—	62,520
Operation and maintenance of plant	33,751	—	—	33,751
Student grants and scholarships	69,394	1,014	(805)	69,603
Auxiliary enterprise expenses	5,062	10,371	(591)	14,842
Depreciation and amortization	16,079	365	—	16,444
Total operating expenses	<u>344,131</u>	<u>31,089</u>	<u>(1,881)</u>	<u>373,339</u>
Operating loss	<u>(274,044)</u>	<u>(3,172)</u>	<u>1,881</u>	<u>(275,335)</u>
<b>Nonoperating revenues (expenses):</b>				
State appropriations, noncapital	207,463	—	—	207,463
Federal financial aid grants, noncapital	48,062	—	—	48,062
State financial aid grants, noncapital	33,765	—	—	33,765
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	69,529	—	—	69,529
Gifts, noncapital	1,290	7,521	(1,290)	7,521
Investment loss, net	(7,749)	(628)	—	(8,377)
Endowment loss, net	—	(2,621)	—	(2,621)
Interest expense	(2,449)	(44)	—	(2,493)
Other nonoperating revenues	3,767	337	—	4,104
Net nonoperating income	<u>353,678</u>	<u>4,565</u>	<u>(1,290)</u>	<u>356,953</u>
Income before other revenues	79,634	1,393	591	81,618
State appropriations, capital	—	—	—	—
Grants and gifts, capital	791	—	(591)	200
Additions (reductions) to permanent endowments	—	—	—	—
Increase in net position	<u>80,425</u>	<u>1,393</u>	<u>—</u>	<u>81,818</u>
<b>Net position:</b>				
Net position at beginning of year	(291,631)	43,981	—	(247,650)
Net position at end of year	<u>\$ (211,206)</u>	<u>45,374</u>	<u>—</u>	<u>(165,832)</u>

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS

## Statement of Cash Flows

Year ended June 30, 2022

(In thousands)

	<u>Campus</u>
<b>Cash flows from operating activities:</b>	
Student tuition and fees	\$ 58,256
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(58,741)
Payments to employees	(126,535)
Payments for benefits	(59,312)
Payments to students	(69,395)
Collections of student loans	9
Sales and services of educational activities	162
Sales and services of auxiliary enterprises	5,630
Other receipts	7,434
Net cash used in operating activities	<u>(242,492)</u>
<b>Cash flows from noncapital financing activities:</b>	
State appropriations	196,424
Federal financial aid grants	31,934
State financial aid grants	35,942
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	69,542
Gifts and grants received for other than capital purposes	1,290
Federal loan program receipts	34,907
Federal loan program disbursements	(35,075)
Monies received on behalf of others	2,377
Monies disbursed on behalf of others	(1,970)
Transfers to escrow agent	—
Proceeds from long-term debt	—
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	862
Net cash provided by noncapital financing activities	<u>336,233</u>
<b>Cash flows from capital and related financing activities:</b>	
Proceeds from capital debt	14,250
State appropriations	—
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	791
Proceeds from sale of capital assets	75
Acquisition of capital assets	(21,213)
Transfers to escrow agent	(14,209)
Principal paid on capital debt and leases	(3,484)
Interest paid on capital debt and leases	(2,736)
Principal collection on leases receivable	—
Interest collection on leases receivable	—
Net cash used in capital and related financing activities	<u>(26,526)</u>

## CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS

## Statement of Cash Flows

Year ended June 30, 2022

(In thousands)

	<u>Campus</u>
<b>Cash flows from investing activities:</b>	
Proceeds from sales of investments	\$ 435,324
Purchases of investments	(505,401)
Investment income proceeds	2,863
Net cash used in investing activities	(67,214)
Net increase in cash and cash equivalents	1
Cash and cash equivalents at beginning of year	3
Cash and cash equivalents at end of year	\$ 4
<b>Summary of cash and cash equivalents at end of year:</b>	
Cash and cash equivalents	\$ 4
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	\$ 4
<b>Reconciliation of operating loss to net cash used in operating activities:</b>	
Operating loss	\$ (274,044)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	16,079
Change in assets and liabilities:	
Accounts receivable, net	1,644
Student loans receivable, net	(26)
Pledges receivable, net	—
Prepaid expenses and other current assets	(167)
Other assets	(8)
Deferred outflows of resources	(4,246)
Accounts payable	(415)
Accrued salaries and benefits	808
Accrued compensated absences	(299)
Unearned revenues	780
Depository accounts	—
Total other postemployment benefits liability	8,898
Net pension liability	(74,770)
Other liabilities	1,113
Deferred inflows of resources	82,161
Net cash used in operating activities	\$ (242,492)
<b>Supplemental schedule of noncash transactions:</b>	
Change in unrealized gain (loss) of investment	\$ (10,612)
State's contribution for OPEB	11,040
Change in capital assets due to implementation of GASB 87	688
Acquisition of capital asset through long-term debt obligations	3,300
Other assets paid through long-term debt	—

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS

## Transactions with Related Entities

Year ended June 30, 2022

(In thousands)

	<b>Campus</b>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 502
Payments from discretely presented component units for other than salaries	2,995
Payments to discretely presented component units for services, space, and programs	13,337
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	443
Accounts receivable from discretely presented component units	3,485
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(3,190)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	127
Payments to the Office of the Chancellor for state pro rata charges	101
Accounts receivable from the Office of the Chancellor	415
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	1,430
Other interagency payments (receipts) for services, space, and programs	550

See accompanying independent auditors' report.



## CALIFORNIA STATE UNIVERSITY, EAST BAY

## Statement of Net Position

June 30, 2022

(In thousands)

Assets	Campus	Discretely presented component units	Total
<b>Current assets:</b>			
Cash and cash equivalents	\$ 18	4,925	4,943
Short-term investments	154,428	23,591	178,019
Accounts receivable, net	17,169	4,817	21,986
Lease receivables, current portion	335	110	445
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	1,260	1,260
Prepaid expenses and other current assets	2,675	—	2,675
Total current assets	<u>174,625</u>	<u>34,703</u>	<u>209,328</u>
<b>Noncurrent assets:</b>			
Restricted cash and cash equivalents	—	—	—
Accounts receivable, net	—	—	—
Lease receivables, net of current portion	578	453	1,031
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	699	—	699
Pledges receivable, net	—	1,846	1,846
Endowment investments	—	15,589	15,589
Other long-term investments	8,193	—	8,193
Capital assets, net	284,728	3,770	288,498
Other assets	9	—	9
Total noncurrent assets	<u>294,207</u>	<u>21,658</u>	<u>315,865</u>
Total assets	<u>468,832</u>	<u>56,361</u>	<u>525,193</u>
<b>Deferred Outflows of Resources</b>			
Deferred outflows of resources	<u>108,885</u>	<u>1,685</u>	<u>110,570</u>
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Accounts payable	14,190	3,166	17,356
Accrued salaries and benefits	14,903	30	14,933
Accrued compensated absences, current portion	5,661	70	5,731
Unearned revenues	6,650	2,105	8,755
Lease liabilities, current portion	1,026	—	1,026
Long-term debt obligations, current portion	3,555	295	3,850
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	31	—	31
Other liabilities	1,785	6	1,791
Total current liabilities	<u>47,801</u>	<u>5,672</u>	<u>53,473</u>
<b>Noncurrent liabilities:</b>			
Accrued compensated absences, net of current portion	3,180	—	3,180
Unearned revenues	—	—	—
Grants refundable	695	—	695
Lease liabilities, net of current portion	2,477	—	2,477
Long-term debt obligations, net of current portion	83,465	683	84,148
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	551,148	3,697	554,845
Net pension liability	180,401	4,472	184,873
Other liabilities	—	—	—
Total noncurrent liabilities	<u>821,366</u>	<u>8,852</u>	<u>830,218</u>
Total liabilities	<u>869,167</u>	<u>14,524</u>	<u>883,691</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflows of resources	<u>166,429</u>	<u>5,117</u>	<u>171,546</u>
<b>Net Position</b>			
<b>Net position:</b>			
Net investment in capital assets	197,681	2,188	199,869
Restricted for:			
Nonexpendable – endowments	—	15,589	15,589
Expendable:			
Scholarships and fellowships	1,395	1,241	2,636
Research	—	—	—
Loans	623	—	623
Capital projects	423	4,500	4,923
Debt service	8	—	8
Others	3,430	4,779	8,209
Unrestricted	(661,439)	10,108	(651,331)
Total net position	<u>\$ (457,879)</u>	<u>38,405</u>	<u>(419,474)</u>

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, EAST BAY

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

Year ended June 30, 2022

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
<b>Revenues:</b>				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$53,453)	\$ 75,911	—	—	75,911
Grants and contracts, noncapital:				
Federal	32	11,792	—	11,824
State	—	1,110	—	1,110
Local	4	—	—	4
Nongovernmental	—	1,565	—	1,565
Sales and services of educational activities	68	—	—	68
Sales and services of auxiliary enterprises (net of scholarship allowances of \$3,013)	11,659	—	—	11,659
Other operating revenues	8,788	2,115	—	10,903
Total operating revenues	<u>96,462</u>	<u>16,582</u>	<u>—</u>	<u>113,044</u>
<b>Expenses:</b>				
Operating expenses:				
Instruction	106,803	1,474	—	108,277
Research	1,768	4,506	—	6,274
Public service	2,463	6,414	—	8,877
Academic support	39,772	1,223	—	40,995
Student services	30,788	850	—	31,638
Institutional support	33,345	—	—	33,345
Operation and maintenance of plant	28,186	—	—	28,186
Student grants and scholarships	45,949	216	—	46,165
Auxiliary enterprise expenses	7,995	7,175	(2,228)	12,942
Depreciation and amortization	15,879	194	—	16,073
Total operating expenses	<u>312,948</u>	<u>22,052</u>	<u>(2,228)</u>	<u>332,772</u>
Operating loss	<u>(216,486)</u>	<u>(5,470)</u>	<u>2,228</u>	<u>(219,728)</u>
<b>Nonoperating revenues (expenses):</b>				
State appropriations, noncapital	148,138	—	—	148,138
Federal financial aid grants, noncapital	28,161	—	—	28,161
State financial aid grants, noncapital	19,864	—	—	19,864
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	720	—	—	720
Other federal nonoperating grants, noncapital	55,695	—	—	55,695
Gifts, noncapital	1,362	3,477	(2,104)	2,735
Investment loss, net	(10,058)	(5,198)	—	(15,256)
Endowment income, net	—	186	—	186
Interest expense	(3,347)	(8)	—	(3,355)
Other nonoperating revenues	42,662	260	—	42,922
Net nonoperating revenues (expenses)	<u>283,197</u>	<u>(1,283)</u>	<u>(2,104)</u>	<u>279,810</u>
Income (loss) before other revenues	<u>66,711</u>	<u>(6,753)</u>	<u>124</u>	<u>60,082</u>
State appropriations, capital	—	—	—	—
Grants and gifts, capital	125	4,156	(124)	4,157
Additions to permanent endowments	—	943	—	943
Increase (decrease) in net position	<u>66,836</u>	<u>(1,654)</u>	<u>—</u>	<u>65,182</u>
<b>Net position:</b>				
Net position at beginning of year	(524,715)	40,059	—	(484,656)
Net position at end of year	<u>\$ (457,879)</u>	<u>38,405</u>	<u>—</u>	<u>(419,474)</u>

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, EAST BAY

## Statement of Cash Flows

Year ended June 30, 2022

(In thousands)

	<u>Campus</u>
<b>Cash flows from operating activities:</b>	
Student tuition and fees	\$ 75,925
Federal grants and contracts	32
State grants and contracts	—
Local grants and contracts	4
Nongovernmental grants and contracts	—
Payments to suppliers	(67,960)
Payments to employees	(118,700)
Payments for benefits	(58,558)
Payments to students	(46,049)
Collections of student loans	14
Sales and services of educational activities	68
Sales and services of auxiliary enterprises	11,659
Other receipts	8,904
Net cash used in operating activities	<u>(194,661)</u>
<b>Cash flows from noncapital financing activities:</b>	
State appropriations	134,399
Federal financial aid grants	28,212
State financial aid grants	19,864
Nongovernmental and other financial aid grants	720
Other federal nonoperating grants	50,437
Gifts and grants received for other than capital purposes	1,362
Federal loan program receipts	39,688
Federal loan program disbursements	(39,783)
Monies received on behalf of others	199
Monies disbursed on behalf of others	(217)
Transfers to escrow agent	—
Proceeds from long-term debt	—
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	42,592
Net cash provided by noncapital financing activities	<u>277,473</u>
<b>Cash flows from capital and related financing activities:</b>	
Proceeds from capital debt	25,965
State appropriations	—
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	125
Proceeds from sale of capital assets	3
Acquisition of capital assets	(44,998)
Transfers to escrow agent	(25,889)
Principal paid on capital debt and leases	(5,919)
Interest paid on capital debt and leases	(3,388)
Principal collection on leases receivable	302
Interest collection on leases receivable	7
Net cash used in capital and related financing activities	<u>(53,792)</u>

## CALIFORNIA STATE UNIVERSITY, EAST BAY

## Statement of Cash Flows

Year ended June 30, 2022

(In thousands)

	<u>Campus</u>
<b>Cash flows from investing activities:</b>	
Proceeds from sales of investments	\$ 477,729
Purchases of investments	(509,576)
Investment income proceeds	2,829
Net cash used in investing activities	(29,018)
Net increase (decrease) in cash and cash equivalents	—
Cash and cash equivalents at beginning of year	18
Cash and cash equivalents at end of year	<u>\$ 18</u>
<b>Summary of cash and cash equivalents at end of year:</b>	
Cash and cash equivalents	\$ 18
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 18</u>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>	
Operating loss	\$ (216,486)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	15,879
Change in assets and liabilities:	
Accounts receivable, net	140
Student loans receivable, net	(26)
Pledges receivable, net	—
Prepaid expenses and other current assets	(1,859)
Other assets	11
Deferred outflows of resources	8,139
Accounts payable	1,453
Accrued salaries and benefits	540
Accrued compensated absences	(531)
Unearned revenues	243
Depository accounts	—
Total other postemployment benefits liability	3,694
Net pension liability	(92,144)
Other liabilities	(102)
Deferred inflows of resources	86,388
Net cash used in operating activities	<u>\$ (194,661)</u>
<b>Supplemental schedule of noncash transactions:</b>	
Change in unrealized gain (loss) of investment	\$ (12,895)
State's contribution for OPEB	13,739
Change in capital assets due to implementation of GASB 87	6,227
Acquisition of capital asset through long-term debt obligations	—
Other assets paid through long-term debt	—

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, EAST BAY

## Transactions with Related Entities

Year ended June 30, 2022

(In thousands)

	<b>Campus</b>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 4,752
Payments from discretely presented component units for other than salaries	2,088
Payments to discretely presented component units for services, space, and programs	1,815
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	2,228
Accounts receivable from discretely presented component units	2,514
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	—
Other amounts payable to discretely presented component units	(563)
Payments to the Office of the Chancellor for administrative activities	156
Payments to the Office of the Chancellor for state pro rata charges	87
Accounts receivable from the Office of the Chancellor	13,214
Accounts payable to the Office of the Chancellor	—
Accounts receivable from campuses other than the Office of the Chancellor	40
Accounts payable to campuses other than the Office of the Chancellor	(2)
State lottery allocation received	1,363
Other interagency payments (receipts) for services, space, and programs	(96)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, FRESNO

Schedule 8

Statement of Net Position

June 30, 2022

(In thousands)

Assets	Campus	Discretely presented component units	Total
<b>Current assets:</b>			
Cash and cash equivalents	\$ 10	30,041	30,051
Short-term investments	124,915	89,823	214,738
Accounts receivable, net	9,470	26,526	35,996
Lease receivables, current portion	7,933	—	7,933
Notes receivable, current portion	289	5	294
Pledges receivable, net	—	6,832	6,832
Prepaid expenses and other current assets	715	2,468	3,183
Total current assets	<u>143,332</u>	<u>155,695</u>	<u>299,027</u>
<b>Noncurrent assets:</b>			
Restricted cash and cash equivalents	—	710	710
Accounts receivable, net	—	323	323
Lease receivables, net of current portion	34,383	—	34,383
Notes receivable, net of current portion	2,413	—	2,413
Student loans receivable, net	1,326	378	1,704
Pledges receivable, net	—	12,328	12,328
Endowment investments	634	194,854	195,488
Other long-term investments	60,138	15,406	75,544
Capital assets, net	314,109	66,142	380,251
Other assets	—	455	455
Total noncurrent assets	<u>413,003</u>	<u>290,596</u>	<u>703,599</u>
Total assets	<u>556,335</u>	<u>446,291</u>	<u>1,002,626</u>
<b>Deferred Outflows of Resources</b>			
Deferred outflows of resources	<u>145,535</u>	<u>1,294</u>	<u>146,829</u>
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Accounts payable	15,176	7,871	23,047
Accrued salaries and benefits	23,968	2,343	26,311
Accrued compensated absences, current portion	5,349	198	5,547
Unearned revenues	5,365	11,624	16,989
Lease liabilities, current portion	386	6,263	6,649
Long-term debt obligations, current portion	8,536	2,839	11,375
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	246	201	447
Other liabilities	23,573	1,612	25,185
Total current liabilities	<u>82,599</u>	<u>32,951</u>	<u>115,550</u>
<b>Noncurrent liabilities:</b>			
Accrued compensated absences, net of current portion	6,134	521	6,655
Unearned revenues	—	160	160
Grants refundable	1,031	—	1,031
Lease liabilities, net of current portion	567	32,306	32,873
Long-term debt obligations, net of current portion	123,492	3,521	127,013
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	3,588	3,588
Total other postemployment benefits liability	746,728	9,324	756,052
Net pension liability	255,575	1,720	257,295
Other liabilities	8,350	6,808	15,158
Total noncurrent liabilities	<u>1,141,877</u>	<u>57,948</u>	<u>1,199,825</u>
Total liabilities	<u>1,224,476</u>	<u>90,899</u>	<u>1,315,375</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflows of resources	<u>269,753</u>	<u>4,497</u>	<u>274,250</u>
<b>Net Position</b>			
<b>Net position:</b>			
Net investment in capital assets	167,766	30,761	198,527
Restricted for:			
Nonexpendable – endowments	634	195,159	195,793
Expendable:			
Scholarships and fellowships	1,169	8,137	9,306
Research	—	—	—
Loans	961	2,202	3,163
Capital projects	589	222	811
Debt service	16	—	16
Others	489	75,404	75,893
Unrestricted	(963,983)	40,304	(923,679)
Total net position	<u>\$ (792,359)</u>	<u>352,189</u>	<u>(440,170)</u>

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, FRESNO

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

Year ended June 30, 2022

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
<b>Revenues:</b>				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$111,225)	\$ 79,401	—	—	79,401
Grants and contracts, noncapital:				
Federal	2	24,441	—	24,443
State	602	21,294	—	21,896
Local	—	—	—	—
Nongovernmental	—	5,287	—	5,287
Sales and services of educational activities	366	—	—	366
Sales and services of auxiliary enterprises (net of scholarship allowances of \$6,285)	7,681	62,561	—	70,242
Other operating revenues	15,211	8,274	—	23,485
Total operating revenues	<u>103,263</u>	<u>121,857</u>	<u>—</u>	<u>225,120</u>
<b>Expenses:</b>				
Operating expenses:				
Instruction	195,263	21,550	—	216,813
Research	2,807	9,894	—	12,701
Public service	1,757	18,306	—	20,063
Academic support	37,083	191	(258)	37,016
Student services	56,525	966	—	57,491
Institutional support	46,896	294	—	47,190
Operation and maintenance of plant	31,393	1,633	—	33,026
Student grants and scholarships	113,671	12,544	(5,748)	120,467
Auxiliary enterprise expenses	6,319	69,240	(2,576)	72,983
Depreciation and amortization	18,555	4,976	—	23,531
Total operating expenses	<u>510,269</u>	<u>139,594</u>	<u>(8,582)</u>	<u>641,281</u>
Operating loss	<u>(407,006)</u>	<u>(17,737)</u>	<u>8,582</u>	<u>(416,161)</u>
<b>Nonoperating revenues (expenses):</b>				
State appropriations, noncapital	261,398	—	—	261,398
Federal financial aid grants, noncapital	71,192	—	—	71,192
State financial aid grants, noncapital	54,076	—	—	54,076
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	76,618	2,852	—	79,470
Gifts, noncapital	6,736	16,212	(6,388)	16,560
Investment loss, net	(6,200)	(7,307)	—	(13,507)
Endowment income (loss), net	12	(7,657)	—	(7,645)
Interest expense	(4,486)	(83)	—	(4,569)
Other nonoperating revenues	5,781	3,918	—	9,699
Net nonoperating revenues	<u>465,127</u>	<u>7,935</u>	<u>(6,388)</u>	<u>466,674</u>
Income (loss) before other revenues	<u>58,121</u>	<u>(9,802)</u>	<u>2,194</u>	<u>50,513</u>
State appropriations, capital	—	—	—	—
Grants and gifts, capital	2,482	60	(2,194)	348
Additions to permanent endowments	—	9,225	—	9,225
Increase (decrease) in net position	<u>60,603</u>	<u>(517)</u>	<u>—</u>	<u>60,086</u>
<b>Net position:</b>				
Net position at beginning of year	(852,962)	352,706	—	(500,256)
Net position at end of year	<u>\$ (792,359)</u>	<u>352,189</u>	<u>—</u>	<u>(440,170)</u>

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, FRESNO

## Statement of Cash Flows

Year ended June 30, 2022

(In thousands)

	<u>Campus</u>
<b>Cash flows from operating activities:</b>	
Student tuition and fees	\$ 80,168
Federal grants and contracts	2
State grants and contracts	602
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(96,547)
Payments to employees	(182,663)
Payments for benefits	(89,356)
Payments to students	(113,328)
Collections of student loans	68
Sales and services of educational activities	366
Sales and services of auxiliary enterprises	8,091
Other receipts	13,936
Net cash used in operating activities	<u>(378,661)</u>
<b>Cash flows from noncapital financing activities:</b>	
State appropriations	242,652
Federal financial aid grants	71,362
State financial aid grants	54,076
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	85,942
Gifts and grants received for other than capital purposes	6,736
Federal loan program receipts	40,598
Federal loan program disbursements	(40,655)
Monies received on behalf of others	3,746
Monies disbursed on behalf of others	(3,764)
Transfers to escrow agent	—
Proceeds from long-term debt	—
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	298
Interest collections on notes receivable	—
Other noncapital financing activities	16,978
Net cash provided by noncapital financing activities	<u>477,969</u>
<b>Cash flows from capital and related financing activities:</b>	
Proceeds from capital debt	10,750
State appropriations	—
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	2,000
Proceeds from sale of capital assets	67
Acquisition of capital assets	(49,904)
Transfers to escrow agent	(10,713)
Principal paid on capital debt and leases	(5,784)
Interest paid on capital debt and leases	(4,733)
Principal collection on leases receivable	2,721
Interest collection on leases receivable	1,303
Net cash used in capital and related financing activities	<u>(54,293)</u>



## CALIFORNIA STATE UNIVERSITY, FRESNO

## Statement of Cash Flows

Year ended June 30, 2022

(In thousands)

	<u>Campus</u>
<b>Cash flows from investing activities:</b>	
Proceeds from sales of investments	\$ 688,981
Purchases of investments	(738,399)
Investment income proceeds	4,403
Net cash used in investing activities	(45,015)
Net increase (decrease) in cash and cash equivalents	—
Cash and cash equivalents at beginning of year	10
Cash and cash equivalents at end of year	<u>\$ 10</u>
<b>Summary of cash and cash equivalents at end of year:</b>	
Cash and cash equivalents	\$ 10
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 10</u>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>	
Operating loss	\$ (407,006)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	18,555
Change in assets and liabilities:	
Accounts receivable, net	2,689
Student loans receivable, net	(44)
Pledges receivable, net	—
Prepaid expenses and other current assets	152
Other assets	60
Deferred outflows of resources	15,334
Accounts payable	2,311
Accrued salaries and benefits	1,913
Accrued compensated absences	(641)
Unearned revenues	287
Depository accounts	—
Total other postemployment benefits liability	920
Net pension liability	(133,918)
Other liabilities	3,432
Deferred inflows of resources	117,295
Net cash used in operating activities	<u>\$ (378,661)</u>
<b>Supplemental schedule of noncash transactions:</b>	
Change in unrealized gain (loss) of investment	\$ (11,881)
State's contribution for OPEB	19,099
Change in capital assets due to implementation of GASB 87	1,496
Acquisition of capital asset through long-term debt obligations	28,537
Other assets paid through long-term debt	—

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, FRESNO

## Transactions with Related Entities

Year ended June 30, 2022

(In thousands)

	<b>Campus</b>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 2,789
Payments from discretely presented component units for other than salaries	4,103
Payments to discretely presented component units for services, space, and programs	13,990
Gifts in kind from discretely presented component units	311
Gifts (cash or assets) from discretely presented component units	2,020
Accounts receivable from discretely presented component units	1,844
Other amounts receivable from discretely presented component units	2,702
Accounts payable to discretely presented component units	(1,072)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	363
Payments to the Office of the Chancellor for state pro rata charges	50
Accounts receivable from the Office of the Chancellor	580
Accounts payable to the Office of the Chancellor	—
Accounts receivable from campuses other than the Office of the Chancellor	5
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery allocation received	2,713
Other interagency payments (receipts) for services, space, and programs	393

See accompanying independent auditors' report.



**3.9 MILLION**

living alumni  
and counting

CALIFORNIA STATE UNIVERSITY, FULLERTON

Schedule 8

Statement of Net Position

June 30, 2022

(In thousands)

Assets	Campus	Discretely presented component units	Total
<b>Current assets:</b>			
Cash and cash equivalents	\$ 8	49,785	49,793
Short-term investments	309,476	31,031	340,507
Accounts receivable, net	21,589	12,186	33,775
Lease receivables, current portion	118	1,488	1,606
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	2,827	2,827
Prepaid expenses and other current assets	11,956	2,552	14,508
Total current assets	<u>343,147</u>	<u>99,869</u>	<u>443,016</u>
<b>Noncurrent assets:</b>			
Restricted cash and cash equivalents	—	10,636	10,636
Accounts receivable, net	23	—	23
Lease receivables, net of current portion	659	11,903	12,562
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	1,328	—	1,328
Pledges receivable, net	—	4,454	4,454
Endowment investments	—	123,855	123,855
Other long-term investments	88,799	12,885	101,684
Capital assets, net	622,000	42,114	664,114
Other assets	4,309	952	5,261
Total noncurrent assets	<u>717,118</u>	<u>206,799</u>	<u>923,917</u>
Total assets	<u>1,060,265</u>	<u>306,668</u>	<u>1,366,933</u>
<b>Deferred Outflows of Resources</b>			
Deferred outflows of resources	<u>220,612</u>	<u>—</u>	<u>220,612</u>
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Accounts payable	21,626	6,321	27,947
Accrued salaries and benefits	36,253	1,185	37,438
Accrued compensated absences, current portion	6,962	868	7,830
Unearned revenues	11,570	4,190	15,760
Lease liabilities, current portion	1,750	—	1,750
Long-term debt obligations, current portion	9,295	1,260	10,555
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	131	4,532	4,663
Other liabilities	10,604	239	10,843
Total current liabilities	<u>98,191</u>	<u>18,595</u>	<u>116,786</u>
<b>Noncurrent liabilities:</b>			
Accrued compensated absences, net of current portion	9,614	433	10,047
Unearned revenues	—	4,872	4,872
Grants refundable	2,421	—	2,421
Lease liabilities, net of current portion	22,971	—	22,971
Long-term debt obligations, net of current portion	342,208	23,216	365,424
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	992,141	2,635	994,776
Net pension liability	375,746	6,362	382,108
Other liabilities	67	748	815
Total noncurrent liabilities	<u>1,745,168</u>	<u>38,266</u>	<u>1,783,434</u>
Total liabilities	<u>1,843,359</u>	<u>56,861</u>	<u>1,900,220</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflows of resources	<u>321,442</u>	<u>—</u>	<u>321,442</u>
<b>Net Position</b>			
<b>Net position:</b>			
Net investment in capital assets	253,183	32,873	286,056
Restricted for:			
Nonexpendable – endowments	—	76,231	76,231
Expendable:			
Scholarships and fellowships	—	6,434	6,434
Research	—	—	—
Loans	949	—	949
Capital projects	—	—	—
Debt service	1,878	—	1,878
Others	276	65,790	66,066
Unrestricted	(1,140,210)	68,479	(1,071,731)
Total net position	<u>\$ (883,924)</u>	<u>249,807</u>	<u>(634,117)</u>

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, FULLERTON

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

Year ended June 30, 2022

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
<b>Revenues:</b>				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$136,521)	\$ 179,517	—	—	179,517
Grants and contracts, noncapital:				
Federal	76	20,744	—	20,820
State	—	7,706	—	7,706
Local	—	1,574	—	1,574
Nongovernmental	—	1,439	—	1,439
Sales and services of educational activities	1,562	—	—	1,562
Sales and services of auxiliary enterprises (net of scholarship allowances of \$3,504)	40,817	25,959	—	66,776
Other operating revenues	7,013	36,970	—	43,983
Total operating revenues	<u>228,985</u>	<u>94,392</u>	<u>—</u>	<u>323,377</u>
<b>Expenses:</b>				
Operating expenses:				
Instruction	258,006	5,732	—	263,738
Research	794	6,604	—	7,398
Public service	3,475	9,969	—	13,444
Academic support	36,857	794	—	37,651
Student services	71,396	26,420	—	97,816
Institutional support	83,993	2,139	—	86,132
Operation and maintenance of plant	52,760	7,070	—	59,830
Student grants and scholarships	143,501	10,972	—	154,473
Auxiliary enterprise expenses	17,171	26,340	(1,603)	41,908
Depreciation and amortization	35,177	2,179	—	37,356
Total operating expenses	<u>703,130</u>	<u>98,219</u>	<u>(1,603)</u>	<u>799,746</u>
Operating loss	<u>(474,145)</u>	<u>(3,827)</u>	<u>1,603</u>	<u>(476,369)</u>
<b>Nonoperating revenues (expenses):</b>				
State appropriations, noncapital	297,531	—	—	297,531
Federal financial aid grants, noncapital	89,329	—	—	89,329
State financial aid grants, noncapital	67,206	—	—	67,206
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	157,947	—	—	157,947
Gifts, noncapital	683	12,516	(681)	12,518
Investment loss, net	(22,162)	(14,181)	—	(36,343)
Endowment income, net	—	1,945	—	1,945
Interest expense	(12,874)	(986)	—	(13,860)
Other nonoperating revenues (expenses)	18,986	(23)	—	18,963
Net nonoperating income (loss)	<u>596,646</u>	<u>(729)</u>	<u>(681)</u>	<u>595,236</u>
Income (loss) before other revenues	<u>122,501</u>	<u>(4,556)</u>	<u>922</u>	<u>118,867</u>
State appropriations, capital	—	—	—	—
Grants and gifts, capital	1,109	—	(922)	187
Additions to permanent endowments	—	6,871	—	6,871
Increase in net position	<u>123,610</u>	<u>2,315</u>	<u>—</u>	<u>125,925</u>
<b>Net position:</b>				
Net position at beginning of year	(1,007,534)	247,492	—	(760,042)
Net position at end of year	<u>\$ (883,924)</u>	<u>249,807</u>	<u>—</u>	<u>(634,117)</u>

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, FULLERTON

## Statement of Cash Flows

Year ended June 30, 2022

(In thousands)

	<u>Campus</u>
<b>Cash flows from operating activities:</b>	
Student tuition and fees	\$ 177,107
Federal grants and contracts	154
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(145,325)
Payments to employees	(257,576)
Payments for benefits	(125,497)
Payments to students	(141,193)
Collections of student loans	—
Sales and services of educational activities	1,562
Sales and services of auxiliary enterprises	40,264
Other receipts	5,413
Net cash used in operating activities	<u>(445,091)</u>
<b>Cash flows from noncapital financing activities:</b>	
State appropriations	272,564
Federal financial aid grants	89,371
State financial aid grants	67,318
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	165,925
Gifts and grants received for other than capital purposes	683
Federal loan program receipts	74,821
Federal loan program disbursements	(75,955)
Monies received on behalf of others	5,405
Monies disbursed on behalf of others	(5,298)
Transfers to escrow agent	—
Proceeds from long-term debt	—
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	18,128
Net cash provided by noncapital financing activities	<u>612,962</u>
<b>Cash flows from capital and related financing activities:</b>	
Proceeds from capital debt	8,385
State appropriations	82
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	1,109
Proceeds from sale of capital assets	—
Acquisition of capital assets	(113,122)
Transfers to escrow agent	(8,362)
Principal paid on capital debt and leases	(10,115)
Interest paid on capital debt and leases	(14,935)
Principal collection on leases receivable	93
Interest collection on leases receivable	34
Net cash used in capital and related financing activities	<u>(136,831)</u>

## CALIFORNIA STATE UNIVERSITY, FULLERTON

## Statement of Cash Flows

Year ended June 30, 2022

(In thousands)

	<u>Campus</u>
<b>Cash flows from investing activities:</b>	
Proceeds from sales of investments	\$ 1,084,696
Purchases of investments	(1,122,801)
Investment income proceeds	7,063
Net cash used in investing activities	(31,042)
Net decrease in cash and cash equivalents	(2)
Cash and cash equivalents at beginning of year	10
Cash and cash equivalents at end of year	<u>\$ 8</u>
<b>Summary of cash and cash equivalents at end of year:</b>	
Cash and cash equivalents	\$ 8
Restricted cash and cash equivalents	—
Total 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	\$ (474,145)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	35,177
Change in assets and liabilities:	
Accounts receivable, net	(1,673)
Student loans receivable, net	(42)
Pledges receivable, net	—
Prepaid expenses and other current assets	(4,701)
Other assets	362
Deferred outflows of resources	13,481
Accounts payable	(4,330)
Accrued salaries and benefits	1,659
Accrued compensated absences	(1,675)
Unearned revenues	(1,193)
Depository accounts	—
Total other postemployment benefits liability	(486)
Net pension liability	(186,390)
Other liabilities	2,580
Deferred inflows of resources	176,285
Net cash used in operating activities	<u>\$ (445,091)</u>
<b>Supplemental schedule of noncash transactions:</b>	
Change in unrealized gain (loss) of investment	\$ (29,338)
State's contribution for OPEB	24,967
Change in capital assets due to implementation of GASB 87	26,436
Acquisition of capital asset through long-term debt obligations	—
Other assets paid through long-term debt	—

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, FULLERTON

## Transactions with Related Entities

Year ended June 30, 2022

(In thousands)

	<b>Campus</b>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 3,083
Payments from discretely presented component units for other than salaries	7,835
Payments to discretely presented component units for services, space, and programs	40,974
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	1,788
Accounts receivable from discretely presented component units	2,564
Other amounts receivable from discretely presented component units	1,299
Accounts payable to discretely presented component units	(2,819)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	319
Payments to the Office of the Chancellor for state pro rata charges	150
Accounts receivable from the Office of the Chancellor	1,499
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	2,943
Other interagency payments (receipts) for services, space, and programs	(723)

See accompanying independent auditors' report.



## CALIFORNIA STATE POLYTECHNIC UNIVERSITY, HUMBOLDT

## Statement of Net Position

June 30, 2022

(In thousands)

Assets	Campus	Discretely presented component units	Total
<b>Current assets:</b>			
Cash and cash equivalents	\$ 13	8,014	8,027
Short-term investments	159,474	7,983	167,457
Accounts receivable, net	2,185	15,275	17,460
Lease receivables, current portion	28	295	323
Notes receivable, current portion	—	—	—
Pledges receivable, net	2,000	669	2,669
Prepaid expenses and other current assets	1,797	36	1,833
Total current assets	<u>165,497</u>	<u>32,272</u>	<u>197,769</u>
<b>Noncurrent assets:</b>			
Restricted cash and cash equivalents	—	—	—
Accounts receivable, net	93	—	93
Lease receivables, net of current portion	1,403	4,589	5,992
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	1,286	—	1,286
Pledges receivable, net	—	1,727	1,727
Endowment investments	993	28,972	29,965
Other long-term investments	314	7,229	7,543
Capital assets, net	209,073	13,377	222,450
Other assets	24	3,143	3,167
Total noncurrent assets	<u>213,186</u>	<u>59,037</u>	<u>272,223</u>
Total assets	<u>378,683</u>	<u>91,309</u>	<u>469,992</u>
<b>Deferred Outflows of Resources</b>			
Deferred outflows of resources	<u>75,480</u>	<u>920</u>	<u>76,400</u>
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Accounts payable	11,884	2,969	14,853
Accrued salaries and benefits	9,375	740	10,115
Accrued compensated absences, current portion	3,525	271	3,796
Unearned revenues	2,669	3,124	5,793
Lease liabilities, current portion	424	57	481
Long-term debt obligations, current portion	3,002	—	3,002
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	163	2	165
Other liabilities	600	4,131	4,731
Total current liabilities	<u>31,642</u>	<u>11,294</u>	<u>42,936</u>
<b>Noncurrent liabilities:</b>			
Accrued compensated absences, net of current portion	2,505	130	2,635
Unearned revenues	—	241	241
Grants refundable	1,484	—	1,484
Lease liabilities, net of current portion	3,325	276	3,601
Long-term debt obligations, net of current portion	43,702	—	43,702
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	439,869	—	439,869
Net pension liability	116,573	—	116,573
Other liabilities	418	—	418
Total noncurrent liabilities	<u>607,876</u>	<u>647</u>	<u>608,523</u>
Total liabilities	<u>639,518</u>	<u>11,941</u>	<u>651,459</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflows of resources	<u>122,391</u>	<u>9,175</u>	<u>131,566</u>
<b>Net Position</b>			
<b>Net position:</b>			
Net investment in capital assets	163,030	13,377	176,407
Restricted for:			
Nonexpendable – endowments	993	26,008	27,001
Expendable:			
Scholarships and fellowships	2,241	—	2,241
Research	—	—	—
Loans	1,119	—	1,119
Capital projects	1,202	—	1,202
Debt service	6	—	6
Others	505	12,280	12,785
Unrestricted	(476,842)	19,448	(457,394)
Total net position	<u>\$ (307,746)</u>	<u>71,113</u>	<u>(236,633)</u>

See accompanying independent auditors' report.

## CALIFORNIA STATE POLYTECHNIC UNIVERSITY, HUMBOLDT

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

Year ended June 30, 2022

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
<b>Revenues:</b>				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$26,461)	\$ 24,509	—	—	24,509
Grants and contracts, noncapital:				
Federal	93	13,504	—	13,597
State	632	12,744	—	13,376
Local	—	2,093	—	2,093
Nongovernmental	—	4,987	—	4,987
Sales and services of educational activities	215	4	—	219
Sales and services of auxiliary enterprises (net of scholarship allowances of \$9,022)	9,379	8	—	9,387
Other operating revenues	24,961	5,506	—	30,467
Total operating revenues	<u>59,789</u>	<u>38,846</u>	<u>—</u>	<u>98,635</u>
<b>Expenses:</b>				
Operating expenses:				
Instruction	58,308	277	—	58,585
Research	275	13,346	—	13,621
Public service	9	19,876	—	19,885
Academic support	15,846	786	—	16,632
Student services	36,069	743	—	36,812
Institutional support	27,254	183	—	27,437
Operation and maintenance of plant	17,297	76	—	17,373
Student grants and scholarships	22,675	358	(135)	22,898
Auxiliary enterprise expenses	18,923	3,168	—	22,091
Depreciation and amortization	10,016	280	—	10,296
Total operating expenses	<u>206,672</u>	<u>39,093</u>	<u>(135)</u>	<u>245,630</u>
Operating loss	<u>(146,883)</u>	<u>(247)</u>	<u>135</u>	<u>(146,995)</u>
<b>Nonoperating revenues (expenses):</b>				
State appropriations, noncapital	180,965	—	—	180,965
Federal financial aid grants, noncapital	14,915	—	—	14,915
State financial aid grants, noncapital	10,006	—	—	10,006
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	10	—	—	10
Other federal nonoperating grants, noncapital	30,436	—	—	30,436
Gifts, noncapital	1,380	6,370	878	8,628
Investment loss, net	(8,231)	(775)	—	(9,006)
Endowment income (loss), net	—	(3,525)	—	(3,525)
Interest expense	(1,663)	(12)	—	(1,675)
Other nonoperating revenues (expenses)	4,352	(1,539)	(897)	1,916
Net nonoperating income	<u>232,170</u>	<u>519</u>	<u>(19)</u>	<u>232,670</u>
Income before other revenues	<u>85,287</u>	<u>272</u>	<u>116</u>	<u>85,675</u>
State appropriations, capital	—	—	—	—
Grants and gifts, capital	355	12	(116)	251
Additions to permanent endowments	—	133	—	133
Increase in net position	<u>85,642</u>	<u>417</u>	<u>—</u>	<u>86,059</u>
<b>Net position:</b>				
Net position at beginning of year	<u>(393,388)</u>	<u>70,696</u>	<u>—</u>	<u>(322,692)</u>
Net position at end of year	<u>\$ (307,746)</u>	<u>71,113</u>	<u>—</u>	<u>(236,633)</u>

See accompanying independent auditors' report.

## CALIFORNIA STATE POLYTECHNIC UNIVERSITY, HUMBOLDT

## Statement of Cash Flows

Year ended June 30, 2022

(In thousands)

	<u>Campus</u>
<b>Cash flows from operating activities:</b>	
Student tuition and fees	\$ 24,647
Federal grants and contracts	129
State grants and contracts	632
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(45,488)
Payments to employees	(82,666)
Payments for benefits	(40,605)
Payments to students	(22,706)
Collections of student loans	12
Sales and services of educational activities	215
Sales and services of auxiliary enterprises	8,977
Other receipts	24,031
Net cash used in operating activities	<u>(132,822)</u>
<b>Cash flows from noncapital financing activities:</b>	
State appropriations	169,692
Federal financial aid grants	14,915
State financial aid grants	10,006
Nongovernmental and other financial aid grants	10
Other federal nonoperating grants	31,094
Gifts and grants received for other than capital purposes	1,380
Federal loan program receipts	19,933
Federal loan program disbursements	(20,185)
Monies received on behalf of others	4,279
Monies disbursed on behalf of others	(4,228)
Transfers to escrow agent	—
Proceeds from long-term debt	—
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	3,946
Net cash provided by noncapital financing activities	<u>230,842</u>
<b>Cash flows from capital and related financing activities:</b>	
Proceeds from capital debt	—
State appropriations	—
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	—
Proceeds from sale of capital assets	—
Acquisition of capital assets	(14,835)
Transfers to escrow agent	—
Principal paid on capital debt and leases	(2,534)
Interest paid on capital debt and leases	(1,794)
Principal collection on leases receivable	544
Interest collection on leases receivable	—
Net cash used in capital and related financing activities	<u>(18,619)</u>

## CALIFORNIA STATE POLYTECHNIC UNIVERSITY, HUMBOLDT

## Statement of Cash Flows

Year ended June 30, 2022

(In thousands)

	<b>Campus</b>
<b>Cash flows from investing activities:</b>	
Proceeds from sales of investments	\$ 245,887
Purchases of investments	(327,312)
Investment income proceeds	2,023
Net cash used in investing activities	(79,402)
Net decrease in cash and cash equivalents	(1)
Cash and cash equivalents at beginning of year	14
Cash and cash equivalents at end of year	\$ 13
<b>Summary of cash and cash equivalents at end of year:</b>	
Cash and cash equivalents	\$ 13
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	\$ 13
<b>Reconciliation of operating loss to net cash used in operating activities:</b>	
Operating loss	\$ (146,883)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	10,016
Change in assets and liabilities:	
Accounts receivable, net	201
Student loans receivable, net	(32)
Pledges receivable, net	—
Prepaid expenses and other current assets	(465)
Other assets	96
Deferred outflows of resources	9,786
Accounts payable	3,777
Accrued salaries and benefits	487
Accrued compensated absences	(92)
Unearned revenues	220
Depository accounts	—
Total other postemployment benefits liability	(850)
Net pension liability	(65,707)
Other liabilities	(506)
Deferred inflows of resources	57,130
Net cash used in operating activities	\$ (132,822)
<b>Supplemental schedule of noncash transactions:</b>	
Change in unrealized gain (loss) of investment	\$ (10,255)
State's contribution for OPEB	11,273
Change in capital assets due to implementation of GASB 87	4,397
Acquisition of capital asset through long-term debt obligations	—
Other assets paid through long-term debt	—

See accompanying independent auditors' report.

## CALIFORNIA STATE POLYTECHNIC UNIVERSITY, HUMBOLDT

## Transactions with Related Entities

Year ended June 30, 2022

(In thousands)

	<b>Campus</b>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 2,267
Payments from discretely presented component units for other than salaries	5,295
Payments to discretely presented component units for services, space, and programs	387
Gifts in kind from discretely presented component units	618
Gifts (cash or assets) from discretely presented component units	(5)
Accounts receivable from discretely presented component units	2,480
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(16)
Other amounts payable to discretely presented component units	(418)
Payments to the Office of the Chancellor for administrative activities	83
Payments to the Office of the Chancellor for state pro rata charges	44
Accounts receivable from the Office of the Chancellor	497
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	893
Other interagency payments (receipts) for services, space, and programs	197

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, LONG BEACH

Schedule 8

Statement of Net Position

June 30, 2022

(In thousands)

Assets	Campus	Discretely presented component units	Total
<b>Current assets:</b>			
Cash and cash equivalents	\$ 19	11,487	11,506
Short-term investments	238,224	83,148	321,372
Accounts receivable, net	27,425	10,929	38,354
Lease receivables, current portion	93	1,348	1,441
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	2,861	2,861
Prepaid expenses and other current assets	3,251	1,441	4,692
Total current assets	<u>269,012</u>	<u>111,214</u>	<u>380,226</u>
<b>Noncurrent assets:</b>			
Restricted cash and cash equivalents	—	—	—
Accounts receivable, net	1,356	16,414	17,770
Lease receivables, net of current portion	727	75,953	76,680
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	3,027	—	3,027
Pledges receivable, net	—	4,761	4,761
Endowment investments	—	108,178	108,178
Other long-term investments	76,058	14,199	90,257
Capital assets, net	622,723	48,345	671,068
Other assets	373	1,068	1,441
Total noncurrent assets	<u>704,264</u>	<u>268,918</u>	<u>973,182</u>
Total assets	<u>973,276</u>	<u>380,132</u>	<u>1,353,408</u>
<b>Deferred Outflows of Resources</b>			
Deferred outflows of resources	244,620	5,857	250,477
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Accounts payable	18,980	2,895	21,875
Accrued salaries and benefits	38,995	2,975	41,970
Accrued compensated absences, current portion	9,523	2,607	12,130
Unearned revenues	22,260	7,363	29,623
Lease liabilities, current portion	1,426	63	1,489
Long-term debt obligations, current portion	5,385	1,350	6,735
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	118	1,423	1,541
Other liabilities	3,715	5,136	8,851
Total current liabilities	<u>100,402</u>	<u>23,812</u>	<u>124,214</u>
<b>Noncurrent liabilities:</b>			
Accrued compensated absences, net of current portion	9,794	—	9,794
Unearned revenues	10	—	10
Grants refundable	3,019	—	3,019
Lease liabilities, net of current portion	15,751	145	15,896
Long-term debt obligations, net of current portion	241,798	24,717	266,515
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	1,086,372	8,783	1,095,155
Net pension liability	406,738	3,259	409,997
Other liabilities	—	6,424	6,424
Total noncurrent liabilities	<u>1,763,482</u>	<u>43,328</u>	<u>1,806,810</u>
Total liabilities	<u>1,863,884</u>	<u>67,140</u>	<u>1,931,024</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflows of resources	348,734	98,540	447,274
<b>Net Position</b>			
<b>Net position:</b>			
Net investment in capital assets	375,213	22,074	397,287
Restricted for:			
Nonexpendable – endowments	—	100,182	100,182
Expendable:			
Scholarships and fellowships	176	7,188	7,364
Research	—	5,430	5,430
Loans	811	—	811
Capital projects	932	1,170	2,102
Debt service	133	—	133
Others	—	48,570	48,570
Unrestricted	(1,371,987)	35,695	(1,336,292)
Total net position	<u>\$ (994,722)</u>	<u>220,309</u>	<u>(774,413)</u>

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, LONG BEACH

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

Year ended June 30, 2022

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
<b>Revenues:</b>				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$151,606)	\$ 164,532	—	—	164,532
Grants and contracts, noncapital:				
Federal	1,156	23,270	—	24,426
State	—	8,719	—	8,719
Local	—	234	—	234
Nongovernmental	—	2,202	—	2,202
Sales and services of educational activities	3,222	101	—	3,323
Sales and services of auxiliary enterprises (net of scholarship allowances of \$5,195)	43,450	31,457	—	74,907
Other operating revenues	12,196	25,171	(335)	37,032
Total operating revenues	<u>224,556</u>	<u>91,154</u>	<u>(335)</u>	<u>315,375</u>
<b>Expenses:</b>				
Operating expenses:				
Instruction	297,881	9,305	—	307,186
Research	3,726	11,431	—	15,157
Public service	592	4,624	—	5,216
Academic support	79,631	6,056	—	85,687
Student services	84,707	17,902	(1,278)	101,331
Institutional support	58,679	16,051	(10,058)	64,672
Operation and maintenance of plant	58,700	548	(470)	58,778
Student grants and scholarships	163,542	7,631	(8,019)	163,154
Auxiliary enterprise expenses	29,031	22,253	(94)	51,190
Depreciation and amortization	35,245	2,674	—	37,919
Total operating expenses	<u>811,734</u>	<u>98,475</u>	<u>(19,919)</u>	<u>890,290</u>
Operating loss	<u>(587,178)</u>	<u>(7,321)</u>	<u>19,584</u>	<u>(574,915)</u>
<b>Nonoperating revenues (expenses):</b>				
State appropriations, noncapital	307,191	—	—	307,191
Federal financial aid grants, noncapital	89,309	—	—	89,309
State financial aid grants, noncapital	75,014	—	—	75,014
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	7,727	—	(7,727)	—
Other federal nonoperating grants, noncapital	144,436	2,000	—	146,436
Gifts, noncapital	1,648	13,049	(1,328)	13,369
Investment loss, net	(15,496)	(11,528)	—	(27,024)
Endowment loss, net	—	(14,354)	—	(14,354)
Interest expense	(8,508)	(926)	—	(9,434)
Other nonoperating revenues (expenses)	6,505	(57)	—	6,448
Net nonoperating income (loss)	<u>607,826</u>	<u>(11,816)</u>	<u>(9,055)</u>	<u>586,955</u>
Income (loss) before other revenues	<u>20,648</u>	<u>(19,137)</u>	<u>10,529</u>	<u>12,040</u>
State appropriations, capital	—	—	—	—
Grants and gifts, capital	9,331	—	(10,529)	(1,198)
Additions to permanent endowments	—	16,907	—	16,907
Increase (decrease) in net position	<u>29,979</u>	<u>(2,230)</u>	<u>—</u>	<u>27,749</u>
<b>Net position:</b>				
Net position at beginning of year	(1,024,701)	222,539	—	(802,162)
Net position at end of year	<u>\$ (994,722)</u>	<u>220,309</u>	<u>—</u>	<u>(774,413)</u>

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, LONG BEACH

## Statement of Cash Flows

Year ended June 30, 2022

(In thousands)

	<u>Campus</u>
<b>Cash flows from operating activities:</b>	
Student tuition and fees	\$ 165,463
Federal grants and contracts	1,156
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(134,930)
Payments to employees	(299,493)
Payments for benefits	(140,146)
Payments to students	(163,642)
Collections of student loans	17
Sales and services of educational activities	3,222
Sales and services of auxiliary enterprises	42,375
Other receipts	9,457
Net cash used in operating activities	<u>(516,521)</u>
<b>Cash flows from noncapital financing activities:</b>	
State appropriations	279,685
Federal financial aid grants	89,471
State financial aid grants	75,014
Nongovernmental and other financial aid grants	7,716
Other federal nonoperating grants	144,790
Gifts and grants received for other than capital purposes	1,392
Federal loan program receipts	86,365
Federal loan program disbursements	(86,615)
Monies received on behalf of others	10,694
Monies disbursed on behalf of others	(10,510)
Transfers to escrow agent	—
Proceeds from long-term debt	—
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	9,934
Net cash provided by noncapital financing activities	<u>607,936</u>
<b>Cash flows from capital and related financing activities:</b>	
Proceeds from capital debt	61,933
State appropriations	—
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	8,805
Proceeds from sale of capital assets	588
Acquisition of capital assets	(55,818)
Transfers to escrow agent	(11,022)
Principal paid on capital debt and leases	(55,882)
Interest paid on capital debt and leases	(9,161)
Principal collection on leases receivable	89
Interest collection on leases receivable	67
Net cash used in capital and related financing activities	<u>(60,401)</u>



## CALIFORNIA STATE UNIVERSITY, LONG BEACH

## Statement of Cash Flows

Year ended June 30, 2022

(In thousands)

	<u>Campus</u>
<b>Cash flows from investing activities:</b>	
Proceeds from sales of investments	\$ 1,517,724
Purchases of investments	(1,556,619)
Investment income proceeds	7,223
Net cash used in investing activities	(31,672)
Net decrease in cash and cash equivalents	(658)
Cash and cash equivalents at beginning of year	677
Cash and cash equivalents at end of year	<u>\$ 19</u>
<b>Summary of cash and cash equivalents at end of year:</b>	
Cash and cash equivalents	\$ 19
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 19</u>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>	
Operating loss	\$ (587,178)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	35,245
Change in assets and liabilities:	
Accounts receivable, net	(1,154)
Student loans receivable, net	(121)
Pledges receivable, net	—
Prepaid expenses and other current assets	804
Other assets	(154)
Deferred outflows of resources	5,941
Accounts payable	3,746
Accrued salaries and benefits	3,472
Accrued compensated absences	(772)
Unearned revenues	890
Depository accounts	—
Total other postemployment benefits liability	24,784
Net pension liability	(194,988)
Other liabilities	(1,641)
Deferred inflows of resources	194,605
Net cash used in operating activities	<u>\$ (516,521)</u>
<b>Supplemental schedule of noncash transactions:</b>	
Change in unrealized gain (loss) of investment	\$ (22,696)
State's contribution for OPEB	27,161
Change in capital assets due to implementation of GASB 87	18,541
Acquisition of capital asset through long-term debt obligations	—
Other assets paid through long-term debt	(256)

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, LONG BEACH

## Transactions with Related Entities

Year ended June 30, 2022

(In thousands)

	<b>Campus</b>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 3,549
Payments from discretely presented component units for other than salaries	20,600
Payments to discretely presented component units for services, space, and programs	25,756
Gifts in kind from discretely presented component units	597
Gifts (cash or assets) from discretely presented component units	18,028
Accounts receivable from discretely presented component units	5,727
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(734)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	310
Payments to the Office of the Chancellor for state pro rata charges	143
Accounts receivable from the Office of the Chancellor	93
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	3,125
Other interagency payments (receipts) for services, space, and programs	958

See accompanying independent auditors' report.



## NEARLY HALF

of the state's bachelor's  
degrees are awarded  
by the CSU



CALIFORNIA STATE UNIVERSITY, LOS ANGELES

Schedule 8

Statement of Net Position

June 30, 2022

(In thousands)

Assets	Campus	Discretely presented component units	Total
<b>Current assets:</b>			
Cash and cash equivalents	\$ 7	4,826	4,833
Short-term investments	149,054	24,024	173,078
Accounts receivable, net	14,286	6,037	20,323
Lease receivables, current portion	1,946	934	2,880
Notes receivable, current portion	—	21	21
Pledges receivable, net	—	1,054	1,054
Prepaid expenses and other current assets	7,108	224	7,332
Total current assets	<u>172,401</u>	<u>37,120</u>	<u>209,521</u>
<b>Noncurrent assets:</b>			
Restricted cash and cash equivalents	—	8,902	8,902
Accounts receivable, net	178	—	178
Lease receivables, net of current portion	23,729	4,030	27,759
Notes receivable, net of current portion	—	21	21
Student loans receivable, net	1,063	—	1,063
Pledges receivable, net	—	4,363	4,363
Endowment investments	—	58,659	58,659
Other long-term investments	139,554	—	139,554
Capital assets, net	627,215	37,065	664,280
Other assets	264	258	522
Total noncurrent assets	<u>792,003</u>	<u>113,298</u>	<u>905,301</u>
Total assets	<u>964,404</u>	<u>150,418</u>	<u>1,114,822</u>
<b>Deferred Outflows of Resources</b>			
Deferred outflows of resources	<u>148,444</u>	<u>503</u>	<u>148,947</u>
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Accounts payable	20,729	1,547	22,276
Accrued salaries and benefits	23,877	2,607	26,484
Accrued compensated absences, current portion	8,245	470	8,715
Unearned revenues	21,966	9,342	31,308
Lease liabilities, current portion	1,679	1,191	2,870
Long-term debt obligations, current portion	8,055	221	8,276
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	—	—	—
Other liabilities	5,085	—	5,085
Total current liabilities	<u>89,636</u>	<u>15,378</u>	<u>105,014</u>
<b>Noncurrent liabilities:</b>			
Accrued compensated absences, net of current portion	4,046	89	4,135
Unearned revenues	—	—	—
Grants refundable	227	—	227
Lease liabilities, net of current portion	7,875	14,611	22,486
Long-term debt obligations, net of current portion	313,340	5,304	318,644
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	6	—	6
Total other postemployment benefits liability	689,028	640	689,668
Net pension liability	263,096	—	263,096
Other liabilities	—	1	1
Total noncurrent liabilities	<u>1,277,618</u>	<u>20,645</u>	<u>1,298,263</u>
Total liabilities	<u>1,367,254</u>	<u>36,023</u>	<u>1,403,277</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflows of resources	<u>248,737</u>	<u>6,744</u>	<u>255,481</u>
<b>Net Position</b>			
<b>Net position:</b>			
Net investment in capital assets	310,949	8,994	319,943
Restricted for:			
Nonexpendable – endowments	—	44,252	44,252
Expendable:			
Scholarships and fellowships	1,843	24,143	25,986
Research	—	—	—
Loans	1,208	—	1,208
Capital projects	203	—	203
Debt service	33	—	33
Others	1,619	—	1,619
Unrestricted	(818,998)	30,765	(788,233)
Total net position	<u>\$ (503,143)</u>	<u>108,154</u>	<u>(394,989)</u>

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, LOS ANGELES

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

Year ended June 30, 2022

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
<b>Revenues:</b>				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$127,339)	\$ 73,704	—	—	73,704
Grants and contracts, noncapital:				
Federal	—	14,935	—	14,935
State	—	1,062	—	1,062
Local	—	1,567	—	1,567
Nongovernmental	—	2,551	—	2,551
Sales and services of educational activities	69	1,936	—	2,005
Sales and services of auxiliary enterprises (net of scholarship allowances of \$3,146)	19,797	2,697	—	22,494
Other operating revenues	7,277	8,019	(327)	14,969
Total operating revenues	<u>100,847</u>	<u>32,767</u>	<u>(327)</u>	<u>133,287</u>
<b>Expenses:</b>				
Operating expenses:				
Instruction	147,133	11,627	—	158,760
Research	1,974	—	—	1,974
Public service	3,102	616	—	3,718
Academic support	47,678	2,042	—	49,720
Student services	52,640	6,841	—	59,481
Institutional support	89,065	2,094	—	91,159
Operation and maintenance of plant	41,123	1,629	(327)	42,425
Student grants and scholarships	137,845	5,753	—	143,598
Auxiliary enterprise expenses	12,721	2,736	—	15,457
Depreciation and amortization	28,079	2,466	—	30,545
Total operating expenses	<u>561,360</u>	<u>35,804</u>	<u>(327)</u>	<u>596,837</u>
Operating loss	<u>(460,513)</u>	<u>(3,037)</u>	<u>—</u>	<u>(463,550)</u>
<b>Nonoperating revenues (expenses):</b>				
State appropriations, noncapital	234,443	—	—	234,443
Federal financial aid grants, noncapital	83,342	—	—	83,342
State financial aid grants, noncapital	68,353	—	—	68,353
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	20	—	—	20
Other federal nonoperating grants, noncapital	126,608	—	—	126,608
Gifts, noncapital	52	3,794	—	3,846
Investment loss, net	(17,233)	(7,791)	—	(25,024)
Endowment income (loss), net	—	—	—	—
Interest expense	(12,010)	(704)	—	(12,714)
Other nonoperating revenues	12,459	2,942	1,094	16,495
Net nonoperating income (loss)	<u>496,034</u>	<u>(1,759)</u>	<u>1,094</u>	<u>495,369</u>
Income (loss) before other revenues	<u>35,521</u>	<u>(4,796)</u>	<u>1,094</u>	<u>31,819</u>
State appropriations, capital	138	—	—	138
Grants and gifts, capital	2,640	—	(1,094)	1,546
Additions (reductions) to permanent endowments	—	—	—	—
Increase (decrease) in net position	<u>38,299</u>	<u>(4,796)</u>	<u>—</u>	<u>33,503</u>
<b>Net position:</b>				
Net position at beginning of year	(541,442)	112,950	—	(428,492)
Net position at end of year	<u>\$ (503,143)</u>	<u>108,154</u>	<u>—</u>	<u>(394,989)</u>

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, LOS ANGELES

## Statement of Cash Flows

Year ended June 30, 2022

(In thousands)

	<u>Campus</u>
<b>Cash flows from operating activities:</b>	
Student tuition and fees	\$ 79,416
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(120,186)
Payments to employees	(183,333)
Payments for benefits	(90,898)
Payments to students	(137,086)
Collections of student loans	62
Sales and services of educational activities	69
Sales and services of auxiliary enterprises	19,644
Other receipts	6,764
Net cash used in operating activities	<u>(425,548)</u>
<b>Cash flows from noncapital financing activities:</b>	
State appropriations	217,306
Federal financial aid grants	81,861
State financial aid grants	68,105
Nongovernmental and other financial aid grants	20
Other federal nonoperating grants	126,608
Gifts and grants received for other than capital purposes	52
Federal loan program receipts	55,210
Federal loan program disbursements	(55,491)
Monies received on behalf of others	33
Monies disbursed on behalf of others	(62)
Transfers to escrow agent	—
Proceeds from long-term debt	1,518
Principal paid on long-term debt	(1,110)
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	17,973
Net cash provided by noncapital financing activities	<u>512,023</u>
<b>Cash flows from capital and related financing activities:</b>	
Proceeds from capital debt	21,050
State appropriations	138
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	7
Proceeds from sale of capital assets	6,636
Acquisition of capital assets	(75,320)
Transfers to escrow agent	(20,988)
Principal paid on capital debt and leases	(8,088)
Interest paid on capital debt and leases	(14,921)
Principal collection on leases receivable	17,508
Interest collection on leases receivable	—
Net cash used in capital and related financing activities	<u>(73,978)</u>

## CALIFORNIA STATE UNIVERSITY, LOS ANGELES

## Statement of Cash Flows

Year ended June 30, 2022

(In thousands)

	<u>Campus</u>
<b>Cash flows from investing activities:</b>	
Proceeds from sales of investments	\$ 793,469
Purchases of investments	(811,632)
Investment income proceeds	5,664
Net cash used in investing activities	(12,499)
Net decrease in cash and cash equivalents	(2)
Cash and cash equivalents at beginning of year	9
Cash and cash equivalents at end of year	<u>\$ 7</u>
<b>Summary of cash and cash equivalents at end of year:</b>	
Cash and cash equivalents	\$ 7
Restricted cash and cash equivalents	—
Total 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	\$ (460,513)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	28,079
Change in assets and liabilities:	
Accounts receivable, net	7,276
Student loans receivable, net	(38)
Pledges receivable, net	—
Prepaid expenses and other current assets	(6,205)
Other assets	(9)
Deferred outflows of resources	11,118
Accounts payable	4,945
Accrued salaries and benefits	1,850
Accrued compensated absences	(970)
Unearned revenues	156
Depository accounts	—
Total other postemployment benefits liability	(3,965)
Net pension liability	(130,824)
Other liabilities	2,577
Deferred inflows of resources	120,975
Net cash used in operating activities	<u>\$ (425,548)</u>
<b>Supplemental schedule of noncash transactions:</b>	
Change in unrealized gain (loss) of investment	\$ (22,889)
State's contribution for OPEB	17,137
Change in capital assets due to implementation of GASB 87	11,192
Acquisition of capital asset through long-term debt obligations	—
Other assets paid through long-term debt	—

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, LOS ANGELES

## Transactions with Related Entities

Year ended June 30, 2022

(In thousands)

	<b>Campus</b>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 1,947
Payments from discretely presented component units for other than salaries	4,818
Payments to discretely presented component units for services, space, and programs	6,480
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	—
Accounts receivable from discretely presented component units	641
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(223)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	157
Payments to the Office of the Chancellor for state pro rata charges	83
Accounts receivable from the Office of the Chancellor	4,268
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	2,429
Other interagency payments (receipts) for services, space, and programs	259

See accompanying independent auditors' report.



CALIFORNIA MARITIME ACADEMY

Schedule 8

Statement of Net Position

June 30, 2022

(In thousands)

Assets	Campus	Discretely presented component units	Total
<b>Current assets:</b>			
Cash and cash equivalents	\$ 888	5,572	6,460
Short-term investments	20,939	5,854	26,793
Accounts receivable, net	2,027	612	2,639
Lease receivables, current portion	—	2,031	2,031
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	233	233
Prepaid expenses and other current assets	454	—	454
Total current assets	<u>24,308</u>	<u>14,302</u>	<u>38,610</u>
<b>Noncurrent assets:</b>			
Restricted cash and cash equivalents	—	239	239
Accounts receivable, net	—	—	—
Lease receivables, net of current portion	—	2,367	2,367
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	139	—	139
Pledges receivable, net	—	55	55
Endowment investments	—	10,158	10,158
Other long-term investments	224	—	224
Capital assets, net	121,637	15,789	137,426
Other assets	8	—	8
Total noncurrent assets	<u>122,008</u>	<u>28,608</u>	<u>150,616</u>
Total assets	<u>146,316</u>	<u>42,910</u>	<u>189,226</u>
<b>Deferred Outflows of Resources</b>			
Deferred outflows of resources	<u>20,931</u>	<u>—</u>	<u>20,931</u>
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Accounts payable	1,362	127	1,489
Accrued salaries and benefits	2,093	—	2,093
Accrued compensated absences, current portion	737	—	737
Unearned revenues	527	—	527
Lease liabilities, current portion	40	—	40
Long-term debt obligations, current portion	886	—	886
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	49	—	49
Other liabilities	1,058	2,449	3,507
Total current liabilities	<u>6,752</u>	<u>2,576</u>	<u>9,328</u>
<b>Noncurrent liabilities:</b>			
Accrued compensated absences, net of current portion	1,561	—	1,561
Unearned revenues	—	—	—
Grants refundable	345	—	345
Lease liabilities, net of current portion	36	—	36
Long-term debt obligations, net of current portion	32,498	—	32,498
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	99,289	—	99,289
Net pension liability	40,154	—	40,154
Other liabilities	—	—	—
Total noncurrent liabilities	<u>173,883</u>	<u>—</u>	<u>173,883</u>
Total liabilities	<u>180,635</u>	<u>2,576</u>	<u>183,211</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflows of resources	<u>33,231</u>	<u>4,387</u>	<u>37,618</u>
<b>Net Position</b>			
<b>Net position:</b>			
Net investment in capital assets	89,345	15,789	105,134
Restricted for:			
Nonexpendable – endowments	—	10,158	10,158
Expendable:			
Scholarships and fellowships	69	—	69
Research	—	—	—
Loans	33	—	33
Capital projects	2	—	2
Debt service	3	—	3
Others	6,477	3,221	9,698
Unrestricted	(142,548)	6,779	(135,769)
Total net position	<u>\$ (46,619)</u>	<u>35,947</u>	<u>(10,672)</u>

See accompanying independent auditors' report.

## CALIFORNIA MARITIME ACADEMY

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

Year ended June 30, 2022

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
<b>Revenues:</b>				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$4,054)	\$ 8,754	—	—	8,754
Grants and contracts, noncapital:				
Federal	1,122	—	—	1,122
State	125	—	—	125
Local	—	—	—	—
Nongovernmental	285	—	—	285
Sales and services of educational activities	2	—	—	2
Sales and services of auxiliary enterprises (net of scholarship allowances of \$1,035)	8,555	—	—	8,555
Other operating revenues	2,218	11,372	—	13,590
Total operating revenues	<u>21,061</u>	<u>11,372</u>	<u>—</u>	<u>32,433</u>
<b>Expenses:</b>				
Operating expenses:				
Instruction	19,822	—	—	19,822
Research	1,110	—	—	1,110
Public service	22	—	—	22
Academic support	4,179	—	—	4,179
Student services	9,429	130	—	9,559
Institutional support	12,976	—	—	12,976
Operation and maintenance of plant	17,056	160	—	17,216
Student grants and scholarships	2,122	516	—	2,638
Auxiliary enterprise expenses	4,233	7,413	—	11,646
Depreciation and amortization	5,946	3,863	—	9,809
Total operating expenses	<u>76,895</u>	<u>12,082</u>	<u>—</u>	<u>88,977</u>
Operating loss	<u>(55,834)</u>	<u>(710)</u>	<u>—</u>	<u>(56,544)</u>
<b>Nonoperating revenues (expenses):</b>				
State appropriations, noncapital	47,249	—	—	47,249
Federal financial aid grants, noncapital	1,482	—	—	1,482
State financial aid grants, noncapital	870	—	—	870
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	516	—	—	516
Other federal nonoperating grants, noncapital	3,441	—	—	3,441
Gifts, noncapital	—	2,217	—	2,217
Investment income (loss), net	462	(63)	—	399
Endowment loss, net	—	(1,204)	—	(1,204)
Interest expense	(661)	—	—	(661)
Other nonoperating revenues (expenses)	19,648	(22)	—	19,626
Net nonoperating income	<u>73,007</u>	<u>928</u>	<u>—</u>	<u>73,935</u>
Income before other revenues	17,173	218	—	17,391
State appropriations, capital	—	—	—	—
Grants and gifts, capital	—	8,554	—	8,554
Additions (reductions) to permanent endowments	—	—	—	—
Increase in net position	<u>17,173</u>	<u>8,772</u>	<u>—</u>	<u>25,945</u>
<b>Net position:</b>				
Net position at beginning of year	(63,792)	27,175	—	(36,617)
Net position at end of year	<u>\$ (46,619)</u>	<u>35,947</u>	<u>—</u>	<u>(10,672)</u>

See accompanying independent auditors' report.

## CALIFORNIA MARITIME ACADEMY

## Statement of Cash Flows

Year ended June 30, 2022

(In thousands)

	<u>Campus</u>
<b>Cash flows from operating activities:</b>	
Student tuition and fees	\$ 6,686
Federal grants and contracts	1,120
State grants and contracts	250
Local grants and contracts	—
Nongovernmental grants and contracts	828
Payments to suppliers	(31,785)
Payments to employees	(27,773)
Payments for benefits	(13,708)
Payments to students	(1,881)
Collections of student loans	—
Sales and services of educational activities	2
Sales and services of auxiliary enterprises	8,328
Other receipts	1,894
Net cash used in operating activities	<u>(56,039)</u>
<b>Cash flows from noncapital financing activities:</b>	
State appropriations	44,900
Federal financial aid grants	1,482
State financial aid grants	870
Nongovernmental and other financial aid grants	516
Other federal nonoperating grants	3,441
Gifts and grants received for other than capital purposes	—
Federal loan program receipts	4,189
Federal loan program disbursements	(4,403)
Monies received on behalf of others	39
Monies disbursed on behalf of others	—
Transfers to escrow agent	—
Proceeds from long-term debt	—
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	20,853
Net cash provided by noncapital financing activities	<u>71,887</u>
<b>Cash flows from capital and related financing activities:</b>	
Proceeds from capital debt	104
State appropriations	—
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	—
Proceeds from sale of capital assets	—
Acquisition of capital assets	(9,924)
Transfers to escrow agent	—
Principal paid on capital debt and leases	(1,205)
Interest paid on capital debt and leases	(1,082)
Principal collection on leases receivable	—
Interest collection on leases receivable	—
Net cash used in capital and related financing activities	<u>(12,107)</u>

## CALIFORNIA MARITIME ACADEMY

## Statement of Cash Flows

Year ended June 30, 2022

(In thousands)

	<u>Campus</u>
<b>Cash flows from investing activities:</b>	
Proceeds from sales of investments	\$ 84,967
Purchases of investments	(90,052)
Investment income proceeds	2,078
Net cash used in investing activities	(3,007)
Net increase in cash and cash equivalents	734
Cash and cash equivalents at beginning of year	154
Cash and cash equivalents at end of year	<u>\$ 888</u>
<b>Summary of cash and cash equivalents at end of year:</b>	
Cash and cash equivalents	\$ 888
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 888</u>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>	
Operating loss	\$ (55,834)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	5,946
Change in assets and liabilities:	
Accounts receivable, net	(473)
Student loans receivable, net	148
Pledges receivable, net	—
Prepaid expenses and other current assets	(26)
Other assets	2
Deferred outflows of resources	4,553
Accounts payable	(829)
Accrued salaries and benefits	304
Accrued compensated absences	(371)
Unearned revenues	(1,381)
Depository accounts	—
Total other postemployment benefits liability	(3,328)
Net pension liability	(23,396)
Other liabilities	341
Deferred inflows of resources	18,305
Net cash used in operating activities	<u>\$ (56,039)</u>
<b>Supplemental schedule of noncash transactions:</b>	
Change in unrealized gain (loss) of investment	\$ (1,616)
State's contribution for OPEB	2,349
Change in capital assets due to implementation of GASB 87	114
Acquisition of capital asset through long-term debt obligations	—
Other assets paid through long-term debt	—

See accompanying independent auditors' report.

## CALIFORNIA MARITIME ACADEMY

## Transactions with Related Entities

Year ended June 30, 2022

(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	126
Payments to discretely presented component units for services, space, and programs	—
Gifts in kind from discretely presented component units	17
Gifts (cash or assets) from discretely presented component units	542
Accounts receivable from discretely presented component units	115
Other amounts receivable from discretely presented component units	—
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	373
Payments to the Office of the Chancellor for state pro rata charges	15
Accounts receivable from the Office of the Chancellor	1,461
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	161
Other interagency payments (receipts) for services, space, and programs	27

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, MONTEREY BAY

Schedule 8

Statement of Net Position

June 30, 2022

(In thousands)

Assets	Campus	Discretely presented component units	Total
<b>Current assets:</b>			
Cash and cash equivalents	\$ 5	11,274	11,279
Short-term investments	81,346	111	81,457
Accounts receivable, net	15,168	18,605	33,773
Lease receivables, current portion	3,143	21	3,164
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	268	268
Prepaid expenses and other current assets	1,509	1,924	3,433
Total current assets	<u>101,171</u>	<u>32,203</u>	<u>133,374</u>
<b>Noncurrent assets:</b>			
Restricted cash and cash equivalents	—	333	333
Accounts receivable, net	—	35	35
Lease receivables, net of current portion	41,987	460	42,447
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	66	—	66
Pledges receivable, net	—	266	266
Endowment investments	—	31,872	31,872
Other long-term investments	7,025	49,701	56,726
Capital assets, net	358,805	150,608	509,413
Other assets	10	40	50
Total noncurrent assets	<u>407,893</u>	<u>233,315</u>	<u>641,208</u>
Total assets	<u>509,064</u>	<u>265,518</u>	<u>774,582</u>
<b>Deferred Outflows of Resources</b>			
Deferred outflows of resources	<u>59,134</u>	<u>—</u>	<u>59,134</u>
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Accounts payable	6,931	21,140	28,071
Accrued salaries and benefits	7,662	983	8,645
Accrued compensated absences, current portion	3,168	643	3,811
Unearned revenues	3,610	7,579	11,189
Lease liabilities, current portion	8	3,629	3,637
Long-term debt obligations, current portion	3,740	1,145	4,885
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	—	—	—
Other liabilities	2,186	125	2,311
Total current liabilities	<u>27,305</u>	<u>35,244</u>	<u>62,549</u>
<b>Noncurrent liabilities:</b>			
Accrued compensated absences, net of current portion	2,873	—	2,873
Unearned revenues	—	—	—
Grants refundable	—	—	—
Lease liabilities, net of current portion	8	47,554	47,562
Long-term debt obligations, net of current portion	88,897	78,864	167,761
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	362	362
Total other postemployment benefits liability	259,837	—	259,837
Net pension liability	111,688	—	111,688
Other liabilities	1,605	—	1,605
Total noncurrent liabilities	<u>464,908</u>	<u>126,780</u>	<u>591,688</u>
Total liabilities	<u>492,213</u>	<u>162,024</u>	<u>654,237</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflows of resources	<u>133,318</u>	<u>473</u>	<u>133,791</u>
<b>Net Position</b>			
<b>Net position:</b>			
Net investment in capital assets	267,317	27,824	295,141
Restricted for:			
Nonexpendable – endowments	—	16,659	16,659
Expendable:			
Scholarships and fellowships	322	10,395	10,717
Research	—	36	36
Loans	101	—	101
Capital projects	1,736	—	1,736
Debt service	11	—	11
Others	4	14,020	14,024
Unrestricted	(326,824)	34,087	(292,737)
Total net position	<u>\$ (57,333)</u>	<u>103,021</u>	<u>45,688</u>

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, MONTEREY BAY

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

Year ended June 30, 2022

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
<b>Revenues:</b>				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$24,027)	\$ 41,128	—	—	41,128
Grants and contracts, noncapital:				
Federal	—	16,071	—	16,071
State	—	1,857	—	1,857
Local	—	130	—	130
Nongovernmental	—	1,488	—	1,488
Sales and services of educational activities	—	—	—	—
Sales and services of auxiliary enterprises (net of scholarship allowances of \$-)	16,313	1,562	—	17,875
Other operating revenues	10,229	50,177	—	60,406
Total operating revenues	<u>67,670</u>	<u>71,285</u>	<u>—</u>	<u>138,955</u>
<b>Expenses:</b>				
Operating expenses:				
Instruction	69,245	134	—	69,379
Research	1,313	5,712	—	7,025
Public service	747	8,687	—	9,434
Academic support	17,651	3,342	—	20,993
Student services	23,659	1,172	—	24,831
Institutional support	24,084	6,057	(730)	29,411
Operation and maintenance of plant	20,959	667	—	21,626
Student grants and scholarships	28,409	3,893	(39)	32,263
Auxiliary enterprise expenses	13,366	31,679	(63)	44,982
Depreciation and amortization	20,316	10,796	—	31,112
Total operating expenses	<u>219,749</u>	<u>72,139</u>	<u>(832)</u>	<u>291,056</u>
Operating loss	<u>(152,079)</u>	<u>(854)</u>	<u>832</u>	<u>(152,101)</u>
<b>Nonoperating revenues (expenses):</b>				
State appropriations, noncapital	115,596	—	—	115,596
Federal financial aid grants, noncapital	16,044	—	—	16,044
State financial aid grants, noncapital	11,770	—	—	11,770
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	28,313	—	—	28,313
Gifts, noncapital	1,307	3,803	(832)	4,278
Investment loss, net	(3,984)	(5,920)	—	(9,904)
Endowment loss, net	—	(3,333)	—	(3,333)
Interest expense	(2,295)	(3,789)	—	(6,084)
Other nonoperating revenues	809	16,468	—	17,277
Net nonoperating income	<u>167,560</u>	<u>7,229</u>	<u>(832)</u>	<u>173,957</u>
Income before other revenues	15,481	6,375	—	21,856
State appropriations, capital	—	—	—	—
Grants and gifts, capital	22,860	(11,352)	—	11,508
Additions to permanent endowments	—	771	—	771
Increase (Decrease) in net position	<u>38,341</u>	<u>(4,206)</u>	<u>—</u>	<u>34,135</u>
<b>Net position:</b>				
Net position at beginning of year	(95,674)	107,227	—	11,553
Net position at end of year	<u>\$ (57,333)</u>	<u>103,021</u>	<u>—</u>	<u>45,688</u>

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, MONTEREY BAY

## Statement of Cash Flows

Year ended June 30, 2022

(In thousands)

	<u>Campus</u>
<b>Cash flows from operating activities:</b>	
Student tuition and fees	\$ 41,566
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(55,666)
Payments to employees	(77,449)
Payments for benefits	(38,175)
Payments to students	(28,591)
Collections of student loans	—
Sales and services of educational activities	—
Sales and services of auxiliary enterprises	16,313
Other payments	(9,490)
Net cash used in operating activities	<u>(151,492)</u>
<b>Cash flows from noncapital financing activities:</b>	
State appropriations	109,101
Federal financial aid grants	16,044
State financial aid grants	11,770
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	28,313
Gifts and grants received for other than capital purposes	1,307
Federal loan program receipts	22,833
Federal loan program disbursements	(22,685)
Monies received on behalf of others	—
Monies disbursed on behalf of others	(10)
Transfers to escrow agent	—
Proceeds from long-term debt	—
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	(41)
Net cash provided by noncapital financing activities	<u>166,632</u>
<b>Cash flows from capital and related financing activities:</b>	
Proceeds from capital debt	—
State appropriations	—
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	34,153
Proceeds from sale of capital assets	742
Acquisition of capital assets	(72,197)
Transfers to escrow agent	—
Principal paid on capital debt and leases	(3,385)
Interest paid on capital debt and leases	(2,878)
Principal collection on leases receivable	48,293
Interest collection on leases receivable	949
Net cash provided by capital and related financing activities	<u>5,677</u>



## CALIFORNIA STATE UNIVERSITY, MONTEREY BAY

## Statement of Cash Flows

Year ended June 30, 2022

(In thousands)

	<u>Campus</u>
<b>Cash flows from investing activities:</b>	
Proceeds from sales of investments	\$ 293,019
Purchases of investments	(315,090)
Investment income proceeds	1,253
Net cash used in investing activities	(20,818)
Net decrease in cash and cash equivalents	(1)
Cash and cash equivalents at beginning of year	6
Cash and cash equivalents at end of year	<u>\$ 5</u>
<b>Summary of cash and cash equivalents at end of year:</b>	
Cash and cash equivalents	\$ 5
Restricted cash and cash equivalents	—
Total 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	\$ (152,079)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	20,316
Change in assets and liabilities:	
Accounts receivable, net	(10,762)
Student loans receivable, net	3
Pledges receivable, net	—
Prepaid expenses and other current assets	(90)
Other assets	183
Deferred outflows of resources	5,644
Accounts payable	(4,339)
Accrued salaries and benefits	711
Accrued compensated absences	(105)
Unearned revenues	(1,177)
Depository accounts	—
Total other postemployment benefits liability	458
Net pension liability	(57,920)
Other liabilities	(163)
Deferred inflows of resources	47,828
Net cash used in operating activities	<u>\$ (151,492)</u>
<b>Supplemental schedule of noncash transactions:</b>	
Change in unrealized gain (loss) of investment	\$ (6,189)
State's contribution for OPEB	6,495
Change in capital assets due to implementation of GASB 87	31
Acquisition of capital asset through long-term debt obligations	—
Other assets paid through long-term debt	—

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, MONTEREY BAY

## Transactions with Related Entities

Year ended June 30, 2022

(In thousands)

	<b>Campus</b>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 1,401
Payments from discretely presented component units for other than salaries	3,575
Payments to discretely presented component units for services, space, and programs	—
Gifts in kind from discretely presented component units	793
Gifts (cash or assets) from discretely presented component units	5,990
Accounts receivable from discretely presented component units	12,485
Other amounts receivable from discretely presented component units	43,838
Accounts payable to discretely presented component units	(1,406)
Other amounts payable to discretely presented component units	(1,605)
Payments to the Office of the Chancellor for administrative activities	70
Payments to the Office of the Chancellor for state pro rata charges	61
Accounts receivable from the Office of the Chancellor	321
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	734
Other interagency payments (receipts) for services, space, and programs	165

See accompanying independent auditors' report.



**800 MILES**

stretching  
from Humboldt  
to San Diego

CALIFORNIA STATE UNIVERSITY, NORTHRIDGE

Schedule 8

Statement of Net Position

June 30, 2022

(In thousands)

Assets	Campus	Discretely presented component units	Total
<b>Current assets:</b>			
Cash and cash equivalents	\$ 14	37,319	37,333
Short-term investments	387,241	91,861	479,102
Accounts receivable, net	6,905	9,339	16,244
Lease receivables, current portion	565	—	565
Notes receivable, current portion	—	5	5
Pledges receivable, net	—	39,913	39,913
Prepaid expenses and other current assets	4,683	537	5,220
Total current assets	<u>399,408</u>	<u>178,974</u>	<u>578,382</u>
<b>Noncurrent assets:</b>			
Restricted cash and cash equivalents	—	1,843	1,843
Accounts receivable, net	—	1,380	1,380
Lease receivables, net of current portion	4,126	441	4,567
Notes receivable, net of current portion	—	28	28
Student loans receivable, net	926	—	926
Pledges receivable, net	—	—	—
Endowment investments	—	180,987	180,987
Other long-term investments	77,396	19,764	97,160
Capital assets, net	477,365	29,776	507,141
Other assets	33	17	50
Total noncurrent assets	<u>559,846</u>	<u>234,236</u>	<u>794,082</u>
Total assets	<u>959,254</u>	<u>413,210</u>	<u>1,372,464</u>
<b>Deferred Outflows of Resources</b>			
Deferred outflows of resources	208,454	—	208,454
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Accounts payable	14,338	3,330	17,668
Accrued salaries and benefits	30,757	2,321	33,078
Accrued compensated absences, current portion	9,092	1,020	10,112
Unearned revenues	27,782	4,035	31,817
Lease liabilities, current portion	325	535	860
Long-term debt obligations, current portion	6,315	250	6,565
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	235	4,443	4,678
Other liabilities	4,194	—	4,194
Total current liabilities	<u>93,038</u>	<u>15,934</u>	<u>108,972</u>
<b>Noncurrent liabilities:</b>			
Accrued compensated absences, net of current portion	10,668	256	10,924
Unearned revenues	—	—	—
Grants refundable	1,033	—	1,033
Lease liabilities, net of current portion	2,865	4,769	7,634
Long-term debt obligations, net of current portion	133,639	3,685	137,324
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	1,024,176	5,114	1,029,290
Net pension liability	374,115	—	374,115
Other liabilities	1,175	—	1,175
Total noncurrent liabilities	<u>1,547,671</u>	<u>13,824</u>	<u>1,561,495</u>
Total liabilities	<u>1,640,709</u>	<u>29,758</u>	<u>1,670,467</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflows of resources	328,947	—	328,947
<b>Net Position</b>			
<b>Net position:</b>			
Net investment in capital assets	336,881	17,864	354,745
Restricted for:			
Nonexpendable – endowments	—	118,935	118,935
Expendable:			
Scholarships and fellowships	549	25,392	25,941
Research	—	—	—
Loans	1,196	60	1,256
Capital projects	1	1,715	1,716
Debt service	31	—	31
Others	—	85,325	85,325
Unrestricted	(1,140,606)	134,161	(1,006,445)
Total net position	<u>\$ (801,948)</u>	<u>383,452</u>	<u>(418,496)</u>

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, NORTHRIDGE

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

Year ended June 30, 2022

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
<b>Revenues:</b>				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$156,768)	\$ 153,757	—	—	153,757
Grants and contracts, noncapital:				
Federal	—	25,357	—	25,357
State	—	3,287	—	3,287
Local	—	1,007	—	1,007
Nongovernmental	—	3,000	—	3,000
Sales and services of educational activities	1,010	—	—	1,010
Sales and services of auxiliary enterprises (net of scholarship allowances of \$5,376)	19,900	12,846	—	32,746
Other operating revenues	15,371	26,951	—	42,322
Total operating revenues	<u>190,038</u>	<u>72,448</u>	<u>—</u>	<u>262,486</u>
<b>Expenses:</b>				
Operating expenses:				
Instruction	233,033	—	—	233,033
Research	2,828	27,293	—	30,121
Public service	1,746	1,566	—	3,312
Academic support	77,711	4,882	—	82,593
Student services	103,862	21,719	—	125,581
Institutional support	65,559	6,785	(2,253)	70,091
Operation and maintenance of plant	54,057	1,313	—	55,370
Student grants and scholarships	171,885	2,503	—	174,388
Auxiliary enterprise expenses	10,466	13,680	—	24,146
Depreciation and amortization	30,472	2,480	—	32,952
Total operating expenses	<u>751,619</u>	<u>82,221</u>	<u>(2,253)</u>	<u>831,587</u>
Operating loss	<u>(561,581)</u>	<u>(9,773)</u>	<u>2,253</u>	<u>(569,101)</u>
<b>Nonoperating revenues (expenses):</b>				
State appropriations, noncapital	332,962	—	—	332,962
Federal financial aid grants, noncapital	102,253	—	—	102,253
State financial aid grants, noncapital	80,500	—	—	80,500
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	3,215	—	—	3,215
Other federal nonoperating grants, noncapital	152,178	—	—	152,178
Gifts, noncapital	2,018	38,082	(1,992)	38,108
Investment loss, net	(28,816)	(11,433)	—	(40,249)
Endowment loss, net	—	(14,910)	—	(14,910)
Interest expense	(5,612)	—	—	(5,612)
Other nonoperating revenues	9,762	1,809	—	11,571
Net nonoperating income	<u>648,460</u>	<u>13,548</u>	<u>(1,992)</u>	<u>660,016</u>
Income before other revenues	<u>86,879</u>	<u>3,775</u>	<u>261</u>	<u>90,915</u>
State appropriations, capital	—	—	—	—
Grants and gifts, capital	261	—	(261)	—
Additions to permanent endowments	—	5,948	—	5,948
Increase in net position	<u>87,140</u>	<u>9,723</u>	<u>—</u>	<u>96,863</u>
<b>Net position:</b>				
Net position at beginning of year	(889,088)	373,729	—	(515,359)
Net position at end of year	<u>\$ (801,948)</u>	<u>383,452</u>	<u>—</u>	<u>(418,496)</u>

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, NORTHRIDGE

## Statement of Cash Flows

Year ended June 30, 2022

(In thousands)

	<u>Campus</u>
<b>Cash flows from operating activities:</b>	
Student tuition and fees	\$ 143,968
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(136,908)
Payments to employees	(273,764)
Payments for benefits	(128,882)
Payments to students	(171,755)
Collections of student loans	—
Sales and services of educational activities	1,010
Sales and services of auxiliary enterprises	19,884
Other receipts	12,796
Net cash used in operating activities	<u>(533,651)</u>
<b>Cash flows from noncapital financing activities:</b>	
State appropriations	307,890
Federal financial aid grants	102,253
State financial aid grants	80,500
Nongovernmental and other financial aid grants	3,215
Other federal nonoperating grants	152,178
Gifts and grants received for other than capital purposes	2,018
Federal loan program receipts	89,022
Federal loan program disbursements	(89,161)
Monies received on behalf of others	186
Monies disbursed on behalf of others	—
Transfers to escrow agent	—
Proceeds from long-term debt	—
Principal paid on long-term debt	(455)
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	10,474
Net cash provided by noncapital financing activities	<u>658,120</u>
<b>Cash flows from capital and related financing activities:</b>	
Proceeds from capital debt	24,130
State appropriations	—
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	261
Proceeds from sale of capital assets	—
Acquisition of capital assets	(20,816)
Transfers to escrow agent	(24,053)
Principal paid on capital debt and leases	(7,412)
Interest paid on capital debt and leases	(6,660)
Principal collection on leases receivable	493
Interest collection on leases receivable	4
Net cash used in capital and related financing activities	<u>(34,053)</u>

## CALIFORNIA STATE UNIVERSITY, NORTHRIDGE

## Statement of Cash Flows

Year ended June 30, 2022

(In thousands)

	<u>Campus</u>
<b>Cash flows from investing activities:</b>	
Proceeds from sales of investments	\$ 984,852
Purchases of investments	(1,084,463)
Investment income proceeds	9,195
Net cash used in investing activities	(90,416)
Net increase (decrease) in cash and cash equivalents	—
Cash and cash equivalents at beginning of year	14
Cash and cash equivalents at end of year	<u>\$ 14</u>
<b>Summary of cash and cash equivalents at end of year:</b>	
Cash and cash equivalents	\$ 14
Restricted cash and cash equivalents	—
Total 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	\$ (561,581)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	30,472
Change in assets and liabilities:	
Accounts receivable, net	(526)
Student loans receivable, net	12
Pledges receivable, net	—
Prepaid expenses and other current assets	(43)
Other assets	48
Deferred outflows of resources	22,717
Accounts payable	1,459
Accrued salaries and benefits	2,625
Accrued compensated absences	(16)
Unearned revenues	(9,981)
Depository accounts	—
Total other postemployment benefits liability	3,558
Net pension liability	(198,431)
Other liabilities	(230)
Deferred inflows of resources	176,266
Net cash used in operating activities	<u>\$ (533,651)</u>
<b>Supplemental schedule of noncash transactions:</b>	
Change in unrealized gain (loss) of investment	\$ (38,012)
State's contribution for OPEB	25,072
Change in capital assets due to implementation of GASB 87	9,147
Acquisition of capital asset through long-term debt obligations	—
Other assets paid through long-term debt	—

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, NORTHRIDGE

## Transactions with Related Entities

Year ended June 30, 2022

(In thousands)

	<b>Campus</b>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 6,304
Payments from discretely presented component units for other than salaries	6,462
Payments to discretely presented component units for services, space, and programs	20,921
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	2,253
Accounts receivable from discretely presented component units	14
Other amounts receivable from discretely presented component units	18
Accounts payable to discretely presented component units	(526)
Other amounts payable to discretely presented component units	(1,847)
Payments to the Office of the Chancellor for administrative activities	339
Payments to the Office of the Chancellor for state pro rata charges	171
Accounts receivable from the Office of the Chancellor	788
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	2,907
Other interagency payments (receipts) for services, space, and programs	111

See accompanying independent auditors' report.



## CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

## Statement of Net Position

June 30, 2022

(In thousands)

Assets	Campus	Discretely presented component units	Total
<b>Current assets:</b>			
Cash and cash equivalents	\$ 11	3,747	3,758
Short-term investments	277,335	111,234	388,569
Accounts receivable, net	13,797	15,640	29,437
Lease receivables, current portion	1,284	814	2,098
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	2,772	2,772
Prepaid expenses and other current assets	4,701	2,795	7,496
Total current assets	<u>297,128</u>	<u>137,002</u>	<u>434,130</u>
<b>Noncurrent assets:</b>			
Restricted cash and cash equivalents	—	1,978	1,978
Accounts receivable, net	—	2,710	2,710
Lease receivables, net of current portion	19,003	93,595	112,598
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	2,545	—	2,545
Pledges receivable, net	—	2,110	2,110
Endowment investments	—	147,487	147,487
Other long-term investments	83,263	1,334	84,597
Capital assets, net	679,497	57,716	737,213
Other assets	10	—	10
Total noncurrent assets	<u>784,318</u>	<u>306,930</u>	<u>1,091,248</u>
Total assets	<u>1,081,446</u>	<u>443,932</u>	<u>1,525,378</u>
<b>Deferred Outflows of Resources</b>			
Deferred outflows of resources	<u>169,858</u>	<u>2,903</u>	<u>172,761</u>
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Accounts payable	18,171	5,749	23,920
Accrued salaries and benefits	28,973	1,182	30,155
Accrued compensated absences, current portion	6,409	757	7,166
Unearned revenues	8,674	1,729	10,403
Lease liabilities, current portion	31	1,316	1,347
Long-term debt obligations, current portion	12,970	925	13,895
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	16	97	113
Other liabilities	8,944	2,439	11,383
Total current liabilities	<u>84,188</u>	<u>14,194</u>	<u>98,382</u>
<b>Noncurrent liabilities:</b>			
Accrued compensated absences, net of current portion	5,529	586	6,115
Unearned revenues	—	—	—
Grants refundable	2,480	—	2,480
Lease liabilities, net of current portion	11	18,999	19,010
Long-term debt obligations, net of current portion	352,851	2,870	355,721
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	759,093	7,896	766,989
Net pension liability	276,781	3,663	280,444
Other liabilities	—	1,100	1,100
Total noncurrent liabilities	<u>1,396,745</u>	<u>35,114</u>	<u>1,431,859</u>
Total liabilities	<u>1,480,933</u>	<u>49,308</u>	<u>1,530,241</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflows of resources	<u>260,093</u>	<u>104,693</u>	<u>364,786</u>
<b>Net Position</b>			
<b>Net position:</b>			
Net investment in capital assets	323,033	37,400	360,433
Restricted for:			
Nonexpendable – endowments	—	100,792	100,792
Expendable:			
Scholarships and fellowships	37	6,968	7,005
Research	—	2,402	2,402
Loans	1,286	—	1,286
Capital projects	15	—	15
Debt service	35	—	35
Others	—	50,290	50,290
Unrestricted	(814,128)	94,982	(719,146)
Total net position	<u>\$ (489,722)</u>	<u>292,834</u>	<u>(196,888)</u>

See accompanying independent auditors' report.

## CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

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

Year ended June 30, 2022

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
<b>Revenues:</b>				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$131,300)	\$ 107,303	—	—	107,303
Grants and contracts, noncapital:				
Federal	—	10,853	—	10,853
State	—	2,069	—	2,069
Local	—	—	—	—
Nongovernmental	—	5,514	—	5,514
Sales and services of educational activities	—	7,442	—	7,442
Sales and services of auxiliary enterprises (net of scholarship allowances of \$8,882)	34,627	37,783	—	72,410
Other operating revenues	9,713	32,801	—	42,514
Total operating revenues	<u>151,643</u>	<u>96,462</u>	<u>—</u>	<u>248,105</u>
<b>Expenses:</b>				
Operating expenses:				
Instruction	202,048	7,630	—	209,678
Research	1,505	8,618	—	10,123
Public service	188	93	—	281
Academic support	37,320	6,998	—	44,318
Student services	62,430	13,506	—	75,936
Institutional support	43,487	1,937	—	45,424
Operation and maintenance of plant	38,927	27	—	38,954
Student grants and scholarships	79,636	3,024	(3,814)	78,846
Auxiliary enterprise expenses	23,009	40,527	—	63,536
Depreciation and amortization	34,540	4,262	—	38,802
Total operating expenses	<u>523,090</u>	<u>86,622</u>	<u>(3,814)</u>	<u>605,898</u>
Operating income (loss)	<u>(371,447)</u>	<u>9,840</u>	<u>3,814</u>	<u>(357,793)</u>
<b>Nonoperating revenues (expenses):</b>				
State appropriations, noncapital	216,936	—	—	216,936
Federal financial aid grants, noncapital	67,541	—	—	67,541
State financial aid grants, noncapital	54,946	—	—	54,946
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	1,937	—	—	1,937
Other federal nonoperating grants, noncapital	60,169	—	—	60,169
Gifts, noncapital	6,921	8,159	(4,396)	10,684
Investment loss, net	(23,572)	(9,961)	—	(33,533)
Endowment loss, net	—	(18,873)	—	(18,873)
Interest expense	(11,372)	(1,133)	—	(12,505)
Other nonoperating revenues (expenses)	20,191	(1,062)	2,166	21,295
Net nonoperating income (loss)	<u>393,697</u>	<u>(22,870)</u>	<u>(2,230)</u>	<u>368,597</u>
Income (loss) before other revenues	22,250	(13,030)	1,584	10,804
State appropriations, capital	—	—	—	—
Grants and gifts, capital	1,655	—	(1,584)	71
Additions to permanent endowments	—	5,353	—	5,353
Increase (decrease) in net position	<u>23,905</u>	<u>(7,677)</u>	<u>—</u>	<u>16,228</u>
<b>Net position:</b>				
Net position at beginning of year	(513,627)	300,511	—	(213,116)
Net position at end of year	<u>\$ (489,722)</u>	<u>292,834</u>	<u>—</u>	<u>(196,888)</u>

See accompanying independent auditors' report.

## CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

## Statement of Cash Flows

Year ended June 30, 2022

(In thousands)

	<u>Campus</u>
<b>Cash flows from operating activities:</b>	
Student tuition and fees	\$ 105,526
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(97,627)
Payments to employees	(196,644)
Payments for benefits	(94,548)
Payments to students	(79,189)
Collections of student loans	—
Sales and services of educational activities	—
Sales and services of auxiliary enterprises	33,814
Other receipts	14,425
Net cash used in operating activities	<u>(314,243)</u>
<b>Cash flows from noncapital financing activities:</b>	
State appropriations	196,997
Federal financial aid grants	65,667
State financial aid grants	55,123
Nongovernmental and other financial aid grants	1,937
Other federal nonoperating grants	60,169
Gifts and grants received for other than capital purposes	6,236
Federal loan program receipts	59,317
Federal loan program disbursements	(59,564)
Monies received on behalf of others	4,976
Monies disbursed on behalf of others	(4,979)
Transfers to escrow agent	(17,520)
Proceeds from long-term debt	17,575
Principal paid on long-term debt	(1,100)
Interest paid on long-term debt	(155)
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	10,995
Net cash provided by noncapital financing activities	<u>395,674</u>
<b>Cash flows from capital and related financing activities:</b>	
Proceeds from capital debt	15,625
State appropriations	639
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	—
Proceeds from sale of capital assets	165
Acquisition of capital assets	(14,568)
Transfers to escrow agent	(15,589)
Principal paid on capital debt and leases	(10,816)
Interest paid on capital debt and leases	(13,072)
Principal collection on leases receivable	1,295
Interest collection on leases receivable	440
Net cash used in capital and related financing activities	<u>(35,881)</u>

## CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

## Statement of Cash Flows

Year ended June 30, 2022

(In thousands)

	<u>Campus</u>
<b>Cash flows from investing activities:</b>	
Proceeds from sales of investments	\$ 727,336
Purchases of investments	(778,573)
Investment income proceeds	5,635
Net cash used in investing activities	(45,602)
Net decrease in cash and cash equivalents	(52)
Cash and cash equivalents at beginning of year	63
Cash and cash equivalents at end of year	<u>\$ 11</u>
<b>Summary of cash and cash equivalents at end of year:</b>	
Cash and cash equivalents	\$ 11
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 11</u>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>	
Operating loss	\$ (371,447)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	34,540
Change in assets and liabilities:	
Accounts receivable, net	(345)
Student loans receivable, net	(78)
Pledges receivable, net	—
Prepaid expenses and other current assets	(247)
Other assets	21
Deferred outflows of resources	4,405
Accounts payable	9,515
Accrued salaries and benefits	2,678
Accrued compensated absences	164
Unearned revenues	(299)
Depository accounts	—
Total other postemployment benefits liability	9,952
Net pension liability	(133,693)
Other liabilities	672
Deferred inflows of resources	129,919
Net cash used in operating activities	<u>\$ (314,243)</u>
<b>Supplemental schedule of noncash transactions:</b>	
Change in unrealized gain (loss) of investment	\$ (29,650)
State's contribution for OPEB	19,939
Change in capital assets due to implementation of GASB 87	80
Acquisition of capital asset through long-term debt obligations	7,736
Other assets paid through long-term debt	(684)

See accompanying independent auditors' report.

## CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

## Transactions with Related Entities

Year ended June 30, 2022

	<u>Campus</u>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 1,548
Payments from discretely presented component units for other than salaries	13,682
Payments to discretely presented component units for services, space, and programs	33,157
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	2,166
Accounts receivable from discretely presented component units	4,717
Other amounts receivable from discretely presented component units	39
Accounts payable to discretely presented component units	(7,050)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	218
Payments to the Office of the Chancellor for state pro rata charges	96
Accounts receivable from the Office of the Chancellor	3,853
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	(1)
State lottery allocation received	2,242
Other interagency payments (receipts) for services, space, and programs	26

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SACRAMENTO

Schedule 8

Statement of Net Position

June 30, 2022

(In thousands)

Assets	Campus	Discretely presented component units	Total
<b>Current assets:</b>			
Cash and cash equivalents	\$ 24	10,532	10,556
Short-term investments	210,788	51,786	262,574
Accounts receivable, net	28,076	32,705	60,781
Lease receivables, current portion	323	8,391	8,714
Notes receivable, current portion	2,044	220	2,264
Pledges receivable, net	—	517	517
Prepaid expenses and other current assets	4,046	979	5,025
Total current assets	<u>245,301</u>	<u>105,130</u>	<u>350,431</u>
<b>Noncurrent assets:</b>			
Restricted cash and cash equivalents	—	4,019	4,019
Accounts receivable, net	—	—	—
Lease receivables, net of current portion	1,300	110,542	111,842
Notes receivable, net of current portion	20,751	1,108	21,859
Student loans receivable, net	2,106	—	2,106
Pledges receivable, net	—	274	274
Endowment investments	14	66,295	66,309
Other long-term investments	51,835	31,953	83,788
Capital assets, net	646,787	132,313	779,100
Other assets	8	307	315
Total noncurrent assets	<u>722,801</u>	<u>346,811</u>	<u>1,069,612</u>
Total assets	<u>968,102</u>	<u>451,941</u>	<u>1,420,043</u>
<b>Deferred Outflows of Resources</b>			
Deferred outflows of resources	198,142	5,427	203,569
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Accounts payable	8,785	9,450	18,235
Accrued salaries and benefits	26,792	3,956	30,748
Accrued compensated absences, current portion	10,255	1,880	12,135
Unearned revenues	24,091	2,619	26,710
Lease liabilities, current portion	6,171	1,772	7,943
Long-term debt obligations, current portion	11,048	4,707	15,755
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	1,002	1,137	2,139
Other liabilities	3,568	2,984	6,552
Total current liabilities	<u>91,712</u>	<u>28,505</u>	<u>120,217</u>
<b>Noncurrent liabilities:</b>			
Accrued compensated absences, net of current portion	4,271	387	4,658
Unearned revenues	—	6,596	6,596
Grants refundable	3,527	5,386	8,913
Lease liabilities, net of current portion	106,720	16,413	123,133
Long-term debt obligations, net of current portion	247,796	65,080	312,876
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	954,673	5,222	959,895
Net pension liability	318,223	12,055	330,278
Other liabilities	25	—	25
Total noncurrent liabilities	<u>1,635,235</u>	<u>111,139</u>	<u>1,746,374</u>
Total liabilities	<u>1,726,947</u>	<u>139,644</u>	<u>1,866,591</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflows of resources	290,754	130,165	420,919
<b>Net Position</b>			
<b>Net position:</b>			
Net investment in capital assets	308,632	42,629	351,261
Restricted for:			
Nonexpendable – endowments	14	73,004	73,018
Expendable:			
Scholarships and fellowships	339	2,652	2,991
Research	—	—	—
Loans	1,317	—	1,317
Capital projects	123	3,419	3,542
Debt service	38	3,352	3,390
Others	1,167	17,656	18,823
Unrestricted	(1,163,087)	44,847	(1,118,240)
Total net position	<u>\$ (851,457)</u>	<u>187,559</u>	<u>(663,898)</u>

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, SACRAMENTO

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

Year ended June 30, 2022

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
<b>Revenues:</b>				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$127,209)	\$ 157,376	—	—	157,376
Grants and contracts, noncapital:				
Federal	282	14,306	—	14,588
State	41	31,997	—	32,038
Local	55	1,592	—	1,647
Nongovernmental	8	5,752	—	5,760
Sales and services of educational activities	3,956	14,880	—	18,836
Sales and services of auxiliary enterprises (net of scholarship allowances of \$5,154)	25,334	26,646	(3,255)	48,725
Other operating revenues	17,931	30,348	(14)	48,265
Total operating revenues	<u>204,983</u>	<u>125,521</u>	<u>(3,269)</u>	<u>327,235</u>
<b>Expenses:</b>				
Operating expenses:				
Instruction	236,165	7,241	—	243,406
Research	4,929	22,990	—	27,919
Public service	(10,976)	39,737	—	28,761
Academic support	48,850	5,076	—	53,926
Student services	73,694	10,768	—	84,462
Institutional support	68,762	32,841	(4,873)	96,730
Operation and maintenance of plant	35,538	9,598	—	45,136
Student grants and scholarships	139,433	3,031	—	142,464
Auxiliary enterprise expenses	16,878	5,378	—	22,256
Depreciation and amortization	42,096	9,950	—	52,046
Total operating expenses	<u>655,369</u>	<u>146,610</u>	<u>(4,873)</u>	<u>797,106</u>
Operating loss	<u>(450,386)</u>	<u>(21,089)</u>	<u>1,604</u>	<u>(469,871)</u>
<b>Nonoperating revenues (expenses):</b>				
State appropriations, noncapital	265,475	—	—	265,475
Federal financial aid grants, noncapital	78,557	—	—	78,557
State financial aid grants, noncapital	67,315	—	—	67,315
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	121,976	—	—	121,976
Gifts, noncapital	822	6,399	(469)	6,752
Investment income (loss), net	(12,774)	433	—	(12,341)
Endowment loss, net	(1)	(10,946)	—	(10,947)
Interest expense	(12,024)	(2,606)	—	(14,630)
Other nonoperating revenues	15,456	14,083	—	29,539
Net nonoperating income	<u>524,802</u>	<u>7,363</u>	<u>(469)</u>	<u>531,696</u>
Income (loss) before other revenues	<u>74,416</u>	<u>(13,726)</u>	<u>1,135</u>	<u>61,825</u>
State appropriations, capital	—	—	—	—
Grants and gifts, capital	31,151	—	(1,135)	30,016
Additions to permanent endowments	—	3,305	—	3,305
Increase (decrease) in net position	<u>105,567</u>	<u>(10,421)</u>	<u>—</u>	<u>95,146</u>
<b>Net position:</b>				
Net position at beginning of year	(957,024)	197,980	—	(759,044)
Net position at end of year	<u>\$ (851,457)</u>	<u>187,559</u>	<u>—</u>	<u>(663,898)</u>

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, SACRAMENTO

## Statement of Cash Flows

Year ended June 30, 2022

(In thousands)

	<u>Campus</u>
<b>Cash flows from operating activities:</b>	
Student tuition and fees	\$ 154,854
Federal grants and contracts	297
State grants and contracts	455
Local grants and contracts	330
Nongovernmental grants and contracts	52
Payments to suppliers	(108,099)
Payments to employees	(238,577)
Payments for benefits	(114,304)
Payments to students	(139,464)
Collections of student loans	26
Sales and services of educational activities	3,992
Sales and services of auxiliary enterprises	25,602
Other receipts	10,643
Net cash used in operating activities	<u>(404,193)</u>
<b>Cash flows from noncapital financing activities:</b>	
State appropriations	241,425
Federal financial aid grants	78,557
State financial aid grants	67,315
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	128,284
Gifts and grants received for other than capital purposes	822
Federal loan program receipts	81,182
Federal loan program disbursements	(81,375)
Monies received on behalf of others	11,290
Monies disbursed on behalf of others	(10,502)
Transfers to escrow agent	—
Proceeds from long-term debt	—
Principal paid on long-term debt	(685)
Interest paid on long-term debt	—
Issuance of notes receivable	(7,728)
Principal collections on leases receivable	—
Interest collections on leases receivable	—
Principal collections on notes receivable	1,961
Interest collections on notes receivable	800
Other noncapital financing activities	5,545
Net cash provided by noncapital financing activities	<u>516,891</u>
<b>Cash flows from capital and related financing activities:</b>	
Proceeds from capital debt	23,485
State appropriations	—
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	30,905
Proceeds from sale of capital assets	142
Acquisition of capital assets	(63,191)
Transfers to escrow agent	(13,261)
Principal paid on capital debt and leases	(15,368)
Interest paid on capital debt and leases	(13,020)
Principal collection on leases receivable	314
Interest collection on leases receivable	28
Net cash used in capital and related financing activities	<u>(49,966)</u>



## CALIFORNIA STATE UNIVERSITY, SACRAMENTO

## Statement of Cash Flows

Year ended June 30, 2022

(In thousands)

	<u>Campus</u>
<b>Cash flows from investing activities:</b>	
Proceeds from sales of investments	\$ 869,720
Purchases of investments	(941,060)
Investment income proceeds	6,167
Net cash used in investing activities	(65,173)
Net decrease in cash and cash equivalents	(2,441)
Cash and cash equivalents at beginning of year	2,465
Cash and cash equivalents at end of year	<u>\$ 24</u>
<b>Summary of cash and cash equivalents at end of year:</b>	
Cash and cash equivalents	\$ 24
Restricted cash and cash equivalents	—
Total 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	\$ (450,386)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	42,096
Change in assets and liabilities:	
Accounts receivable, net	(3,465)
Student loans receivable, net	(13)
Pledges receivable, net	—
Prepaid expenses and other current assets	(65)
Other assets	53
Deferred outflows of resources	8,451
Accounts payable	(4,634)
Accrued salaries and benefits	2,051
Accrued compensated absences	(586)
Unearned revenues	583
Depository accounts	—
Total other postemployment benefits liability	6,365
Net pension liability	(157,587)
Other liabilities	739
Deferred inflows of resources	152,205
Net cash used in operating activities	<u>\$ (404,193)</u>
<b>Supplemental schedule of noncash transactions:</b>	
Change in unrealized gain (loss) of investment	\$ (19,770)
State's contribution for OPEB	24,049
Change in capital assets due to implementation of GASB 87	118,429
Acquisition of capital asset through long-term debt obligations	—
Other assets paid through long-term debt	—

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, SACRAMENTO

## Transactions with Related Entities

Year ended June 30, 2022

(In thousands)

	<b>Campus</b>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 3,533
Payments from discretely presented component units for other than salaries	12,352
Payments to discretely presented component units for services, space, and programs	21,415
Gifts in kind from discretely presented component units	30
Gifts (cash or assets) from discretely presented component units	317
Accounts receivable from discretely presented component units	3,998
Other amounts receivable from discretely presented component units	366
Accounts payable to discretely presented component units	(815)
Other amounts payable to discretely presented component units	(664)
Payments to the Office of the Chancellor for administrative activities	380
Payments to the Office of the Chancellor for state pro rata charges	179
Accounts receivable from the Office of the Chancellor	77
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	2,488
Other interagency payments (receipts) for services, space, and programs	(50)

See accompanying independent auditors' report.



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CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

Schedule 8

Statement of Net Position  
June 30, 2022  
(In thousands)

Assets	Campus	Discretely presented component units	Total
<b>Current assets:</b>			
Cash and cash equivalents	\$ 19	8,959	8,978
Short-term investments	77,151	29,940	107,091
Accounts receivable, net	25,410	10,701	36,111
Lease receivables, current portion	—	251	251
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	6,116	6,116
Prepaid expenses and other current assets	2,082	565	2,647
Total current assets	<u>104,662</u>	<u>56,532</u>	<u>161,194</u>
<b>Noncurrent assets:</b>			
Restricted cash and cash equivalents	—	—	—
Accounts receivable, net	—	—	—
Lease receivables, net of current portion	—	947	947
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	1,426	—	1,426
Pledges receivable, net	—	—	—
Endowment investments	—	46,702	46,702
Other long-term investments	50,623	1,242	51,865
Capital assets, net	526,324	4,187	530,511
Other assets	9	594	603
Total noncurrent assets	<u>578,382</u>	<u>53,672</u>	<u>632,054</u>
Total assets	<u>683,044</u>	<u>110,204</u>	<u>793,248</u>
<b>Deferred Outflows of Resources</b>			
Deferred outflows of resources	<u>119,667</u>	<u>2,176</u>	<u>121,843</u>
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Accounts payable	10,277	5,877	16,154
Accrued salaries and benefits	15,845	786	16,631
Accrued compensated absences, current portion	6,012	299	6,311
Unearned revenues	7,121	7,089	14,210
Lease liabilities, current portion	299	—	299
Long-term debt obligations, current portion	8,100	—	8,100
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	13	—	13
Other liabilities	8,330	1,009	9,339
Total current liabilities	<u>55,997</u>	<u>15,060</u>	<u>71,057</u>
<b>Noncurrent liabilities:</b>			
Accrued compensated absences, net of current portion	5,350	274	5,624
Unearned revenues	—	2,976	2,976
Grants refundable	918	—	918
Lease liabilities, net of current portion	1,015	—	1,015
Long-term debt obligations, net of current portion	296,081	—	296,081
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	544,404	717	545,121
Net pension liability	211,116	1,080	212,196
Other liabilities	154	—	154
Total noncurrent liabilities	<u>1,059,038</u>	<u>5,047</u>	<u>1,064,085</u>
Total liabilities	<u>1,115,035</u>	<u>20,107</u>	<u>1,135,142</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflows of resources	<u>177,562</u>	<u>4,445</u>	<u>182,007</u>
<b>Net Position</b>			
<b>Net position:</b>			
Net investment in capital assets	224,138	4,187	228,325
Restricted for:			
Nonexpendable – endowments	—	46,845	46,845
Expendable:			
Scholarships and fellowships	—	—	—
Research	—	—	—
Loans	1,391	—	1,391
Capital projects	88	—	88
Debt service	1,050	—	1,050
Others	—	18,412	18,412
Unrestricted	(716,553)	18,384	(698,169)
Total net position	<u>\$ (489,886)</u>	<u>87,828</u>	<u>(402,058)</u>

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

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

Year ended June 30, 2022

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
<b>Revenues:</b>				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$113,426)	\$ 41,375	—	—	41,375
Grants and contracts, noncapital:				
Federal	—	19,615	—	19,615
State	—	10,763	—	10,763
Local	—	3,265	—	3,265
Nongovernmental	—	698	—	698
Sales and services of educational activities	179	—	—	179
Sales and services of auxiliary enterprises (net of scholarship allowances of \$4,895)	6,595	523	—	7,118
Other operating revenues	7,132	11,007	—	18,139
Total operating revenues	<u>55,281</u>	<u>45,871</u>	<u>—</u>	<u>101,152</u>
<b>Expenses:</b>				
Operating expenses:				
Instruction	137,318	357	—	137,675
Research	753	8,341	—	9,094
Public service	954	15,656	—	16,610
Academic support	23,572	13	—	23,585
Student services	30,582	14,776	—	45,358
Institutional support	67,787	2,817	(36)	70,568
Operation and maintenance of plant	34,507	—	—	34,507
Student grants and scholarships	68,922	1,728	(1,659)	68,991
Auxiliary enterprise expenses	6,777	3,665	—	10,442
Depreciation and amortization	26,883	787	—	27,670
Total operating expenses	<u>398,055</u>	<u>48,140</u>	<u>(1,695)</u>	<u>444,500</u>
Operating loss	<u>(342,774)</u>	<u>(2,269)</u>	<u>1,695</u>	<u>(343,348)</u>
<b>Nonoperating revenues (expenses):</b>				
State appropriations, noncapital	184,734	—	—	184,734
Federal financial aid grants, noncapital	56,050	—	—	56,050
State financial aid grants, noncapital	41,989	—	—	41,989
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	1,551	—	(1,659)	(108)
Other federal nonoperating grants, noncapital	99,109	—	—	99,109
Gifts, noncapital	272	8,724	—	8,996
Investment income (loss), net	(6,832)	135	—	(6,697)
Endowment loss, net	—	(7,955)	—	(7,955)
Interest expense	(10,339)	—	—	(10,339)
Other nonoperating revenues	668	5,230	—	5,898
Net nonoperating income	<u>367,202</u>	<u>6,134</u>	<u>(1,659)</u>	<u>371,677</u>
Income before other revenues	<u>24,428</u>	<u>3,865</u>	<u>36</u>	<u>28,329</u>
State appropriations, capital	—	—	—	—
Grants and gifts, capital	396	—	(36)	360
Additions to permanent endowments	—	547	—	547
Increase in net position	<u>24,824</u>	<u>4,412</u>	<u>—</u>	<u>29,236</u>
<b>Net position:</b>				
Net position at beginning of year	(514,710)	83,416	—	(431,294)
Net position at end of year	<u>\$ (489,886)</u>	<u>87,828</u>	<u>—</u>	<u>(402,058)</u>

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

## Statement of Cash Flows

Year ended June 30, 2022

(In thousands)

	<u>Campus</u>
<b>Cash flows from operating activities:</b>	
Student tuition and fees	\$ 28,374
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(65,209)
Payments to employees	(150,200)
Payments for benefits	(72,908)
Payments to students	(68,599)
Collections of student loans	32
Sales and services of educational activities	469
Sales and services of auxiliary enterprises	6,466
Other receipts	3,681
Net cash used in operating activities	<u>(317,894)</u>
<b>Cash flows from noncapital financing activities:</b>	
State appropriations	170,868
Federal financial aid grants	57,352
State financial aid grants	42,547
Nongovernmental and other financial aid grants	1,551
Other federal nonoperating grants	99,109
Gifts and grants received for other than capital purposes	272
Federal loan program receipts	44,618
Federal loan program disbursements	(44,140)
Monies received on behalf of others	1,784
Monies disbursed on behalf of others	(3,232)
Transfers to escrow agent	—
Proceeds from long-term debt	—
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)
Net cash provided by noncapital financing activities	<u>370,683</u>
<b>Cash flows from capital and related financing activities:</b>	
Proceeds from capital debt	33,680
State appropriations	—
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	358
Proceeds from sale of capital assets	2,649
Acquisition of capital assets	(25,763)
Transfers to escrow agent	(33,587)
Principal paid on capital debt and leases	(7,250)
Interest paid on capital debt and leases	(11,740)
Principal collection on leases receivable	—
Interest collection on leases receivable	—
Net cash used in capital and related financing activities	<u>(41,653)</u>

## CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

## Statement of Cash Flows

Year ended June 30, 2022

(In thousands)

	<u>Campus</u>
<b>Cash flows from investing activities:</b>	
Proceeds from sales of investments	\$ 575,579
Purchases of investments	(590,711)
Investment income proceeds	3,995
Net cash used in investing activities	<u>(11,137)</u>
Net decrease in cash and cash equivalents	(1)
Cash and cash equivalents at beginning of year	20
Cash and cash equivalents at end of year	<u>\$ 19</u>
<b>Summary of cash and cash equivalents at end of year:</b>	
Cash and cash equivalents	\$ 19
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 19</u>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>	
Operating loss	\$ (342,774)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	26,883
Change in assets and liabilities:	
Accounts receivable, net	(13,053)
Student loans receivable, net	(88)
Pledges receivable, net	—
Prepaid expenses and other current assets	(554)
Other assets	17
Deferred outflows of resources	6,990
Accounts payable	69
Accrued salaries and benefits	1,419
Accrued compensated absences	(1,327)
Unearned revenues	1,935
Depository accounts	—
Total other postemployment benefits liability	9,363
Net pension liability	(104,067)
Other liabilities	(2,917)
Deferred inflows of resources	100,210
Net cash used in operating activities	<u>\$ (317,894)</u>
<b>Supplemental schedule of noncash transactions:</b>	
Change in unrealized gain (loss) of investment	\$ (10,828)
State's contribution for OPEB	13,866
Change in capital assets due to implementation of GASB 87	1,533
Acquisition of capital asset through long-term debt obligations	—
Other assets paid through long-term debt	—

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

## Transactions with Related Entities

Year ended June 30, 2022

(In thousands)

	<b>Campus</b>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 3,474
Payments from discretely presented component units for other than salaries	11,410
Payments to discretely presented component units for services, space, and programs	9,913
Gifts in kind from discretely presented component units	36
Gifts (cash or assets) from discretely presented component units	—
Accounts receivable from discretely presented component units	3,136
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(538)
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	75
Accounts receivable from the Office of the Chancellor	148
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	1,807
Other interagency payments (receipts) for services, space, and programs	(70)

See accompanying independent auditors' report.



## SAN DIEGO STATE UNIVERSITY

Schedule 8

## Statement of Net Position

June 30, 2022

(In thousands)

Assets	Campus	Discretely presented component units	Total
<b>Current assets:</b>			
Cash and cash equivalents	\$ 93	16,570	16,663
Short-term investments	416,708	65,410	482,118
Accounts receivable, net	33,947	49,181	83,128
Lease receivables, current portion	754	3,908	4,662
Notes receivable, current portion	—	837	837
Pledges receivable, net	—	17,686	17,686
Prepaid expenses and other current assets	3,068	5,330	8,398
Total current assets	<u>454,570</u>	<u>158,922</u>	<u>613,492</u>
<b>Noncurrent assets:</b>			
Restricted cash and cash equivalents	—	771	771
Accounts receivable, net	3,306	—	3,306
Lease receivables, net of current portion	14,398	18,665	33,063
Notes receivable, net of current portion	—	6,317	6,317
Student loans receivable, net	2,490	—	2,490
Pledges receivable, net	—	42,860	42,860
Endowment investments	—	385,274	385,274
Other long-term investments	259,554	115,083	374,637
Capital assets, net	1,575,389	152,099	1,727,488
Other assets	13,118	15,044	28,162
Total noncurrent assets	<u>1,868,255</u>	<u>736,113</u>	<u>2,604,368</u>
Total assets	<u>2,322,825</u>	<u>895,035</u>	<u>3,217,860</u>
<b>Deferred Outflows of Resources</b>			
Deferred outflows of resources	<u>253,263</u>	<u>893</u>	<u>254,156</u>
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Accounts payable	61,095	15,691	76,786
Accrued salaries and benefits	33,484	4,016	37,500
Accrued compensated absences, current portion	6,924	1,675	8,599
Unearned revenues	25,189	42,002	67,191
Lease liabilities, current portion	4,324	2,267	6,591
Long-term debt obligations, current portion	33,200	7,554	40,754
Claims liability for losses and loss adjustment expenses, current portion	—	1,051	1,051
Depository accounts	—	57	57
Other liabilities	11,595	53,931	65,526
Total current liabilities	<u>175,811</u>	<u>128,244</u>	<u>304,055</u>
<b>Noncurrent liabilities:</b>			
Accrued compensated absences, net of current portion	16,760	3,127	19,887
Unearned revenues	973	2,820	3,793
Grants refundable	2,440	—	2,440
Lease liabilities, net of current portion	32,944	17,045	49,989
Long-term debt obligations, net of current portion	1,154,247	78,811	1,233,058
Claims liability for losses and loss adjustment expenses, net of current portion	—	3,888	3,888
Depository accounts	—	—	—
Total other postemployment benefits liability	1,296,377	15,689	1,312,066
Net pension liability	412,500	1,232	413,732
Other liabilities	—	12,599	12,599
Total noncurrent liabilities	<u>2,916,241</u>	<u>135,211</u>	<u>3,051,452</u>
Total liabilities	<u>3,092,052</u>	<u>263,455</u>	<u>3,355,507</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflows of resources	<u>404,597</u>	<u>29,884</u>	<u>434,481</u>
<b>Net Position</b>			
<b>Net position:</b>			
Net investment in capital assets	422,228	46,801	469,029
Restricted for:			
Nonexpendable – endowments	—	272,944	272,944
Expendable:			
Scholarships and fellowships	459	20,650	21,109
Research	—	10,407	10,407
Loans	595	—	595
Capital projects	4,752	9,235	13,987
Debt service	5,635	—	5,635
Others	115	165,513	165,628
Unrestricted	(1,354,345)	77,039	(1,277,306)
Total net position	<u>\$ (920,561)</u>	<u>602,589</u>	<u>(317,972)</u>

See accompanying independent auditors' report.

## SAN DIEGO STATE UNIVERSITY

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

Year ended June 30, 2022

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
<b>Revenues:</b>				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$125,381)	\$ 276,777	—	—	276,777
Grants and contracts, noncapital:				
Federal	3,158	97,268	—	100,426
State	—	12,537	—	12,537
Local	1,895	1,739	—	3,634
Nongovernmental	1,128	18,649	—	19,777
Sales and services of educational activities	17,691	6,038	—	23,729
Sales and services of auxiliary enterprises (net of scholarship allowances of \$15,490)	95,996	65,725	—	161,721
Other operating revenues	23,606	75,940	—	99,546
Total operating revenues	420,251	277,896	—	698,147
<b>Expenses:</b>				
Operating expenses:				
Instruction	298,792	35,323	(284)	333,831
Research	6,880	51,904	—	58,784
Public service	1,230	50,611	(2,240)	49,601
Academic support	82,444	16,197	(68)	98,573
Student services	118,039	11,648	(5,564)	124,123
Institutional support	46,321	24,867	—	71,188
Operation and maintenance of plant	63,156	23,371	(18,250)	68,277
Student grants and scholarships	91,921	5,805	(6,613)	91,113
Auxiliary enterprise expenses	68,565	92,318	(2,637)	158,246
Depreciation and amortization	63,623	12,863	—	76,486
Total operating expenses	840,971	324,907	(35,656)	1,130,222
Operating loss	(420,720)	(47,011)	35,656	(432,075)
<b>Nonoperating revenues (expenses):</b>				
State appropriations, noncapital	294,462	—	—	294,462
Federal financial aid grants, noncapital	58,643	—	—	58,643
State financial aid grants, noncapital	46,886	—	—	46,886
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	5,891	—	(5,785)	106
Other federal nonoperating grants, noncapital	103,783	—	—	103,783
Gifts, noncapital	12,258	76,469	(10,793)	77,934
Investment income (loss), net	(30,331)	709	—	(29,622)
Endowment loss, net	—	(40,018)	—	(40,018)
Interest expense	(33,932)	(4,571)	—	(38,503)
Other nonoperating revenues (expenses)	22,816	(4,000)	—	18,816
Net nonoperating income	480,476	28,589	(16,578)	492,487
Income (loss) before other revenues (expenses)	59,756	(18,422)	19,078	60,412
State appropriations, capital	—	—	—	—
Grants and gifts, capital	19,602	2,707	(19,078)	3,231
Reductions to permanent endowments	—	(3,212)	—	(3,212)
Increase (decrease) in net position	79,358	(18,927)	—	60,431
<b>Net position:</b>				
Net position at beginning of year	(999,919)	621,516	—	(378,403)
Net position at end of year	\$ (920,561)	602,589	—	(317,972)

See accompanying independent auditors' report.

## SAN DIEGO STATE UNIVERSITY

## Statement of Cash Flows

Year ended June 30, 2022

(In thousands)

	<u>Campus</u>
<b>Cash flows from operating activities:</b>	
Student tuition and fees	\$ 234,643
Federal grants and contracts	3,158
State grants and contracts	—
Local grants and contracts	2,330
Nongovernmental grants and contracts	1,128
Payments to suppliers	(200,777)
Payments to employees	(299,614)
Payments for benefits	(138,588)
Payments to students	(90,749)
Collections of student loans	90
Sales and services of educational activities	18,423
Sales and services of auxiliary enterprises	95,921
Other receipts	22,854
Net cash used in operating activities	<u>(351,181)</u>
<b>Cash flows from noncapital financing activities:</b>	
State appropriations	260,638
Federal financial aid grants	59,115
State financial aid grants	46,386
Nongovernmental and other financial aid grants	5,891
Other federal nonoperating grants	104,074
Gifts and grants received for other than capital purposes	12,258
Federal loan program receipts	103,753
Federal loan program disbursements	(102,784)
Monies received on behalf of others	909
Monies disbursed on behalf of others	(2,007)
Transfers to escrow agent	(4,861)
Proceeds from long-term debt	—
Principal paid on long-term debt	—
Interest paid on long-term debt	(36)
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	16,228
Net cash provided by noncapital financing activities	<u>499,564</u>
<b>Cash flows from capital and related financing activities:</b>	
Proceeds from capital debt	198,740
State appropriations	1,010
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	18,661
Proceeds from sale of capital assets	—
Acquisition of capital assets	(313,984)
Transfers to escrow agent	(86,471)
Principal paid on capital debt and leases	(28,462)
Interest paid on capital debt and leases	(35,584)
Principal collection on leases receivable	2,729
Interest collection on leases receivable	162
Net cash used in capital and related financing activities	<u>(243,199)</u>

## SAN DIEGO STATE UNIVERSITY

## Statement of Cash Flows

Year ended June 30, 2022

(In thousands)

	<u>Campus</u>
<b>Cash flows from investing activities:</b>	
Proceeds from sales of investments	\$ 1,665,565
Purchases of investments	(1,587,137)
Investment income proceeds	14,184
Net cash provided by investing activities	92,612
Net decrease in cash and cash equivalents	(2,204)
Cash and cash equivalents at beginning of year	2,297
Cash and cash equivalents at end of year	<u>\$ 93</u>
<b>Summary of cash and cash equivalents at end of year:</b>	
Cash and cash equivalents	\$ 93
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 93</u>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>	
Operating loss	\$ (420,720)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	63,623
Change in assets and liabilities:	
Accounts receivable, net	(3,942)
Student loans receivable, net	(8)
Pledges receivable, net	—
Prepaid expenses and other current assets	(301)
Other assets	261
Deferred outflows of resources	9,205
Accounts payable	2,874
Accrued salaries and benefits	3,182
Accrued compensated absences	928
Unearned revenues	(37,589)
Depository accounts	—
Total other postemployment benefits liability	34,253
Net pension liability	(206,206)
Other liabilities	1,833
Deferred inflows of resources	201,426
Net cash used in operating activities	<u>\$ (351,181)</u>
<b>Supplemental schedule of noncash transactions:</b>	
Change in unrealized gain (loss) of investment	\$ (44,881)
State's contribution for OPEB	33,823
Change in capital assets due to implementation of GASB 87	47,173
Acquisition of capital asset through long-term debt obligations	—
Other assets paid through long-term debt	—

See accompanying independent auditors' report.

## SAN DIEGO STATE UNIVERSITY

## Transactions with Related Entities

Year ended June 30, 2022

(In thousands)

	<b>Campus</b>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 5,925
Payments from discretely presented component units for other than salaries	8,008
Payments to discretely presented component units for services, space, and programs	33,729
Gifts in kind from discretely presented component units	1,194
Gifts (cash or assets) from discretely presented component units	37,551
Accounts receivable from discretely presented component units	22,193
Other amounts receivable from discretely presented component units	1,753
Accounts payable to discretely presented component units	(2,847)
Other amounts payable to discretely presented component units	(760)
Payments to the Office of the Chancellor for administrative activities	720
Payments to the Office of the Chancellor for state pro rata charges	124
Accounts receivable from the Office of the Chancellor	4,910
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	(4)
State lottery allocation received	2,877
Other interagency payments (receipts) for services, space, and programs	(263)

See accompanying independent auditors' report.

**SAN FRANCISCO STATE UNIVERSITY**

Schedule 8

Statement of Net Position

June 30, 2022

(In thousands)

Assets	Campus	Discretely presented component units	Total
<b>Current assets:</b>			
Cash and cash equivalents	\$ 6	5,215	5,221
Short-term investments	209,668	46,770	256,438
Accounts receivable, net	27,288	1,954	29,242
Lease receivables, current portion	215	1,187	1,402
Notes receivable, current portion	—	—	0
Pledges receivable, net	—	4,926	4,926
Prepaid expenses and other current assets	5,298	91	5,389
Total current assets	<u>242,475</u>	<u>60,143</u>	<u>302,618</u>
<b>Noncurrent assets:</b>			
Restricted cash and cash equivalents	—	—	—
Accounts receivable, net	371	—	371
Lease receivables, net of current portion	12,113	19,307	31,420
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	1,520	—	1,520
Pledges receivable, net	—	1,016	1,016
Endowment investments	—	153,471	153,471
Other long-term investments	40,017	13,554	53,571
Capital assets, net	594,644	10,763	605,407
Other assets	10	—	10
Total noncurrent assets	<u>648,675</u>	<u>198,111</u>	<u>846,786</u>
Total assets	<u>891,150</u>	<u>258,254</u>	<u>1,149,404</u>
<b>Deferred Outflows of Resources</b>			
Deferred outflows of resources	197,846	—	197,846
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Accounts payable	16,356	2,742	19,098
Accrued salaries and benefits	31,879	335	32,214
Accrued compensated absences, current portion	11,019	498	11,517
Unearned revenues	27,877	53	27,930
Lease liabilities, current portion	1,550	54	1,604
Long-term debt obligations, current portion	10,672	—	10,672
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	271	—	271
Other liabilities	6,826	126	6,952
Total current liabilities	<u>106,450</u>	<u>3,808</u>	<u>110,258</u>
<b>Noncurrent liabilities:</b>			
Accrued compensated absences, net of current portion	7,941	—	7,941
Unearned revenues	—	—	—
Grants refundable	1,516	—	1,516
Lease liabilities, net of current portion	3,251	8,247	11,498
Long-term debt obligations, net of current portion	236,614	—	236,614
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	948,678	3,587	952,265
Net pension liability	355,018	—	355,018
Other liabilities	—	—	—
Total noncurrent liabilities	<u>1,553,018</u>	<u>11,834</u>	<u>1,564,852</u>
Total liabilities	<u>1,659,468</u>	<u>15,642</u>	<u>1,675,110</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflows of resources	316,037	19,968	336,005
<b>Net Position</b>			
<b>Net position:</b>			
Net investment in capital assets	346,755	10,763	357,518
Restricted for:			
Nonexpendable – endowments	—	108,379	108,379
Expendable:			
Scholarships and fellowships	—	67,655	67,655
Research	—	—	—
Loans	1,581	—	1,581
Capital projects	33	1,778	1,811
Debt service	41	—	41
Others	—	9,457	9,457
Unrestricted	(1,234,919)	24,612	(1,210,307)
Total net position	<u>\$ (886,509)</u>	<u>222,644</u>	<u>(663,865)</u>

See accompanying independent auditors' report.

## SAN FRANCISCO STATE UNIVERSITY

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

Year ended June 30, 2022

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
<b>Revenues:</b>				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$107,547)	\$ 124,803	—	—	124,803
Grants and contracts, noncapital:				
Federal	23,149	435	—	23,584
State	1,986	157	—	2,143
Local	743	337	—	1,080
Nongovernmental	3,743	4,146	—	7,889
Sales and services of educational activities	189	—	—	189
Sales and services of auxiliary enterprises (net of scholarship allowances of \$7,520)	54,408	9,554	—	63,962
Other operating revenues	11,242	10,791	—	22,033
Total operating revenues	<u>220,263</u>	<u>25,420</u>	<u>—</u>	<u>245,683</u>
<b>Expenses:</b>				
Operating expenses:				
Instruction	211,038	2,220	—	213,258
Research	17,445	888	—	18,333
Public service	4,522	570	—	5,092
Academic support	53,509	2,675	—	56,184
Student services	54,039	6,968	—	61,007
Institutional support	56,679	3,690	—	60,369
Operation and maintenance of plant	33,968	1,321	—	35,289
Student grants and scholarships	65,133	4,802	—	69,935
Auxiliary enterprise expenses	42,978	4,669	—	47,647
Depreciation and amortization	34,248	691	—	34,939
Total operating expenses	<u>573,559</u>	<u>28,494</u>	<u>—</u>	<u>602,053</u>
Operating loss	<u>(353,296)</u>	<u>(3,074)</u>	<u>—</u>	<u>(356,370)</u>
<b>Nonoperating revenues (expenses):</b>				
State appropriations, noncapital	261,602	—	—	261,602
Federal financial aid grants, noncapital	54,113	—	—	54,113
State financial aid grants, noncapital	35,693	—	—	35,693
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	98,644	—	—	98,644
Gifts, noncapital	1,995	5,530	—	7,525
Investment loss, net	(12,527)	(2,811)	—	(15,338)
Endowment loss, net	—	(21,898)	—	(21,898)
Interest expense	(7,918)	—	—	(7,918)
Other nonoperating revenues (expenses)	29,796	(5,500)	—	24,296
Net nonoperating income (loss)	<u>461,398</u>	<u>(24,679)</u>	<u>—</u>	<u>436,719</u>
Income (loss) before other revenues	108,102	(27,753)	—	80,349
State appropriations, capital	—	—	—	—
Grants and gifts, capital	592	—	—	592
Additions to permanent endowments	—	1,442	—	1,442
Increase (decrease) in net position	<u>108,694</u>	<u>(26,311)</u>	<u>—</u>	<u>82,383</u>
<b>Net position:</b>				
Net position at beginning of year	(995,203)	248,955	—	(746,248)
Net position at end of year	<u>\$ (886,509)</u>	<u>222,644</u>	<u>—</u>	<u>(663,865)</u>

See accompanying independent auditors' report.

## SAN FRANCISCO STATE UNIVERSITY

## Statement of Cash Flows

Year ended June 30, 2022

(In thousands)

	<u>Campus</u>
<b>Cash flows from operating activities:</b>	
Student tuition and fees	\$ 124,169
Federal grants and contracts	21,442
State grants and contracts	3,252
Local grants and contracts	658
Nongovernmental grants and contracts	2,870
Payments to suppliers	(134,759)
Payments to employees	(235,022)
Payments for benefits	(111,452)
Payments to students	(65,206)
Collections of student loans	113
Sales and services of educational activities	189
Sales and services of auxiliary enterprises	53,753
Other receipts	12,786
Net cash used in operating activities	<u>(327,207)</u>
<b>Cash flows from noncapital financing activities:</b>	
State appropriations	237,765
Federal financial aid grants	54,111
State financial aid grants	35,446
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	104,000
Gifts and grants received for other than capital purposes	2,094
Federal loan program receipts	77,620
Federal loan program disbursements	(77,878)
Monies received on behalf of others	2,875
Monies disbursed on behalf of others	(2,880)
Transfers to escrow agent	—
Proceeds from long-term debt	—
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	12,349
Net cash provided by noncapital financing activities	<u>445,502</u>
<b>Cash flows from capital and related financing activities:</b>	
Proceeds from capital debt	93,510
State appropriations	2,414
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	592
Proceeds from sale of capital assets	—
Acquisition of capital assets	(22,162)
Transfers to escrow agent	(93,239)
Principal paid on capital debt and leases	(12,395)
Interest paid on capital debt and leases	(8,261)
Principal collection on leases receivable	174
Interest collection on leases receivable	292
Net cash used in capital and related financing activities	<u>(39,075)</u>



## SAN FRANCISCO STATE UNIVERSITY

## Statement of Cash Flows

Year ended June 30, 2022

(In thousands)

	<u>Campus</u>
<b>Cash flows from investing activities:</b>	
Proceeds from sales of investments	\$ 912,088
Purchases of investments	(996,488)
Investment income proceeds	5,181
Net cash used in investing activities	<u>(79,219)</u>
Net increase in cash and cash equivalents	1
Cash and cash equivalents at beginning of year	5
Cash and cash equivalents at end of year	<u>\$ 6</u>
<b>Summary of cash and cash equivalents at end of year:</b>	
Cash and cash equivalents	\$ 6
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 6</u>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>	
Operating loss	\$ (353,296)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	34,248
Change in assets and liabilities:	
Accounts receivable, net	(3,007)
Student loans receivable, net	(11)
Pledges receivable, net	—
Prepaid expenses and other current assets	488
Other assets	2
Deferred outflows of resources	22,785
Accounts payable	(3,056)
Accrued salaries and benefits	2,927
Accrued compensated absences	(659)
Unearned revenues	1,861
Depository accounts	—
Total other postemployment benefits liability	(10,946)
Net pension liability	(186,131)
Other liabilities	2,497
Deferred inflows of resources	165,091
Net cash used in operating activities	<u>\$ (327,207)</u>
<b>Supplemental schedule of noncash transactions:</b>	
Change in unrealized gain (loss) of investment	\$ (18,006)
State's contribution for OPEB	23,837
Change in capital assets due to implementation of GASB 87	6,174
Acquisition of capital asset through long-term debt obligations	18,799
Other assets paid through long-term debt	—

See accompanying independent auditors' report.

## SAN FRANCISCO STATE UNIVERSITY

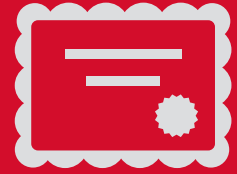
## Transactions with Related Entities

Year ended June 30, 2022

(In thousands)

	<b>Campus</b>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 3,696
Payments from discretely presented component units for other than salaries	5,006
Payments to discretely presented component units for services, space, and programs	8,693
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	2,570
Accounts receivable from discretely presented component units	1,633
Other amounts receivable from discretely presented component units	8,370
Accounts payable to discretely presented component units	(410)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	2,175
Payments to the Office of the Chancellor for state pro rata charges	150
Accounts receivable from the Office of the Chancellor	4,818
Accounts payable to the Office of the Chancellor	—
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	2,605
Other interagency payments (receipts) for services, space, and programs	27

See accompanying independent auditors' report.



**129,000**

degrees conferred  
annually



## SAN JOSE STATE UNIVERSITY

Schedule 8

## Statement of Net Position

June 30, 2022

(In thousands)

Assets	Campus	Discretely presented component units	Total
<b>Current assets:</b>			
Cash and cash equivalents	\$ 24	47,913	47,937
Short-term investments	232,201	37,888	270,089
Accounts receivable, net	15,027	19,831	34,858
Lease receivables, current portion	78	10	88
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	4,633	4,633
Prepaid expenses and other current assets	5,120	448	5,568
Total current assets	<u>252,450</u>	<u>110,723</u>	<u>363,173</u>
<b>Noncurrent assets:</b>			
Restricted cash and cash equivalents	—	1,273	1,273
Accounts receivable, net	—	—	—
Lease receivables, net of current portion	1,103	—	1,103
Notes receivable, net of current portion	—	200	200
Student loans receivable, net	2,640	—	2,640
Pledges receivable, net	—	6,429	6,429
Endowment investments	—	167,381	167,381
Other long-term investments	141,338	2,225	143,563
Capital assets, net	869,177	49,517	918,694
Other assets	6,731	35,555	42,286
Total noncurrent assets	<u>1,020,989</u>	<u>262,580</u>	<u>1,283,569</u>
Total assets	<u>1,273,439</u>	<u>373,303</u>	<u>1,646,742</u>
<b>Deferred Outflows of Resources</b>			
Deferred outflows of resources	249,581	13,013	262,594
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Accounts payable	44,853	6,841	51,694
Accrued salaries and benefits	34,088	2,812	36,900
Accrued compensated absences, current portion	6,743	1,929	8,672
Unearned revenues	30,390	6,249	36,639
Lease liabilities, current portion	668	553	1,221
Long-term debt obligations, current portion	17,206	—	17,206
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	12	—	12
Other liabilities	9,625	2,225	11,850
Total current liabilities	<u>143,585</u>	<u>20,609</u>	<u>164,194</u>
<b>Noncurrent liabilities:</b>			
Accrued compensated absences, net of current portion	12,132	30	12,162
Unearned revenues	4,543	12,239	16,782
Grants refundable	3,478	—	3,478
Lease liabilities, net of current portion	2,803	2,622	5,425
Long-term debt obligations, net of current portion	487,789	42,470	530,259
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	196	196
Total other postemployment benefits liability	1,075,506	18,170	1,093,676
Net pension liability	392,425	—	392,425
Other liabilities	25,837	1,951	27,788
Total noncurrent liabilities	<u>2,004,513</u>	<u>77,678</u>	<u>2,082,191</u>
Total liabilities	<u>2,148,098</u>	<u>98,287</u>	<u>2,246,385</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflows of resources	341,549	14,178	355,727
<b>Net Position</b>			
<b>Net position:</b>			
Net investment in capital assets	366,893	26,050	392,943
Restricted for:			
Nonexpendable – endowments	—	131,817	131,817
Expendable:			
Scholarships and fellowships	9,269	—	9,269
Research	—	27	27
Loans	6,611	—	6,611
Capital projects	2,105	—	2,105
Debt service	108	—	108
Others	779	94,736	95,515
Unrestricted	(1,352,392)	21,221	(1,331,171)
Total net position	<u>\$ (966,627)</u>	<u>273,851</u>	<u>(692,776)</u>

See accompanying independent auditors' report.

## SAN JOSE STATE UNIVERSITY

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

Year ended June 30, 2022

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
<b>Revenues:</b>				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$107,233)	\$ 220,728	—	—	220,728
Grants and contracts, noncapital:				
Federal	—	33,956	—	33,956
State	—	8,475	—	8,475
Local	—	2,230	—	2,230
Nongovernmental	—	2,723	—	2,723
Sales and services of educational activities	5,355	—	—	5,355
Sales and services of auxiliary enterprises (net of scholarship allowances of \$6,695)	56,258	2,592	—	58,850
Other operating revenues	15,965	19,235	—	35,200
Total operating revenues	<u>298,306</u>	<u>69,211</u>	<u>—</u>	<u>367,517</u>
<b>Expenses:</b>				
Operating expenses:				
Instruction	293,983	7,279	—	301,262
Research	747	34,818	—	35,565
Public service	5,597	15	—	5,612
Academic support	58,611	7,206	(40)	65,777
Student services	83,959	25,745	—	109,704
Institutional support	74,947	7,899	—	82,846
Operation and maintenance of plant	18,488	1,349	—	19,837
Student grants and scholarships	77,943	5,947	(4,126)	79,764
Auxiliary enterprise expenses	47,090	4,478	—	51,568
Depreciation and amortization	41,252	4,382	—	45,634
Total operating expenses	<u>702,617</u>	<u>99,118</u>	<u>(4,166)</u>	<u>797,569</u>
Operating loss	<u>(404,311)</u>	<u>(29,907)</u>	<u>4,166</u>	<u>(430,052)</u>
<b>Nonoperating revenues (expenses):</b>				
State appropriations, noncapital	253,791	—	—	253,791
Federal financial aid grants, noncapital	52,331	1,266	—	53,597
State financial aid grants, noncapital	44,797	421	—	45,218
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	107	—	107
Other federal nonoperating grants, noncapital	89,824	—	—	89,824
Gifts, noncapital	5,403	15,648	(4,126)	16,925
Investment loss, net	(20,004)	(4,256)	—	(24,260)
Endowment loss, net	—	(22,514)	—	(22,514)
Interest expense	(11,491)	(44)	—	(11,535)
Other nonoperating revenues	25,460	5,015	—	30,475
Net nonoperating income (loss)	<u>440,111</u>	<u>(4,357)</u>	<u>(4,126)</u>	<u>431,628</u>
Income (loss) before other revenues	35,800	(34,264)	40	1,576
State appropriations, capital	—	—	—	—
Grants and gifts, capital	1,718	(500)	(40)	1,178
Additions (reductions) to permanent endowments	—	—	—	—
Increase (decrease) in net position	<u>37,518</u>	<u>(34,764)</u>	<u>—</u>	<u>2,754</u>
<b>Net position:</b>				
Net position at beginning of year	(1,004,145)	308,615	—	(695,530)
Net position at end of year	<u>\$ (966,627)</u>	<u>273,851</u>	<u>—</u>	<u>(692,776)</u>

See accompanying independent auditors' report.

## SAN JOSE STATE UNIVERSITY

## Statement of Cash Flows

Year ended June 30, 2022

(In thousands)

	<u>Campus</u>
<b>Cash flows from operating activities:</b>	
Student tuition and fees	\$ 218,681
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(128,256)
Payments to employees	(282,363)
Payments for benefits	(133,900)
Payments to students	(78,288)
Collections of student loans	199
Sales and services of educational activities	5,355
Sales and services of auxiliary enterprises	52,602
Other receipts	23,870
Net cash used in operating activities	<u>(322,100)</u>
<b>Cash flows from noncapital financing activities:</b>	
State appropriations	226,678
Federal financial aid grants	71,292
State financial aid grants	44,797
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	66,274
Gifts and grants received for other than capital purposes	5,403
Federal loan program receipts	87,840
Federal loan program disbursements	(87,965)
Monies received on behalf of others	105
Monies disbursed on behalf of others	(103)
Transfers to escrow agent	—
Proceeds from long-term debt	—
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	43,351
Net cash provided by noncapital financing activities	<u>457,672</u>
<b>Cash flows from capital and related financing activities:</b>	
Proceeds from capital debt	134,885
State appropriations	—
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	1,718
Proceeds from sale of capital assets	40
Acquisition of capital assets	(63,814)
Transfers to escrow agent	(134,449)
Principal paid on capital debt and leases	(15,172)
Interest paid on capital debt and leases	(12,773)
Principal collection on leases receivable	76
Interest collection on leases receivable	2
Net cash used in capital and related financing activities	<u>(89,487)</u>

## SAN JOSE STATE UNIVERSITY

## Statement of Cash Flows

Year ended June 30, 2022

(In thousands)

	<u>Campus</u>
<b>Cash flows from investing activities:</b>	
Proceeds from sales of investments	\$ 1,173,254
Purchases of investments	(1,229,219)
Investment income proceeds	9,879
Net cash used in investing activities	<u>(46,086)</u>
Net decrease in cash and cash equivalents	(1)
Cash and cash equivalents at beginning of year	25
Cash and cash equivalents at end of year	<u>\$ 24</u>
<b>Summary of cash and cash equivalents at end of year:</b>	
Cash and cash equivalents	\$ 24
Restricted cash and cash equivalents	—
Total 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	\$ (404,311)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	41,252
Change in assets and liabilities:	
Accounts receivable, net	3,947
Student loans receivable, net	(168)
Pledges receivable, net	—
Prepaid expenses and other current assets	(1,041)
Other assets	(2,916)
Deferred outflows of resources	(11,488)
Accounts payable	11,734
Accrued salaries and benefits	2,810
Accrued compensated absences	(618)
Unearned revenues	(8,120)
Depository accounts	—
Total other postemployment benefits liability	26,059
Net pension liability	(170,093)
Other liabilities	2,203
Deferred inflows of resources	188,650
Net cash used in operating activities	<u>\$ (322,100)</u>
<b>Supplemental schedule of noncash transactions:</b>	
Change in unrealized gain (loss) of investment	\$ (29,600)
State's contribution for OPEB	27,114
Change in capital assets due to implementation of GASB 87	4,088
Acquisition of capital asset through long-term debt obligations	—
Other assets paid through long-term debt	—

See accompanying independent auditors' report.

## SAN JOSE STATE UNIVERSITY

## Transactions with Related Entities

Year ended June 30, 2022

(In thousands)

	<b>Campus</b>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 3,077
Payments from discretely presented component units for other than salaries	3,451
Payments to discretely presented component units for services, space, and programs	24,290
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	6,364
Accounts receivable from discretely presented component units	7,353
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(8,051)
Other amounts payable to discretely presented component units	(20,642)
Payments to the Office of the Chancellor for administrative activities	561
Payments to the Office of the Chancellor for state pro rata charges	239
Accounts receivable from the Office of the Chancellor	438
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	2,627
Other interagency payments (receipts) for services, space, and programs	50

See accompanying independent auditors' report.



## CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO

## Statement of Net Position

June 30, 2022

(In thousands)

Assets	Campus	Discretely presented component units	Total
<b>Current assets:</b>			
Cash and cash equivalents	\$ 7,016	37,886	44,902
Short-term investments	284,444	86,637	371,081
Accounts receivable, net	6,916	14,283	21,199
Lease receivables, current portion	537	298	835
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	14,902	14,902
Prepaid expenses and other current assets	4,275	3,183	7,458
Total current assets	<u>303,188</u>	<u>157,189</u>	<u>460,377</u>
<b>Noncurrent assets:</b>			
Restricted cash and cash equivalents	—	566	566
Accounts receivable, net	—	14	14
Lease receivables, net of current portion	3,066	2,414	5,480
Notes receivable, net of current portion	—	3,663	3,663
Student loans receivable, net	1,854	—	1,854
Pledges receivable, net	—	31,379	31,379
Endowment investments	—	243,029	243,029
Other long-term investments	80,672	106,297	186,969
Capital assets, net	930,302	94,957	1,025,259
Other assets	165	1,718	1,883
Total noncurrent assets	<u>1,016,059</u>	<u>484,037</u>	<u>1,500,096</u>
Total assets	<u>1,319,247</u>	<u>641,226</u>	<u>1,960,473</u>
<b>Deferred Outflows of Resources</b>			
Deferred outflows of resources	<u>209,502</u>	<u>3,490</u>	<u>212,992</u>
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Accounts payable	23,513	5,687	29,200
Accrued salaries and benefits	26,939	3,095	30,034
Accrued compensated absences, current portion	7,910	1,174	9,084
Unearned revenues	16,569	12,416	28,985
Lease liabilities, current portion	730	522	1,252
Long-term debt obligations, current portion	19,016	495	19,511
Claims liability for losses and loss adjustment expenses, current portion	—	20	20
Depository accounts	388	2,055	2,443
Other liabilities	4,349	1,993	6,342
Total current liabilities	<u>99,414</u>	<u>27,457</u>	<u>126,871</u>
<b>Noncurrent liabilities:</b>			
Accrued compensated absences, net of current portion	7,737	262	7,999
Unearned revenues	—	—	—
Grants refundable	907	—	907
Lease liabilities, net of current portion	2,413	2,732	5,145
Long-term debt obligations, net of current portion	622,226	43,295	665,521
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	5,519	5,519
Total other postemployment benefits liability	948,866	13	948,879
Net pension liability	351,423	13,569	364,992
Other liabilities	3,272	8,814	12,086
Total noncurrent liabilities	<u>1,936,844</u>	<u>74,204</u>	<u>2,011,048</u>
Total liabilities	<u>2,036,258</u>	<u>101,661</u>	<u>2,137,919</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflows of resources	<u>306,280</u>	<u>34,069</u>	<u>340,349</u>
<b>Net Position</b>			
<b>Net position:</b>			
Net investment in capital assets	334,644	40,472	375,116
Restricted for:			
Nonexpendable – endowments	—	149,938	149,938
Expendable:			
Scholarships and fellowships	7,676	13,711	21,387
Research	—	8,269	8,269
Loans	3,466	—	3,466
Capital projects	943	47,408	48,351
Debt service	3,526	—	3,526
Others	16,789	167,243	184,032
Unrestricted	(1,180,833)	81,945	(1,098,888)
Total net position	<u>\$ (813,789)</u>	<u>508,986</u>	<u>(304,803)</u>

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, 2022

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
<b>Revenues:</b>				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$55,400)	\$ 234,803	—	—	234,803
Grants and contracts, noncapital:				
Federal	—	13,800	—	13,800
State	—	5,328	—	5,328
Local	—	620	—	620
Nongovernmental	—	5,900	—	5,900
Sales and services of educational activities	2,080	—	—	2,080
Sales and services of auxiliary enterprises (net of scholarship allowances of \$10,447)	80,888	39,630	—	120,518
Other operating revenues	19,474	39,972	(6,041)	53,405
Total operating revenues	<u>337,245</u>	<u>105,250</u>	<u>(6,041)</u>	<u>436,454</u>
<b>Expenses:</b>				
Operating expenses:				
Instruction	215,303	2,941	(3,432)	214,812
Research	4,071	28,072	(2,989)	29,154
Public service	256	15,324	(171)	15,409
Academic support	56,766	14,577	(6,869)	64,474
Student services	91,245	12,481	(2,666)	101,060
Institutional support	32,760	15,303	(7,011)	41,052
Operation and maintenance of plant	58,737	33,170	(26,129)	65,778
Student grants and scholarships	39,958	8,773	(2,215)	46,516
Auxiliary enterprise expenses	36,845	33,250	—	70,095
Depreciation and amortization	50,696	4,202	—	54,898
Total operating expenses	<u>586,637</u>	<u>168,093</u>	<u>(51,482)</u>	<u>703,248</u>
Operating loss	<u>(249,392)</u>	<u>(62,843)</u>	<u>45,441</u>	<u>(266,794)</u>
<b>Nonoperating revenues (expenses):</b>				
State appropriations, noncapital	225,629	—	—	225,629
Federal financial aid grants, noncapital	20,202	—	—	20,202
State financial aid grants, noncapital	21,293	—	—	21,293
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	11,604	—	(2,966)	8,638
Other federal nonoperating grants, noncapital	37,556	—	—	37,556
Gifts, noncapital	15,185	23,137	(13,627)	24,695
Investment loss, net	(19,537)	(11,470)	—	(31,007)
Endowment loss, net	—	(37,772)	—	(37,772)
Interest expense	(21,160)	(1,588)	—	(22,748)
Other nonoperating expenses	(21,117)	(1,306)	—	(22,423)
Net nonoperating income (loss)	<u>269,655</u>	<u>(28,999)</u>	<u>(16,593)</u>	<u>224,063</u>
Income (loss) before other revenues	<u>20,263</u>	<u>(91,842)</u>	<u>28,848</u>	<u>(42,731)</u>
State appropriations, capital	—	—	—	—
Grants and gifts, capital	27,698	38,174	(28,848)	37,024
Additions to permanent endowments	—	8,209	—	8,209
Increase (decrease) in net position	<u>47,961</u>	<u>(45,459)</u>	<u>—</u>	<u>2,502</u>
<b>Net position:</b>				
Net position at beginning of year	(861,750)	554,445	—	(307,305)
Net position at end of year	<u>\$ (813,789)</u>	<u>508,986</u>	<u>—</u>	<u>(304,803)</u>

See accompanying independent auditors' report.

## CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO

## Statement of Cash Flows

Year ended June 30, 2022

(In thousands)

	<u>Campus</u>
<b>Cash flows from operating activities:</b>	
Student tuition and fees	\$ 236,865
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(134,589)
Payments to employees	(232,142)
Payments for benefits	(114,030)
Payments to students	(40,305)
Collections of student loans	85
Sales and services of educational activities	2,080
Sales and services of auxiliary enterprises	81,169
Other receipts	21,115
Net cash used in operating activities	<u>(179,752)</u>
<b>Cash flows from noncapital financing activities:</b>	
State appropriations	201,930
Federal financial aid grants	20,202
State financial aid grants	21,293
Nongovernmental and other financial aid grants	11,604
Other federal nonoperating grants	19,998
Gifts and grants received for other than capital purposes	15,185
Federal loan program receipts	68,491
Federal loan program disbursements	(68,722)
Monies received on behalf of others	12,855
Monies disbursed on behalf of others	(12,823)
Transfers to escrow agent	—
Proceeds from long-term debt	—
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	3,336
Net cash provided by noncapital financing activities	<u>293,349</u>
<b>Cash flows from capital and related financing activities:</b>	
Proceeds from capital debt	259,837
State appropriations	1,386
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	27,698
Proceeds from sale of capital assets	2,582
Acquisition of capital assets	(53,442)
Transfers to escrow agent	(207,938)
Principal paid on capital debt and leases	(17,111)
Interest paid on capital debt and leases	(20,528)
Principal collection on leases receivable	505
Interest collection on leases receivable	29
Net cash used in capital and related financing activities	<u>(6,982)</u>

## CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO

## Statement of Cash Flows

Year ended June 30, 2022

(In thousands)

	<u>Campus</u>
<b>Cash flows from investing activities:</b>	
Proceeds from sales of investments	\$ 1,077,789
Purchases of investments	(1,183,137)
Investment income proceeds	5,748
Net cash used in investing activities	(99,600)
Net increase in cash and cash equivalents	7,015
Cash and cash equivalents at beginning of year	1
Cash and cash equivalents at end of year	<u>\$ 7,016</u>
<b>Summary of cash and cash equivalents at end of year:</b>	
Cash and cash equivalents	\$ 7,016
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 7,016</u>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>	
Operating loss	\$ (249,392)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	50,696
Change in assets and liabilities:	
Accounts receivable, net	(341)
Student loans receivable, net	(263)
Pledges receivable, net	—
Prepaid expenses and other current assets	(1,528)
Other assets	44
Deferred outflows of resources	14,353
Accounts payable	3,262
Accrued salaries and benefits	1,767
Accrued compensated absences	(171)
Unearned revenues	3,506
Depository accounts	—
Total other postemployment benefits liability	11,884
Net pension liability	(182,316)
Other liabilities	2,361
Deferred inflows of resources	166,386
Net cash used in operating activities	<u>\$ (179,752)</u>
<b>Supplemental schedule of noncash transactions:</b>	
Change in unrealized gain (loss) of investment	\$ (25,315)
State's contribution for OPEB	23,699
Change in capital assets due to implementation of GASB 87	4,450
Acquisition of capital asset through long-term debt obligations	—
Other assets paid through long-term debt	—

See accompanying independent auditors' report.

## CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO

## Transactions with Related Entities

Year ended June 30, 2022

(In thousands)

	<b>Campus</b>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 7,366
Payments from discretely presented component units for other than salaries	37,538
Payments to discretely presented component units for services, space, and programs	6,690
Gifts in kind from discretely presented component units	471
Gifts (cash or assets) from discretely presented component units	25,861
Accounts receivable from discretely presented component units	2,280
Other amounts receivable from discretely presented component units	476
Accounts payable to discretely presented component units	(767)
Other amounts payable to discretely presented component units	(3,663)
Payments to the Office of the Chancellor for administrative activities	602
Payments to the Office of the Chancellor for state pro rata charges	127
Accounts receivable from the Office of the Chancellor	622
Accounts payable to the Office of the Chancellor	—
Accounts receivable from campuses other than the Office of the Chancellor	30
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery allocation received	1,833
Other interagency payments (receipts) for services, space, and programs	305

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SAN MARCOS

Schedule 8

Statement of Net Position

June 30, 2022

(In thousands)

Assets	Campus	Discretely presented component units	Total
<b>Current assets:</b>			
Cash and cash equivalents	\$ 7	2,815	2,822
Short-term investments	106,118	16,786	122,904
Accounts receivable, net	5,695	7,476	13,171
Lease receivables, current portion	1,221	3,496	4,717
Notes receivable, current portion	30	—	30
Pledges receivable, net	—	1,072	1,072
Prepaid expenses and other current assets	2,053	24	2,077
Total current assets	<u>115,124</u>	<u>31,669</u>	<u>146,793</u>
<b>Noncurrent assets:</b>			
Restricted cash and cash equivalents	—	277	277
Accounts receivable, net	34	—	34
Lease receivables, net of current portion	14,540	88,969	103,509
Notes receivable, net of current portion	63	—	63
Student loans receivable, net	268	50	318
Pledges receivable, net	—	1,026	1,026
Endowment investments	—	31,188	31,188
Other long-term investments	1,984	8,669	10,653
Capital assets, net	282,592	23,716	306,308
Other assets	10	103	113
Total noncurrent assets	<u>299,491</u>	<u>153,998</u>	<u>453,489</u>
Total assets	<u>414,615</u>	<u>185,667</u>	<u>600,282</u>
<b>Deferred Outflows of Resources</b>			
Deferred outflows of resources	<u>97,201</u>	<u>756</u>	<u>97,957</u>
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Accounts payable	7,518	5,015	12,533
Accrued salaries and benefits	15,014	338	15,352
Accrued compensated absences, current portion	4,200	718	4,918
Unearned revenues	8,097	3,383	11,480
Lease liabilities, current portion	1,535	1,244	2,779
Long-term debt obligations, current portion	4,720	1,005	5,725
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	72	—	72
Other liabilities	3,796	—	3,796
Total current liabilities	<u>44,952</u>	<u>11,703</u>	<u>56,655</u>
<b>Noncurrent liabilities:</b>			
Accrued compensated absences, net of current portion	4,155	—	4,155
Unearned revenues	—	33,947	33,947
Grants refundable	70	—	70
Lease liabilities, net of current portion	57,951	14,643	72,594
Long-term debt obligations, net of current portion	87,153	58,763	145,916
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	383,855	1,462	385,317
Net pension liability	175,158	—	175,158
Other liabilities	—	—	—
Total noncurrent liabilities	<u>708,342</u>	<u>108,815</u>	<u>817,157</u>
Total liabilities	<u>753,294</u>	<u>120,518</u>	<u>873,812</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflows of resources	<u>152,648</u>	<u>—</u>	<u>152,648</u>
<b>Net Position</b>			
<b>Net position:</b>			
Net investment in capital assets	132,916	4,319	137,235
Restricted for:			
Nonexpendable – endowments	—	23,700	23,700
Expendable:			
Scholarships and fellowships	—	3,821	3,821
Research	—	—	—
Loans	322	—	322
Capital projects	425	14	439
Debt service	20	—	20
Others	—	3,658	3,658
Unrestricted	(527,809)	30,393	(497,416)
Total net position	<u>\$ (394,126)</u>	<u>65,905</u>	<u>(328,221)</u>

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, SAN MARCOS

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

Year ended June 30, 2022

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
<b>Revenues:</b>				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$63,661)	\$ 84,036	—	—	84,036
Grants and contracts, noncapital:				
Federal	—	10,667	—	10,667
State	—	3,077	—	3,077
Local	—	43	—	43
Nongovernmental	—	147	—	147
Sales and services of educational activities	104	2,910	—	3,014
Sales and services of auxiliary enterprises (net of scholarship allowances of \$2,123)	17,830	19,010	—	36,840
Other operating revenues	7,175	4,757	—	11,932
Total operating revenues	<u>109,145</u>	<u>40,611</u>	<u>—</u>	<u>149,756</u>
<b>Expenses:</b>				
Operating expenses:				
Instruction	96,767	3,257	—	100,024
Research	1,382	4,746	—	6,128
Public service	(1,169)	681	(18)	(506)
Academic support	26,953	2,419	(237)	29,135
Student services	40,857	5,248	(126)	45,979
Institutional support	58,693	1,730	(373)	60,050
Operation and maintenance of plant	34,630	—	(98)	34,532
Student grants and scholarships	48,650	2,999	(2,575)	49,074
Auxiliary enterprise expenses	17,533	15,417	—	32,950
Depreciation and amortization	17,058	1,735	—	18,793
Total operating expenses	<u>341,354</u>	<u>38,232</u>	<u>(3,427)</u>	<u>376,159</u>
Operating income (loss)	<u>(232,209)</u>	<u>2,379</u>	<u>3,427</u>	<u>(226,403)</u>
<b>Nonoperating revenues (expenses):</b>				
State appropriations, noncapital	120,819	—	—	120,819
Federal financial aid grants, noncapital	34,298	—	—	34,298
State financial aid grants, noncapital	29,593	—	—	29,593
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	58,337	—	—	58,337
Gifts, noncapital	2,825	4,029	(2,826)	4,028
Investment loss, net	(5,540)	(1,368)	—	(6,908)
Endowment loss, net	—	(3,812)	—	(3,812)
Interest expense	(4,590)	(2,660)	—	(7,250)
Other nonoperating revenues (expenses)	(492)	—	—	(492)
Net nonoperating income (loss)	<u>235,250</u>	<u>(3,811)</u>	<u>(2,826)</u>	<u>228,613</u>
Income (loss) before other revenues	3,041	(1,432)	601	2,210
State appropriations, capital	—	—	—	—
Grants and gifts, capital	601	—	(601)	—
Additions to permanent endowments	—	676	—	676
Increase (decrease) in net position	<u>3,642</u>	<u>(756)</u>	<u>—</u>	<u>2,886</u>
<b>Net position:</b>				
Net position at beginning of year	(397,768)	66,661	—	(331,107)
Net position at end of year	<u>\$ (394,126)</u>	<u>65,905</u>	<u>—</u>	<u>(328,221)</u>

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, SAN MARCOS

## Statement of Cash Flows

Year ended June 30, 2022

(In thousands)

	<u>Campus</u>
<b>Cash flows from operating activities:</b>	
Student tuition and fees	\$ 84,042
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(73,258)
Payments to employees	(126,390)
Payments for benefits	(64,064)
Payments to students	(48,723)
Collections of student loans	17
Sales and services of educational activities	104
Sales and services of auxiliary enterprises	16,742
Other receipts	5,276
Net cash used in operating activities	<u>(206,254)</u>
<b>Cash flows from noncapital financing activities:</b>	
State appropriations	111,984
Federal financial aid grants	33,322
State financial aid grants	29,119
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	58,049
Gifts and grants received for other than capital purposes	2,825
Federal loan program receipts	42,029
Federal loan program disbursements	(42,086)
Monies received on behalf of others	1,496
Monies disbursed on behalf of others	(1,503)
Transfers to escrow agent	(13,594)
Proceeds from long-term debt	13,630
Principal paid on long-term debt	(955)
Interest paid on long-term debt	(381)
Issuance of notes receivable	—
Principal collections on leases receivable	—
Interest collections on leases receivable	—
Principal collections on notes receivable	29
Interest collections on notes receivable	—
Other noncapital financing activities	(1,146)
Net cash provided by noncapital financing activities	<u>232,818</u>
<b>Cash flows from capital and related financing activities:</b>	
Proceeds from capital debt	11,761
State appropriations	666
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	—
Proceeds from sale of capital assets	—
Acquisition of capital assets	(4,219)
Transfers to escrow agent	(10,158)
Principal paid on capital debt and leases	(5,099)
Interest paid on capital debt and leases	(4,481)
Principal collection on leases receivable	943
Interest collection on leases receivable	284
Net cash used in capital and related financing activities	<u>(10,303)</u>



## CALIFORNIA STATE UNIVERSITY, SAN MARCOS

## Statement of Cash Flows

Year ended June 30, 2022

(In thousands)

	<u>Campus</u>
<b>Cash flows from investing activities:</b>	
Proceeds from sales of investments	\$ 462,300
Purchases of investments	(481,352)
Investment income proceeds	2,790
Net cash used in investing activities	(16,262)
Net decrease in cash and cash equivalents	(1)
Cash and cash equivalents at beginning of year	8
Cash and cash equivalents at end of year	<u>\$ 7</u>
<b>Summary of cash and cash equivalents at end of year:</b>	
Cash and cash equivalents	\$ 7
Restricted cash and cash equivalents	—
Total 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	\$ (232,209)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	17,058
Change in assets and liabilities:	
Accounts receivable, net	842
Student loans receivable, net	(57)
Pledges receivable, net	—
Prepaid expenses and other current assets	531
Other assets	6
Deferred outflows of resources	3,701
Accounts payable	2,104
Accrued salaries and benefits	1,194
Accrued compensated absences	(501)
Unearned revenues	(653)
Depository accounts	—
Total other postemployment benefits liability	6,528
Net pension liability	(85,299)
Other liabilities	346
Deferred inflows of resources	80,155
Net cash used in operating activities	<u>\$ (206,254)</u>
<b>Supplemental schedule of noncash transactions:</b>	
Change in unrealized gain (loss) of investment	\$ (8,614)
State's contribution for OPEB	8,835
Change in capital assets due to implementation of GASB 87	75,412
Acquisition of capital asset through long-term debt obligations	—
Other assets paid through long-term debt	—

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, SAN MARCOS

## Transactions with Related Entities

Year ended June 30, 2022

(In thousands)

	<b>Campus</b>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 283
Payments from discretely presented component units for other than salaries	3,959
Payments to discretely presented component units for services, space, and programs	15,879
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	3,425
Accounts receivable from discretely presented component units	1,571
Other amounts receivable from discretely presented component units	131
Accounts payable to discretely presented component units	(1,458)
Other amounts payable to discretely presented component units	(95,156)
Payments to the Office of the Chancellor for administrative activities	247
Payments to the Office of the Chancellor for state pro rata charges	192
Accounts receivable from the Office of the Chancellor	108
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	1,244
Other interagency payments (receipts) for services, space, and programs	120

See accompanying independent auditors' report.



**NEARLY 56,000**  
faculty and staff are  
employed by the CSU



## SONOMA STATE UNIVERSITY

## Statement of Net Position

June 30, 2022

(In thousands)

Assets	Campus	Discretely presented component units	Total
<b>Current assets:</b>			
Cash and cash equivalents	\$ 85	1,397	1,482
Short-term investments	103,459	5,995	109,454
Accounts receivable, net	10,655	281	10,936
Lease receivables, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	951	951
Prepaid expenses and other current assets	1,449	110	1,559
Total current assets	<u>115,648</u>	<u>8,734</u>	<u>124,382</u>
<b>Noncurrent assets:</b>			
Restricted cash and cash equivalents	—	5	5
Accounts receivable, net	—	—	—
Lease receivables, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	709	—	709
Pledges receivable, net	—	1,691	1,691
Endowment investments	—	49,382	49,382
Other long-term investments	10,105	13,590	23,695
Capital assets, net	424,124	371	424,495
Other assets	—	902	902
Total noncurrent assets	<u>434,938</u>	<u>65,941</u>	<u>500,879</u>
Total assets	<u>550,586</u>	<u>74,675</u>	<u>625,261</u>
<b>Deferred Outflows of Resources</b>			
Deferred outflows of resources	<u>77,111</u>	<u>—</u>	<u>77,111</u>
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Accounts payable	8,922	860	9,782
Accrued salaries and benefits	8,970	12	8,982
Accrued compensated absences, current portion	3,037	13	3,050
Unearned revenues	7,437	69	7,506
Lease liabilities, current portion	303	—	303
Long-term debt obligations, current portion	7,550	—	7,550
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	—	—	—
Other liabilities	1,194	254	1,448
Total current liabilities	<u>37,413</u>	<u>1,208</u>	<u>38,621</u>
<b>Noncurrent liabilities:</b>			
Accrued compensated absences, net of current portion	3,931	11	3,942
Unearned revenues	2	—	2
Grants refundable	656	—	656
Lease liabilities, net of current portion	419	—	419
Long-term debt obligations, net of current portion	191,620	—	191,620
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	417,014	—	417,014
Net pension liability	137,231	—	137,231
Other liabilities	—	—	—
Total noncurrent liabilities	<u>750,873</u>	<u>11</u>	<u>750,884</u>
Total liabilities	<u>788,286</u>	<u>1,219</u>	<u>789,505</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflows of resources	<u>125,977</u>	<u>—</u>	<u>125,977</u>
<b>Net Position</b>			
<b>Net position:</b>			
Net investment in capital assets	228,125	371	228,496
Restricted for:			
Nonexpendable – endowments	—	50,212	50,212
Expendable:			
Scholarships and fellowships	2,914	1,724	4,638
Research	—	—	—
Loans	276	—	276
Capital projects	2,553	—	2,553
Debt service	25	—	25
Others	9,655	11,934	21,589
Unrestricted	(530,114)	9,215	(520,899)
Total net position	<u>\$ (286,566)</u>	<u>73,456</u>	<u>(213,110)</u>

See accompanying independent auditors' report.

## SONOMA STATE UNIVERSITY

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

Year ended June 30, 2022

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
<b>Revenues:</b>				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$24,788)	\$ 39,051	—	—	39,051
Grants and contracts, noncapital:				
Federal	10,762	62	—	10,824
State	1,566	242	—	1,808
Local	347	—	—	347
Nongovernmental	956	—	—	956
Sales and services of educational activities	156	3	—	159
Sales and services of auxiliary enterprises (net of scholarship allowances of \$2,601)	25,567	158	—	25,725
Other operating revenues	11,513	7,222	—	18,735
Total operating revenues	<u>89,918</u>	<u>7,687</u>	<u>—</u>	<u>97,605</u>
<b>Expenses:</b>				
Operating expenses:				
Instruction	59,348	—	—	59,348
Research	4,151	—	—	4,151
Public service	12,348	—	—	12,348
Academic support	21,361	—	—	21,361
Student services	19,229	2,353	—	21,582
Institutional support	25,508	136	—	25,644
Operation and maintenance of plant	20,493	—	—	20,493
Student grants and scholarships	9,023	—	—	9,023
Auxiliary enterprise expenses	4,039	5,867	—	9,906
Depreciation and amortization	19,598	71	—	19,669
Total operating expenses	<u>195,098</u>	<u>8,427</u>	<u>—</u>	<u>203,525</u>
Operating loss	<u>(105,180)</u>	<u>(740)</u>	<u>—</u>	<u>(105,920)</u>
<b>Nonoperating revenues (expenses):</b>				
State appropriations, noncapital	103,929	—	—	103,929
Federal financial aid grants, noncapital	11,875	—	—	11,875
State financial aid grants, noncapital	10,721	—	—	10,721
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	14,912	—	—	14,912
Gifts, noncapital	6,903	(1,394)	—	5,509
Investment income (loss), net	(7,382)	46	—	(7,336)
Endowment loss, net	—	(5,033)	—	(5,033)
Interest expense	(4,447)	—	—	(4,447)
Other nonoperating revenues	52,088	1,905	—	53,993
Net nonoperating income (loss)	<u>188,599</u>	<u>(4,476)</u>	<u>—</u>	<u>184,123</u>
Income (loss) before other revenues	<u>83,419</u>	<u>(5,216)</u>	<u>—</u>	<u>78,203</u>
State appropriations, capital	—	—	—	—
Grants and gifts, capital	358	—	—	358
Additions to permanent endowments	—	3,629	—	3,629
Increase (decrease) in net position	<u>83,777</u>	<u>(1,587)</u>	<u>—</u>	<u>82,190</u>
<b>Net position:</b>				
Net position at beginning of year	(370,343)	75,043	—	(295,300)
Net position at end of year	<u>\$ (286,566)</u>	<u>73,456</u>	<u>—</u>	<u>(213,110)</u>

See accompanying independent auditors' report.

## SONOMA STATE UNIVERSITY

## Statement of Cash Flows

Year ended June 30, 2022

(In thousands)

	<u>Campus</u>
<b>Cash flows from operating activities:</b>	
Student tuition and fees	\$ 36,018
Federal grants and contracts	10,740
State grants and contracts	1,533
Local grants and contracts	280
Nongovernmental grants and contracts	1,055
Payments to suppliers	(52,356)
Payments to employees	(82,599)
Payments for benefits	(43,458)
Payments to students	(9,144)
Collections of student loans	9
Sales and services of educational activities	133
Sales and services of auxiliary enterprises	25,965
Other receipts	12,338
Net cash used in operating activities	<u>(99,486)</u>
<b>Cash flows from noncapital financing activities:</b>	
State appropriations	93,738
Federal financial aid grants	11,875
State financial aid grants	10,721
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	14,912
Gifts and grants received for other than capital purposes	6,903
Federal loan program receipts	20,027
Federal loan program disbursements	(20,030)
Monies received on behalf of others	65
Monies disbursed on behalf of others	—
Transfers to escrow agent	—
Proceeds from long-term debt	—
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	51,472
Net cash provided by noncapital financing activities	<u>189,683</u>
<b>Cash flows from capital and related financing activities:</b>	
Proceeds from capital debt	3,005
State appropriations	—
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	358
Proceeds from sale of capital assets	—
Acquisition of capital assets	(53,244)
Transfers to escrow agent	(3,000)
Principal paid on capital debt and leases	(7,618)
Interest paid on capital debt and leases	(6,112)
Principal collection on leases receivable	—
Interest collection on leases receivable	—
Net cash used in capital and related financing activities	<u>(66,611)</u>

## SONOMA STATE UNIVERSITY

## Statement of Cash Flows

Year ended June 30, 2022

(In thousands)

	<u>Campus</u>
<b>Cash flows from investing activities:</b>	
Proceeds from sales of investments	\$ 333,590
Purchases of investments	(359,505)
Investment income proceeds	2,145
Net cash used in investing activities	(23,770)
Net decrease in cash and cash equivalents	(184)
Cash and cash equivalents at beginning of year	269
Cash and cash equivalents at end of year	<u>\$ 85</u>
<b>Summary of cash and cash equivalents at end of year:</b>	
Cash and cash equivalents	\$ 85
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 85</u>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>	
Operating loss	\$ (105,180)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	19,598
Change in assets and liabilities:	
Accounts receivable, net	(1,778)
Student loans receivable, net	(21)
Pledges receivable, net	—
Prepaid expenses and other current assets	(569)
Other assets	—
Deferred outflows of resources	14,885
Accounts payable	(1,110)
Accrued salaries and benefits	250
Accrued compensated absences	(436)
Unearned revenues	(235)
Depository accounts	—
Total other postemployment benefits liability	(9,658)
Net pension liability	(79,396)
Other liabilities	14
Deferred inflows of resources	64,150
Net cash used in operating activities	<u>\$ (99,486)</u>
<b>Supplemental schedule of noncash transactions:</b>	
Change in unrealized gain (loss) of investment	\$ (9,527)
State's contribution for OPEB	10,190
Change in capital assets due to implementation of GASB 87	1,035
Acquisition of capital asset through long-term debt obligations	—
Other assets paid through long-term debt	—

See accompanying independent auditors' report.

## SONOMA STATE UNIVERSITY

## Transactions with Related Entities

Year ended June 30, 2022

(In thousands)

	<b>Campus</b>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 3,754
Payments from discretely presented component units for other than salaries	2,998
Payments to discretely presented component units for services, space, and programs	7,488
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	3,511
Accounts receivable from discretely presented component units	695
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(190)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	224
Payments to the Office of the Chancellor for state pro rata charges	153
Accounts receivable from the Office of the Chancellor	6,015
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	(1)
State lottery allocation received	1,185
Other interagency payments (receipts) for services, space, and programs	195

See accompanying independent auditors' report.



## CALIFORNIA STATE UNIVERSITY, STANISLAUS

Statement of Net Position  
Year ended June 30, 2022  
(In thousands)

Assets	Campus	Discretely presented component units	Total
<b>Current assets:</b>			
Cash and cash equivalents	\$ —	1,738	1,738
Short-term investments	125,301	11,111	136,412
Accounts receivable, net	7,383	1,622	9,005
Lease receivables, current portion	239	—	239
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	330	330
Prepaid expenses and other current assets	913	35	948
Total current assets	<u>133,836</u>	<u>14,836</u>	<u>148,672</u>
<b>Noncurrent assets:</b>			
Restricted cash and cash equivalents	—	611	611
Accounts receivable, net	—	—	—
Lease receivables, net of current portion	5,413	—	5,413
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	675	—	675
Pledges receivable, net	—	2,446	2,446
Endowment investments	—	16,081	16,081
Other long-term investments	78,909	112	79,021
Capital assets, net	217,399	6,692	224,091
Other assets	25	398	423
Total noncurrent assets	<u>302,421</u>	<u>26,340</u>	<u>328,761</u>
Total assets	<u>436,257</u>	<u>41,176</u>	<u>477,433</u>
<b>Deferred Outflows of Resources</b>			
Deferred outflows of resources	<u>77,896</u>	<u>—</u>	<u>77,896</u>
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Accounts payable	4,729	421	5,150
Accrued salaries and benefits	12,153	8	12,161
Accrued compensated absences, current portion	2,893	74	2,967
Unearned revenues	8,119	195	8,314
Lease liabilities, current portion	685	130	815
Long-term debt obligations, current portion	1,979	325	2,304
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	503	60	563
Other liabilities	2,533	30	2,563
Total current liabilities	<u>33,594</u>	<u>1,243</u>	<u>34,837</u>
<b>Noncurrent liabilities:</b>			
Accrued compensated absences, net of current portion	3,681	—	3,681
Unearned revenues	—	—	—
Grants refundable	130	—	130
Lease liabilities, net of current portion	2,290	3,220	5,510
Long-term debt obligations, net of current portion	76,106	15	76,121
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	346,013	1,515	347,528
Net pension liability	129,544	1,510	131,054
Other liabilities	—	—	—
Total noncurrent liabilities	<u>557,764</u>	<u>6,260</u>	<u>564,024</u>
Total liabilities	<u>591,358</u>	<u>7,503</u>	<u>598,861</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflows of resources	<u>116,406</u>	<u>—</u>	<u>116,406</u>
<b>Net Position</b>			
<b>Net position:</b>			
Net investment in capital assets	140,911	3,002	143,913
Restricted for:			
Nonexpendable – endowments	—	15,132	15,132
Expendable:			
Scholarships and fellowships	—	2,069	2,069
Research	—	—	—
Loans	829	—	829
Capital projects	—	—	—
Debt service	15	—	15
Others	243	5,120	5,363
Unrestricted	(335,609)	8,350	(327,259)
Total net position	<u>\$ (193,611)</u>	<u>33,673</u>	<u>(159,938)</u>

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, STANISLAUS

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

Year ended June 30, 2022

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
<b>Revenues:</b>				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$50,306)	\$ 41,586	—	—	41,586
Grants and contracts, noncapital:				
Federal	4,305	—	—	4,305
State	588	—	—	588
Local	635	—	—	635
Nongovernmental	730	—	—	730
Sales and services of educational activities	231	54	—	285
Sales and services of auxiliary enterprises (net of scholarship allowances of \$1,200)	3,848	1,160	—	5,008
Other operating revenues	8,361	7,416	(349)	15,428
Total operating revenues	<u>60,284</u>	<u>8,630</u>	<u>(349)</u>	<u>68,565</u>
<b>Expenses:</b>				
Operating expenses:				
Instruction	87,243	62	(146)	87,159
Research	1,200	—	—	1,200
Public service	2,314	—	—	2,314
Academic support	17,865	68	(7)	17,926
Student services	39,210	4,468	(32)	43,646
Institutional support	32,243	1,207	(339)	33,111
Operation and maintenance of plant	17,758	488	(10)	18,236
Student grants and scholarships	44,428	616	(621)	44,423
Auxiliary enterprise expenses	2,505	1,504	—	4,009
Depreciation and amortization	9,058	351	—	9,409
Total operating expenses	<u>253,824</u>	<u>8,764</u>	<u>(1,155)</u>	<u>261,433</u>
Operating loss	<u>(193,540)</u>	<u>(134)</u>	<u>806</u>	<u>(192,868)</u>
<b>Nonoperating revenues (expenses):</b>				
State appropriations, noncapital	164,486	—	—	164,486
Federal financial aid grants, noncapital	28,697	—	—	28,697
State financial aid grants, noncapital	24,889	—	—	24,889
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	616	—	(629)	(13)
Other federal nonoperating grants, noncapital	42,820	—	—	42,820
Gifts, noncapital	198	1,717	(177)	1,738
Investment loss, net	(10,908)	(95)	—	(11,003)
Endowment loss, net	—	(2,104)	—	(2,104)
Interest expense	(2,646)	(21)	—	(2,667)
Other nonoperating revenues	12,335	59	—	12,394
Net nonoperating income (loss)	<u>260,487</u>	<u>(444)</u>	<u>(806)</u>	<u>259,237</u>
Income (loss) before other revenues	66,947	(578)	—	66,369
State appropriations, capital	—	—	—	—
Grants and gifts, capital	—	—	—	—
Additions (reductions) to permanent endowments	—	—	—	—
Increase (decrease) in net position	<u>66,947</u>	<u>(578)</u>	<u>—</u>	<u>66,369</u>
<b>Net position:</b>				
Net position at beginning of year	(260,558)	34,251	—	(226,307)
Net position at end of year	<u>\$ (193,611)</u>	<u>33,673</u>	<u>—</u>	<u>(159,938)</u>

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, STANISLAUS

## Statement of Cash Flows

Year ended June 30, 2022

(In thousands)

	<u>Campus</u>
<b>Cash flows from operating activities:</b>	
Student tuition and fees	\$ 46,363
Federal grants and contracts	3,116
State grants and contracts	1,698
Local grants and contracts	492
Nongovernmental grants and contracts	565
Payments to suppliers	(46,609)
Payments to employees	(92,758)
Payments for benefits	(45,779)
Payments to students	(44,808)
Collections of student loans	418
Sales and services of educational activities	231
Sales and services of auxiliary enterprises	1,006
Other receipts	10,618
Net cash used in operating activities	<u>(165,447)</u>
<b>Cash flows from noncapital financing activities:</b>	
State appropriations	155,506
Federal financial aid grants	28,697
State financial aid grants	24,889
Nongovernmental and other financial aid grants	616
Other federal nonoperating grants	42,820
Gifts and grants received for other than capital purposes	198
Federal loan program receipts	22,914
Federal loan program disbursements	(23,683)
Monies received on behalf of others	1,156
Monies disbursed on behalf of others	(990)
Transfers to escrow agent	—
Proceeds from long-term debt	—
Principal paid on long-term debt	—
Interest paid on long-term debt	(32)
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	9,927
Net cash provided by noncapital financing activities	<u>262,018</u>
<b>Cash flows from capital and related financing activities:</b>	
Proceeds from capital debt	—
State appropriations	—
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	—
Proceeds from sale of capital assets	—
Acquisition of capital assets	(18,056)
Transfers to escrow agent	—
Principal paid on capital debt and leases	(2,376)
Interest paid on capital debt and leases	(3,043)
Principal collection on leases receivable	5,674
Interest collection on leases receivable	—
Net cash used in capital and related financing activities	<u>(17,801)</u>

## CALIFORNIA STATE UNIVERSITY, STANISLAUS

## Statement of Cash Flows

Year ended June 30, 2022

(In thousands)

	<u>Campus</u>
<b>Cash flows from investing activities:</b>	
Proceeds from sales of investments	\$ 316,400
Purchases of investments	(398,814)
Investment income proceeds	2,842
Net cash used in investing activities	(79,572)
Net decrease in cash and cash equivalents	(802)
Cash and cash equivalents at beginning of year	802
Cash and cash equivalents at end of year	\$ —
<b>Summary of cash and cash equivalents at end of year:</b>	
Cash and cash equivalents	\$ —
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	\$ —
<b>Reconciliation of operating loss to other receipts:</b>	
Operating loss	\$ (193,540)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	9,058
Change in assets and liabilities:	
Accounts receivable, net	(1,798)
Student loans receivable, net	333
Pledges receivable, net	—
Prepaid expenses and other current assets	325
Other assets	72
Deferred outflows of resources	80
Accounts payable	2,416
Accrued salaries and benefits	726
Accrued compensated absences	(45)
Unearned revenues	4,285
Depository accounts	—
Total other postemployment benefits liability	9,759
Net pension liability	(60,502)
Other liabilities	1,103
Deferred inflows of resources	62,281
Net cash used in operating activities	\$ (165,447)
<b>Supplemental schedule of noncash transactions:</b>	
Change in unrealized gain (loss) of investment	\$ (13,753)
State's contribution for OPEB	8,980
Change in capital assets due to implementation of GASB 87	2,974
Acquisition of capital asset through long-term debt obligations	—
Other assets paid through long-term debt	—

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY, STANISLAUS

## Transactions with Related Entities

Year ended June 30, 2022

(In thousands)

	<b>Campus</b>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ —
Payments from discretely presented component units for other than salaries	5,428
Payments to discretely presented component units for services, space, and programs	2,330
Gifts in kind from discretely presented component units	7
Gifts (cash or assets) from discretely presented component units	—
Accounts receivable from discretely presented component units	349
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(1,576)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	125
Payments to the Office of the Chancellor for state pro rata charges	64
Accounts receivable from the Office of the Chancellor	137
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	(80)
State lottery allocation received	922
Other interagency payments (receipts) for services, space, and programs	276

See accompanying independent auditors' report.



**CSU** The California State University

*401 Golden Shore, Long Beach, CA 90802*

[www.calstate.edu](http://www.calstate.edu)

**CSU** The California  
State University

# SINGLE AUDIT REPORTS

2021-2022



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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), which comprise the University's statement of financial position as of June 30, 2022, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 15, 2023.

Our report includes a reference to other auditors who audited the financial statements of 91 of the 93 aggregate discretely presented component units, which represent 96.5% and 94.4%, respectively, of the assets and revenues of the aggregate discretely presented component units as of June 30, 2022 and for the year then ended. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as they relate to the amounts included for 91 discretely presented component units, is 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 15, 2023



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, 2022. 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, 2022.

*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 \$408,957,564, which are not included in the University's schedule of expenditures of federal awards for the year ended June 30, 2022. 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (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 certain instances of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as items 2022-001 and 2022-002. 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 2022-001 and 2022-002 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, 2022, and have issued our report thereon dated March 15, 2023, which contained an unmodified opinion on those financial statements. Our audit was conducted 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 15, 2023

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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, 2022

**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 Aid	Federal Supplemental Educational Opportunity Grants (FSEOG)	Direct Award		\$ 25,379,038.00	\$ -
	84.033	Student Financial Aid	Federal Work-Study Program (FWS)	Direct Award		20,142,074	-
	84.038	Student Financial Aid	Federal Perkins Loan Program (PERKINS LOAN advanced and ACA)	Direct Award		34,149,843	-
	84.063	Student Financial Aid	Federal Pell Grant Program (PELL)	Direct Award		1,025,310,082	-
	84.268	Student Financial Aid	Federal Direct Student Loans (DIRECT LOAN)	Direct Award		1,141,336,489	-
	84.379	Student Financial Aid	Teacher Education Assistance for College and Higher Education Grants (TEACH)	Direct Award		2,086,534	-
	84.408	Student Financial Aid	Postsecondary Education Scholarships for Veteran's Dependents (VETERANS)	Direct Award		12,248	-
<b>Department of Education Total</b>						<b>2,248,416,308</b>	<b>-</b>
Department of Health and Human Services	93.364	Student Financial Aid	Nursing Student Loans (NURSING LOAN)	Direct Award		2,392,127	-
<b>Department of Health and Human Services Total</b>						<b>2,392,127</b>	<b>-</b>
<b>Student Financial Assistance Cluster Total</b>						<b>\$ 2,250,808,435.00</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	Sum of Amount	Amounts Provided to Subrecipients	
U.S. Department of Agriculture	10.223	N/A	Hispanic Serving Institutions Education Grants	Direct Award		\$ 44,593.00	\$ -	
	10.558		Child and Adult Care Food Program	Pass-through California Department of Education	04346-CACFP-12-HU-CS	29,754	-	
	10.561	N/A	SNAP CLUSTER	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	Pass-through CSU Chico Research Foundation	A22-0055-S014	2,363	-
				State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	Pass-through CSU Chico Research Foundation	SUB18-018	2,002	-
					Sub 18-027	33,170	-	
					Sub18-043	30,741	-	
					A22-0055-S036	107,865	-	
					Pass-through Chico State Enterprises	SUB18-046	8,155	-
				A22-0055-S042	6,546	-		
	<b>SNAP CLUSTER Total</b>						<b>188,479</b>	<b>-</b>
<b>10.561 Total</b>						<b>190,842</b>	<b>-</b>	
<b>U.S. Department of Agriculture Total</b>						<b>265,189</b>	<b>-</b>	
U.S. Department of Commerce	11.419	N/A	Coastal Zone Management Administration Awards	Pass-through San Francisco State University	S22-0002	1,896	-	
			Coastal Zone Management Administration Awards	Pass-through The Regents of the University of Michigan	SUBK00014140	44,519	18,897	
	<b>11.419 Total</b>						<b>46,415</b>	<b>18,897</b>
	11.429	N/A	Marine Sanctuary Program	Direct Award		39,390	-	
<b>U.S. Department of Commerce Total</b>						<b>85,805</b>	<b>18,897</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-CHN-280-PO8	138	-	
					0054-SFSU-8-SSC-280-PO10	73,000	-	
					0054-SFSU-8-TT-280-PO9	55,696	-	
					BOR21-SFSU-7-CHN-PO1	275,043	-	
	<b>12.550 Total</b>						<b>403,877</b>	<b>-</b>
	12.630		Basic, Applied, and Advanced Research in Science and Engineering	Pass-through National Science Teaching Association	22-871-038	13,366	-	
	12.900		Language Grant Program	Direct Award		120,499	-	
<b>U.S. Department of Defense Total</b>						<b>537,742</b>	<b>-</b>	
ALN Not Found	12.UNK	N/A	ALN Not Found	Direct Award		167,085	-	
<b>ALN Not Found Total</b>						<b>167,085</b>	<b>-</b>	
U.S. Department of the Interior	15.224	N/A	Cultural and Paleontological Resources Management	Direct Award		25,029	-	
	15.904	N/A	Historic Preservation Fund Grants-In-Aid	Pass-through Historic Preservation, Office of (OHP)	C8965531	1,000	-	
				Pass-through Office of Historic Preservation	P21AF10887	1,000	-	
	<b>15.904 Total</b>						<b>2,000</b>	<b>-</b>
		15.944	N/A	Natural Resource Stewardship	Direct Award		33,252	-
	15.945	N/A	Cooperative Research and Training Programs – Resources of the National Park System	Direct Award		41,467	-	
<b>U.S. Department of the Interior Total</b>						<b>101,748</b>	<b>-</b>	
U.S. Department of Justice	16.525	N/A	Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus	Direct Award		12,848	-	
	16.922	N/A	Equitable Sharing Program	Pass-through Orange County Sheriff's Department - Regional Narcotics Suppression Program	RSNP 07252013	16,018	-	
<b>U.S. Department of Justice Total</b>						<b>28,866</b>	<b>-</b>	
U.S. Department of the Treasury	21.019	N/A	Coronavirus Relief Fund	Pass-through County of San Diego	County Contract #562508	1,786,476	1,786,476	
	21.027		Coronavirus State and Local Fiscal Recovery Funds	Pass-through California Volunteers, Office of the Governor	CCSFRF011	25,159	-	



CALIFORNIA STATE UNIVERSITY  
Schedule of Expenditures of Federal Awards  
Year ended of June 30, 2022

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
<b>U.S. Department of the Treasury Total</b>						<b>1,811,635</b>	<b>1,786,476</b>
Office of Personnel Management	27.011	N/A	Intergovernmental Personnel Act (IPA) Mobility Program	Direct Award		45,736	-
<b>Office of Personnel Management Total</b>						<b>45,736</b>	<b>-</b>
National Endowment for the Arts	45.024	N/A	Promotion of the Arts Grants to Organizations and Individuals	Pass-through County of Sonoma (Non-SCOE)	AGREEMENT 6.8.2021	4,000	-
			Promotion of the Arts Grants to Organizations and Individuals	Direct Award		12,840	-
<b>45.024 Total</b>						<b>16,840</b>	<b>-</b>
	45.025	N/A	Promotion of the Arts Partnership Agreements	Pass-through Western States Arts Federation	TW20200170	2,000	-
<b>National Endowment for the Arts Total</b>						<b>18,840</b>	<b>-</b>
National Endowment for the Humanities	45.129	N/A	Promotion of the Humanities Federal/State Partnership	Pass-through California Humanities	HFAP19-67 RP-2052	1,673	-
						13,896	-
<b>45.129 Total</b>						<b>15,569</b>	<b>-</b>
	45.149		Promotion of the Humanities Division of Preservation and Access	Direct Award		665	-
	45.160	N/A	Promotion of the Humanities Fellowships and Stipends	Direct Award		30,066	-
				Pass-through Association of Tribal Archives, Libraries & Museums	27	4,507	-
<b>45.160 Total</b>						<b>34,573</b>	<b>-</b>
	45.164	N/A	Promotion of the Humanities Public Programs	Direct Award		11,916	-
<b>National Endowment for the Humanities Total</b>						<b>62,723</b>	<b>-</b>
National Science Foundation	47.076	N/A	Education and Human Resources	Pass-through Missouri State University	16043-007	3,622	-
<b>National Science Foundation Total</b>						<b>3,622</b>	<b>-</b>
Small Business Administration	59.075	N/A	Shuttered Venue Operators Grant Program	Direct Award		5,342,357	-
<b>59.075 Total</b>						<b>5,342,357</b>	<b>-</b>
<b>Small Business Administration Total</b>						<b>5,342,357</b>	<b>-</b>
U.S. Department of Environment Protection Agency	66.461	N/A	Regional Wetland Program Development Grants	Direct Award		97,841	-
			Regional Wetland Program Development Grants	Pass-through Association of Bay Area Governments	CD 99T93501	11,444	-
<b>66.461 Total</b>						<b>109,285</b>	<b>-</b>
<b>U.S. Department of Environment Protection Agency Total</b>						<b>109,285</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		280,906	-
<b>U.S. Department of Energy Total</b>						<b>280,906</b>	<b>-</b>
U.S. Department of Education	84.031	N/A	Higher Education Institutional Aid	Direct Award		2,996,049	60,951
				Pass-through San Mateo County Community College District	681233	42,434	-
					P031S160245	75,966	-
<b>84.031 Total</b>						<b>3,114,449</b>	<b>60,951</b>
	84.042	TRIO CLUSTER	TRIO Student Support Services	Direct Award		1,574,427	-
	84.044	TRIO CLUSTER	TRIO Talent Search	Direct Award		810,086	-
	84.047	TRIO CLUSTER	TRIO Upward Bound	Direct Award		2,432,447	-
	84.103	TRIO CLUSTER	TRIO Staff Training Program	Direct Award		796,028	-
	84.217	TRIO CLUSTER	TRIO McNair Post-Baccalaureate Achievement	Direct Award		432,228	-
<b>TRIO CLUSTER Total</b>						<b>6,045,216</b>	<b>-</b>
	84.129		Rehabilitation Long-Term Training	Direct Award		469,692	-
	84.235		Rehabilitation Services Demonstration and Training Programs	Direct Award		234,361	-
	84.325		Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	Direct Award		685,415	-
	84.326		Special Education Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	Direct Award		557,068	-
	84.335		Child Care Access Means Parents in School	Direct Award		946,390	-
	84.365	N/A	English Language Acquisition State Grants	Direct Award		497,429	-
	84.367	N/A	Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	Pass-through Regents of the University of California	ESSA18-CMP-STANISLAUS	1,381	-
					0070-S-ZB859	30,373	-
					ESSA21-CMP-SONOMA	26,019	-
					ESSA19-CMP-STANISLAUS	33,508	-
					ESSA21-CWP-STANISLAUS	35,114	-
					ESSA21-CGEP-STANISLAUS	29,773	-
<b>84.367 Total</b>						<b>156,168</b>	<b>-</b>
	84.382		Strengthening Minority-Serving Institutions	Direct Award		158,005	-
	84.411	N/A	Education Innovation and Research (formerly Investing in Innovation (i3) Fund)	Direct Award		698,616	198,410

CALIFORNIA STATE UNIVERSITY  
Schedule of Expenditures of Federal Awards  
Year ended of June 30, 2022

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
	84.425E	N/A	COVID-19 Higher Education Emergency Relief Fund-Student Aid Portion	Direct Award		727,029,926	-
	84.425F	N/A	COVID-19 Higher Education Emergency Relief Fund-Institutional Portion	Direct Award		830,820,435	-
	84.425L	N/A	COVID-19 Higher Education Emergency Relief Fund-Minority Serving Institutions	Direct Award		80,762,911	-
<b>U.S. Department of Education Total</b>						<b>1,652,176,081</b>	<b>259,361</b>
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	18,160	-
	93.354	N/A	Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	Pass-through CA Department of Public Health	21-11049	29,887	-
	93.575		Child Care and Development Block Grant	Pass-through California Department of Education	CCTR-1050	53,606	-
				Pass-through City & County of San Francisco	P170053	462,049	-
<b>93.575 Total</b>						<b>515,655</b>	<b>-</b>
	93.596		Child Care Mandatory and Matching Funds of the Child Care and Development Fund	Pass-through California Department of Education	CCTR-1050	116,614	-
	93.600		Head Start	Pass-through California Department of Education	15291, 15292, 15492	118,225	-
	93.658	N/A	Foster Care Title IV-E	Pass-through Regents of the University of California	9207	1,034	-
			Foster Care Title IV-E	Pass-through The Regents of The University of California, Berkeley	10504	1,180,090	-
					10507	1,097,865	-
<b>93.658 Total</b>						<b>2,278,989</b>	<b>-</b>
	93.732		Mental and Behavioral Health Education and Training Grants	Direct Award		437,349	-
				Pass-through The Regents of The University of California, Berkeley	9668	89,190	-
<b>93.732 Total</b>						<b>526,539</b>	<b>-</b>
<b>U.S. Department of Health and Human Services Total</b>						<b>3,604,069</b>	<b>-</b>
Corporation for National and Community Service	94.006	N/A	AmeriCorps	Pass-through California Volunteers	17AFHY26-F211	4,351	-
			AmeriCorps	Pass-through Jumpstart for Young Children, Inc.	20AFHY27-F211	64,598	-
					ALN-94.006-JS-SITE #322	313,774	-
<b>94.006 Total</b>						<b>382,723</b>	<b>-</b>
	94.013	N/A	Volunteers in Service to America	Direct Award		29,637	-
<b>Corporation for National and Community Service Total</b>						<b>412,360</b>	<b>-</b>
U.S. Department of Homeland Security	97.039	N/A	Hazard Mitigation Grant	Pass-through California Governor's Office of Emergency Services (CalOES)	4344-PJ0176-008	40,779	-
				Pass-through CA Office of Emergency Services	4344-PJ0194-42F	15,358	-
					DR4353-PL0149	159,700	-
<b>97.039 Total</b>						<b>215,837</b>	<b>-</b>
<b>U.S. Department of Homeland Security Total</b>						<b>215,837</b>	<b>-</b>
<b>Other Programs and Clusters Total</b>						<b>\$ 1,665,269,886</b>	<b>\$ 2,064,734</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	Sum of Amount	Amounts Provided to Subrecipients
U.S. Department of Agriculture	10.226	Research and Development	Secondary and Two-Year Postsecondary Agriculture Education Challenge Grants	Pass-through The Regents of The University of California, Davis	A20-1464-S001-A02	\$ 32,997.00	\$ -
	10.561	Research and Development	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	Pass-through California Department of Public Health/Nutrition Education Obesity Prevention Branch	18-10419	519,140	-
	10.664	Research and Development	Cooperative Forestry Assistance	Direct Award		28,245	-
	10.699	Research and Development	Partnership Agreements	Direct Award		42	-
<b>U.S. Department of Agriculture Total</b>						<b>580,424</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	37,994	-
					2111126	24,490	-
<b>11.012 Total</b>						<b>62,484</b>	<b>-</b>
	11.417	Research and Development	Sea Grant Support	Pass-through Regents of the University of California	A21-1572-S003	77,007	-
				Pass-through The Regents of The University of California, San Diego	115695621 (S9002320)	26,888	-
<b>11.417 Total</b>						<b>103,895</b>	<b>-</b>
	11.419	Research and Development	Coastal Zone Management Administration Awards	Pass-through The Regents of the University of Michigan	SUBK00016848	76,370	-
	11.420	Research and Development	Coastal Zone Management Estuarine Research Reserves	Direct Award		839,470	-
				Pass-through Merkel & Associates, Inc.	1305M319FNFFP0234	13,742	-
					3002.19.065658	165,419	-

CALIFORNIA STATE UNIVERSITY  
Schedule of Expenditures of Federal Awards  
Year ended of June 30, 2022

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
	<b>11.420 Total</b>					1,018,631	-
	11.454	Research and Development	Unallied Management Projects	Direct Award		44,036	-
	11.999	Research and Development	Marine Debris Program	Direct Award		30,776	-
<b>U.S. Department of Commerce Total</b>						<b>1,336,192</b>	-
U.S. Department of Defense	12.006	Research and Development	National Defense Education Program	Direct Award		4,241	-
	12.300	Research and Development	Basic and Applied Scientific Research	Direct Award		37,989	-
				Pass-through Regents of the University of California	A18-0896-S001-P06921	26,055	-
	<b>12.300 Total</b>					64,044	-
	12.431	Research and Development	Basic Scientific Research	Direct Award		153,618	-
	12.630	Research and Development	Basic, Applied, and Advanced Research in Science and Engineering	Direct Award		139,304	-
<b>U.S. Department of Defense Total</b>						<b>361,207</b>	-
ALN Not Found	12.UNK	Research and Development	ALN Not Found	Pass-through University of California, Santa Cruz	A20-0287-S001	69,638	-
<b>ALN Not Found Total</b>						<b>69,638</b>	-
U.S. Department of the Interior	15.232	Research and Development	Joint Fire Science Program	Direct Award		3,408	-
	15.246	Research and Development	Threatened and Endangered Species	Direct Award		37,177	-
	15.512	Research and Development	Central Valley Improvement Act, Title XXXIV	Direct Award		18,757	-
	15.564	Research and Development	Central Valley Project Conservation	Direct Award		45,180	-
	15.608	Research and Development	Fish and Wildlife Management Assistance	Direct Award		49,071	21,679
	15.657	Research and Development	Endangered Species Recovery Implementation	Direct Award		80,608	-
				Pass-through Fish & Wildlife, Department of (DFW)	F18AC00359	13,676	-
	<b>15.657 Total</b>					94,284	-
	15.664	Research and Development	Fish and Wildlife Coordination and Assistance	Direct Award		22,093	-
	15.670	Research and Development	Adaptive Science	Pass-through CSU Chico Research Foundation	Sub 19-009	1,777	-
	15.808	Research and Development	U.S. Geological Survey Research and Data Collection	Direct Award		68,274	-
	15.810	Research and Development	National Cooperative Geologic Mapping	Direct Award		7,640	-
	15.945	Research and Development	Cooperative Research and Training Programs – Resources of the National Park System	Direct Award		9,623	-
<b>U.S. Department of the Interior Total</b>						<b>357,284</b>	<b>21,679</b>
U.S. Department of Justice	16.560	Research and Development	National Institute of Justice Research, Evaluation, and Development Project Grants	Direct Award		107,075	-
<b>U.S. Department of Justice Total</b>						<b>107,075</b>	-
National Aeronautics and Space Administration	43.001	Research and Development	Science	Direct Award		1,368,215	632,309
				Pass-through Smithsonian Astrophysical Observatory	GO9-20082A	29,502	-
				Pass-through The Washington University	WU-21-274	81,760	-
				Pass-through Children's Creativity Museum	09/06/18 AGREEMENT	63	-
				Pass-through The Regents of the University of Colorado	1559320	62,322	-
				Pass-through University of New Hampshire	L0082	252,659	33,358
				Pass-through Secor Strategoes LLC	AWARD LETTER 1.7.22	1,564	-
	<b>43.001 Total</b>					1,796,085	665,667
	43.008	Research and Development	Office of Stem Engagement (OSTEM)	Pass-through Regents of the University of California	AWARD NOTICE 8.18.21	15,000	-
					AWARD NOTICE 4.11.22	1,204	-
	<b>43.008 Total</b>					16,204	-
<b>National Aeronautics and Space Administration Total</b>						<b>1,812,289</b>	<b>665,667</b>
National Endowment for the Humanities	45.161	Research and Development	Promotion of the Humanities Research	Direct Award		5,102	-
<b>National Endowment for the Humanities Total</b>						<b>5,102</b>	-
National Science Foundation	47.041	Research and Development	Engineering	Direct Award		1,016,980	34,733
				Pass-through The Regents of The University of California, Berkeley	10631	27,731	-
	<b>43.041 Total</b>					1,044,711	34,733
	47.049	Research and Development	Mathematical and Physical Sciences	Direct Award		302,279	-
				Pass-through Regents of the University of California	0757 G YA149	230,993	-
	<b>47.049 Total</b>					533,272	-
	47.050	Research and Development	Geosciences	Direct Award		330,208	-
				Pass-through Yale University	GR104085(CON-80001397)	22,035	-
				Pass-through University of Connecticut	322618	9,508	-
				Pass-through The Regents of The University of California	10619	6,853	-
	<b>47.050 Total</b>					368,604	-

CALIFORNIA STATE UNIVERSITY  
Schedule of Expenditures of Federal Awards  
Year ended of June 30, 2022

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
	47.070	Research and Development	Computer and Information Science and Engineering	Direct Award		235,152	-
				Pass-through Lawrence Livermore Labs	B645313	57,036	-
	<b>47.070 Total</b>					292,188	-
	47.074	Research and Development	Biological Sciences	Direct Award		1,119,654	74,167
				Pass-through The Regents of The University of California, San Francisco	9807sc	474,456	-
				Pass-through Oregon State University	S2210A-A	2,301	-
	<b>47.074 Total</b>					1,596,411	74,167
	47.075	Research and Development	Social, Behavioral, and Economic Sciences	Direct Award		269,433	-
				Pass-through The Regents of the University of Colorado	1559878	34,292	-
	<b>47.075 Total</b>					303,725	-
	47.076	Research and Development	Education and Human Resources	Direct Award		4,447,574	621,999
				Pass-through The University of Texas at El Paso	226100998E	62,171	-
				Pass-through University Enterprises, Inc. Sacramento State	532843	894	-
					532844	12,527	-
				Pass-through University of Texas at El Paso	226100955	208,316	-
				Pass-through CSU Fresno Foundation	SC351056-21-02	3,499	-
				Pass-through University Enterprises, Inc	533041	6,422	-
				Pass-through Mathematical Association of America	3-8-710-953	22,574	-
				Pass-through California State University Fresno Foundation	SC351056-21-03	1,001	-
				Pass-through University Enterprises	532851	5,958	-
	<b>47.076 Total</b>					4,770,936	621,999
<b>National Science Foundation Total</b>						<b>8,909,847</b>	<b>730,899</b>
U.S. Department of Energy	81.049	Research and Development	Office of Science Financial Assistance Program	Direct Award		146,413	-
	81.117	Research and Development	Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	Pass-through The Regents of The University of California, Lawrence Berkeley National Laboratory	7403049	1,723	-
<b>U.S. Department of Energy Total</b>						<b>148,136</b>	<b>-</b>
U.S. Department of Education	84.031	Research and Development	Higher Education Institutional Aid	Direct Award		127,128	-
	84.365	Research and Development	English Language Acquisition State Grants	Direct Award		150,849	23,865
<b>U.S. Department of Education Total</b>						<b>277,977</b>	<b>23,865</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, Riverside	S-001314	2,131	-
					S-001457	25,000	-
	<b>93.084 Total</b>					27,131	-
	93.173	Research and Development	Research Related to Deafness and Communication Disorders	Pass-through Trustees of Boston University	4500003762	1,228	-
					4500003318	630	-
	<b>93.173 Total</b>					1,858	-
	93.242	Research and Development	Mental Health Research Grants	Direct Award		516,911	262,067
				Pass-through The Regents of The University of California, San Francisco	13294sc	10,023	-
				Pass-through Trustees of Boston University	4500003259	38,217	-
	<b>93.242 Total</b>					565,151	262,067
	93.243	Research and Development	Substance Abuse and Mental Health Services Projects of Regional and National Significance	Pass-through Regents of the University of California	10989sc	6,647	-
	93.273	Research and Development	Alcohol Research Programs	Pass-through Columbia University	1(GG014711-01)	31,043	-
	93.307	Research and Development	Minority Health and Health Disparities Research	Pass-through The Board of Trustees of the University of Illinois	17233	48,038	-
	93.310	Research and Development	Trans-NIH Research Support	Direct Award		3,300,279	575,358
	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	20,851	-
	93.393	Research and Development	Cancer Cause and Prevention Research	Pass-through University of Southern California	SCON-00002499	79,918	-
	93.394	Research and Development	Cancer Detection and Diagnosis Research	Pass-through The Regents of The University of California, San Francisco	13147sc	17,719	-
	93.837	Research and Development	Cardiovascular Diseases Research	Direct Award		659,612	187,829
	93.847	Research and Development	Diabetes, Digestive, and Kidney Diseases Extramural Research	Pass-through The Regents of The University of California, San Francisco	12378sc	97,014	-

CALIFORNIA STATE UNIVERSITY  
 Schedule of Expenditures of Federal Awards  
 Year ended of June 30, 2022

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
	93.855	Research and Development	Allergy and Infectious Diseases Research	Direct Award		49,017	11,057
				Pass-through University of Pittsburgh	CNVA00056912 (131728-1)	158,329	-
	<b>93.855 Total</b>					<b>207,346</b>	<b>11,057</b>
	93.859	Research and Development	Biomedical Research and Research Training	Direct Award		2,943,230	25,754
				Pass-through The Regents of The University of California, San Francisco	10339sc	74,226	-
	<b>93.859 Total</b>					<b>3,017,456</b>	<b>25,754</b>
	93.865	Research and Development	Child Health and Human Development Extramural Research	Direct Award		23,434	-
	93.866	Research and Development	Aging Research	Pass-through The Regents of The University of California, San Francisco	10295sc	92,594	-
					9913SC	16,295	-
					13029sc	51,716	-
				Pass-through Stanford University	61933281-133224	95,500	-
				Pass-through University of South Carolina	20-3976	61,988	-
	<b>93.866 Total</b>					<b>318,093</b>	<b>-</b>
<b>U.S. Department of Health and Human Services Total</b>						<b>8,421,590</b>	<b>1,062,065</b>
<b>Research and Development (R&amp;D) Cluster Total</b>						<b>\$ 22,386,761</b>	<b>\$ 2,504,175</b>
<b>Total expenditures of federal awards</b>						<b>\$ 3,938,465,082</b>	<b>\$ 4,568,909</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, 2022

**(1) General**

The accompanying schedule of expenditures of federal awards (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 is also presented in accordance with the requirements of the Uniform Guidance. Therefore, 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 \$23,337,493 and \$2,086,712, respectively, at June 30, 2022. 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, 2022.

**(4) Administrative Cost Allowances**

Administrative cost allowances included in the accompanying Schedule are summarized as follows:

Federal Pell Grant Program	\$	801,215
Federal Work-Study Program		1,147,266
Federal Supplemental Educational Opportunity Grant Program		316,438
Total administrative cost allowances	\$	<u>2,264,919</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, 2022

**(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>
84.425E, 84.425F, and 84.425L	COVID-19 - Higher Education Emergency Relief Fund
Various	Research and Development Cluster

- (h) Dollar threshold used to distinguish between Type A and Type B programs: **\$11,815,395**
- (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, 2022

**(3) Federal Awards Findings and Questioned Costs**

**Finding 2022-001**

**Compliance Requirement:** Reporting - Significant Deficiency in Internal Control and Instance of Noncompliance

**Campus:** Northridge, San Bernardino, San Francisco

**Cluster name/program:** COVID 19 - Higher Education Emergency Relief Fund (HEERF)

**Federal Assistance Listing Number:** 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, 2021 - June 30, 2022

**Criteria:** Per the Coronavirus Aid, Relief, and Economic Security (CARES) Act Section 18004(3), institutions receiving funds under Section 18004 of the Act are directed to submit a report to the Secretary of Education (the Secretary) describing the use of funds distributed from the Higher Education Emergency Relief Fund (HEERF). The Department has directed each HEERF participating institution to post certain information on the institution's primary website. The information must appear in a format and a location that are easily accessible to the public 30 days after the date when the institution receives its allocation under 18004(a)(1) and must be updated every 45 days thereafter.

Per the 2022 OMB Compliance Supplement, the following are identified as critical information for the Quarterly Public Reporting for Student Aid Portion for CARES (a)(1) subprogram and the CRRSAA and ARP (a)(1) subprograms: 1) the total amount of Emergency Financial Aid Grants distributed to students as of the date of submission for each program, 2) the estimated total number of students at the institution that are eligible to receive Emergency Financial Aid Grants to Students under each program 3) the total number of students who have received an Emergency Financial Aid Grant to students under each program, and 4) the method(s) used by the institution to determine which students receive Emergency Financial Aid Grants and how much they would receive under each program.

**Condition and Context:** During our testwork over student and institutional reports during the year, we identified five reports out of 28 tested that were inaccurately reported or not submitted on a timely basis in accordance with the CARES Act reporting requirements. For two of the reports inspected, the University did not post the student aid and institutional aid information to the University's website within the required timeframe and did not have supporting documentation that agreed to the total amount of emergency grant, estimated total number of students, and the total students who have received emergency grants. Two of the quarterly reports tested included total emergency grant amounts distributed to students for a nine-month and twelve-month period instead of only the quarter period being reported. One of the quarterly reports did not include the estimated total number of students at the institution that were eligible to receive emergency aid grants.

**CALIFORNIA STATE UNIVERSITY**

Schedule of Findings and Questioned Costs

Year ended June 30, 2022

<b>Cause and Effect:</b>	The University's control failed in detecting that student and institutional reports were not reported timely or accurately.
<b>Questioned Costs:</b>	None
<b>Repeat Finding:</b>	No
<b>Recommendation:</b>	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.
<b>Views of Responsible Officials:</b>	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.

**CALIFORNIA STATE UNIVERSITY**  
Schedule of Findings and Questioned Costs  
Year ended June 30, 2022

**Finding 2022-002**

<b>Compliance Requirement:</b>	<b>Equipment and Real Property Management - Significant Deficiency in Internal Control and Instance of Noncompliance</b>
<b>Campus:</b>	San Francisco
<b>Cluster name/program:</b>	Research and Development (R&D) Cluster
<b>Federal Assistance Listing Number:</b>	Various
<b>Federal Agency:</b>	Various
<b>Passed through entity:</b>	Various
<b>Award Year:</b>	July 1, 2021 - June 30, 2022
<b>Criteria:</b>	An institution must conduct a physical inventory of equipment and real property at least once every two years with results reconciled with the equipment and property records (2 CFR Section 200.313(d)(2)).
<b>Condition and Context:</b>	During our testwork over equipment and real property management, we requested support from management relating to their physical inventory of equipment and real property acquired with federal funds. We noted management was unable to produce such records for one of the two campuses tested, as a physical inventory of federal equipment and real property had not been conducted within the required two-year period.
<b>Cause and Effect:</b>	There was a lapse in the University's internal controls surrounding monitoring the physical inventory of equipment and real property acquired with federal funds. The University did not conduct their physical inventory of equipment and real property acquired with federal funds within the required two-year period.
<b>Questioned Costs:</b>	None
<b>Repeat Finding:</b>	No
<b>Recommendation:</b>	We recommend the University enhance its internal controls surrounding monitoring the physical inventory of equipment and real property acquired with federal funds to ensure the physical inventory is performed at least once during each two-year period.
<b>Views of Responsible Officials:</b>	The University concurs with the recommendation. The University will review and enhance its procedures and internal controls surrounding physical inventory of equipment and real property acquired with federal funds to ensure the physical inventory is performed at least biennially to meet the two-year requirement.



**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., Wednesday, May 24, 2023  
Glenn S. Dumke Auditorium

Douglas Faigin, Chair  
Maria Linares, Vice Chair  
Diego Arambula  
Jack McGrory  
Yammilette Rodriguez  
Romey Sabalius  
Lateefah Simon  
Jose Antonio Vargas

**Consent** 1. Approval of Minutes of the Meeting of March 22, 2023, *Action*  
**Discussion** 2. State Legislative Update, *Information*

**MINUTES OF THE MEETING OF  
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 22, 2023**

**Members Present**

Douglas Faigin, Chair  
Maria Linares, Vice Chair  
Diego Arambula  
Jack McGrory  
Yammilette Rodriguez  
Romey Sabalius

Wenda Fong, Chair of the Board  
Jolene Koester, Interim Chancellor

Trustee Linares called the meeting to order.

**Approval of Minutes**

The minutes of the January 25, 2023, meeting were approved as submitted.

**State Legislative Update**

Steve Relyea, executive vice chancellor and chief financial officer, reported that each year at this time, the board receives an update on sponsored legislation and a review of legislation that has been introduced in the State Assembly and Senate. As specified in the board's legislative principles, staff met with the chair and vice chair of the Governmental Relations Committee and presented recommended positions and supporting analysis.

More than 2,600 bills have been introduced in the legislature this year. The Advocacy and State Relations team has worked hard to review these bills—engaging their colleagues in the Chancellor's Office and at many of the campuses—to produce this initial analysis, with special attention given to legislation that directly impacts the CSU.

Gov. Rel.  
Agenda Item 1  
May 21-24, 2023  
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Nathan Dietrich, assistant vice chancellor for advocacy and state relations, provided an update on Board of Trustees sponsored legislation, shared legislative trends, reviewed the terminology for bill positions, and highlighted recent and upcoming advocacy activities.

He thanked all the CSU campuses for participating in Budget Advocacy Day on March 8. Presidents, faculty, staff, students and alumni delivered the message that the CSU is grateful that the governor is standing by the \$247 million dollar funding increase as called for in the Multi-Year Compact but emphasized additional funding is needed to continue Graduation Initiative 2025, support our workforce and invest in our facilities.

Trustees had questions and comments regarding a facilities bond on the 2024 ballot, opposition to SB 11, unsustainable unfunded mandates from the state legislature, the success of Advocacy Day and how the trustees can be better advocates for the CSU.

Trustee Linares thanked CSSA and the students for their part in the advocacy efforts and adjourned the meeting.



## **COMMITTEE ON GOVERNMENTAL RELATIONS**

### **State Legislative Update**

#### **Presentation By**

Steve Relyea  
Executive Vice Chancellor and  
Chief Financial Officer

Nathan Dietrich  
Assistant Vice Chancellor  
Advocacy and State Relations

#### **Summary**

The first major policy deadline was on April 28, in which the Assembly and Senate policy committees needed to act on bills in order to advance to the fiscal committee. Any bills that failed to meet the policy deadline are now deemed two-year bills. May 19 is the deadline for fiscal committees to report out bills identified as having a fiscal impact. Bills must pass out of their house of origin by June 2 to continue to be active this legislative year. 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
- Two-year bills
  - Senate bills
  - Assembly bills

All bill summaries and positions are accurate as of May 5, 2023.

## SPONSORED LEGISLATION

### **AB 656 (McCarty) – California State University: Doctoral Programs**

This bill would authorize the California State University (CSU) broad authority to establish expanded doctoral offerings that do not duplicate the University of California’s (UC) doctoral programs and address workforce needs in California.

- **CSU Position:** Sponsor
- **Status:** This bill is set for hearing in the Assembly Appropriations Committee on May 10.

### **AB 840 (Addis) – Tied-House Restrictions: Advertising: California State University Campuses**

This bill creates an exception to tied-house laws that will allow several venues on CSU campuses to enter into sponsorship agreements with alcohol beverage suppliers.

- **CSU Position:** Sponsor
- **Status:** This bill is on the Assembly Appropriations Suspense File.

## ACTIVE BILLS

### **Senate Bills**

### **SB 11 (Menjivar) – CSU: Mental Health Services: Contracting Out**

This bill requires the CSU to maintain a ratio of one mental health counselor per 1,500 students at each campus and establishes the CSU Mental Health Professionals Act to provide incentives for CSU students to become mental health counselors.

- **CSU Position:** Oppose unless amended
- **Status:** This bill is set for hearing in the Senate Appropriations Committee on May 15.

### **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 for K-16, that if approved by the voters, would allocate \$2 billion for the CSU.

- **CSU Position:** Support
- **Status:** This bill is on the Senate Appropriations Suspense File.

**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:** Pending
- **Status:** This bill is on the Senate Appropriations Suspense File.

**SB 234 (Portantino) – Opioid Antagonists: Schools, College Campuses, Stadiums, Concert Venues, and Amusement Parks**

This bill requires the CSU and other higher education segments, as well as concert venues and stadiums, to maintain unexpired doses of naloxone hydrochloride or any other opioid antagonist onsite.

- **CSU Position:** Tracking
- **Status:** This bill is on the Senate Appropriations Suspense File.

**SB 307 (Ashby) – Middle Class Scholarship Program: Community Colleges: Foster Youth**

This bill expands access to the Middle Class Scholarship program for community college students who are current or former foster youth.

- **CSU Position:** Tracking
- **Status:** This bill is set for hearing in the Senate Appropriations Committee on May 8.

**SB 447 (Atkins) – GO-Biz**

This bill would repeal the state’s travel ban which currently prohibits state funded travel to certain states that have enacted anti-LGBTQ policies. It would instead authorize GO-Biz to promote social equity, civil rights, and antidiscrimination via a nationwide advertising campaign.

- **CSU Position:** Support
- **Status:** This bill is on the Senate Appropriations Suspense File.

**SB 633 (Gonzalez) – California DREAM Loan Program: DREAM Grants**

This bill authorizes institutions participating in the DREAM Loan Program to offer unawarded funds from their revolving fund as DREAM Grants to eligible students.

- **CSU Position:** Support
- **Status:** This bill is awaiting a Senate Floor vote.

**SB 640 (Portantino) – CSU: Food Service Contracts and Hotel Development Projects**

This bill requires the CSU or CSU auxiliaries to include a labor peace agreement as part of any food service or hotel development contract.

- **CSU Position:** Pending
- **Status:** This bill is on the Senate Appropriations Suspense File.

**SB 661 (Bradford) – Student Athlete Bill of Rights**

This bill expands upon the Student Athlete Bill of Rights to require all athletic programs, not just those with more than ten million dollars annually in media rights, to provide an equivalent scholarship for up to five years for a student who suffers an injury and provide a scholarship for up to one year for a student that has exhausted their athletic eligibility under specified conditions.

- **CSU Position:** Pending
- **Status:** This bill is on the Senate Appropriations Suspense File.

**SB 791 (McGuire) – Postsecondary Education: Academic and Administrative Employees: Disclosure of Sexual Harassment**

This bill requires the CSU and California Community Colleges (CCC), and requests the UC, to require as part of the hiring process for an appointment to an academic or administrative position that the applicant disclose any final judicial or administrative decision determining that the applicant committed sexual harassment.

- **CSU Position:** Pending
- **Status:** This bill is on the Senate Appropriations Suspense File.

**SB 808 (Dodd) – CSU: Terms of Employment: Settlements and Retreat Rights**

This bill requires the CSU Board of Trustees to include additional oversight for approving sexual harassment settlements; to report annually on the number of sexual harassment complaints and the disposition of those cases to the Legislature; and to prohibit retreat rights for senior administrators who have violated Title IX policy.

- **CSU Position:** Pending
- **Status:** This bill is set for hearing in the Senate Appropriations Committee on May 8.

**SB 856 (Glazer) – CSU: California Promise: Finish in Four and Through in Two**

This bill requires the California Promise program to be renamed the ‘Finish in Four and Through in Two’ program. It also requires incoming students to opt out of participating rather than opting into the program, with each campus required to have at least five percent of each incoming class participating in the program.

- **CSU Position:** Pending
- **Status:** This bill is on the Senate Appropriations Suspense File.

## 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.

- **CSU Position:** Pending
- **Status:** This bill is set for hearing in the Assembly Appropriations Committee on May 10.

### **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 1 schools to provide degree completion fund payments to student athletes that receive athletic grants.

- **CSU Position:** Oppose
- **Status:** This bill is set for hearing in the Assembly Appropriations Committee on May 10.

### **AB 255 (Alanis) – Public Postsecondary Education: Priority Registration for First Responders**

This bill requires the CSU and CCC, and requests the UC, to grant priority for registration to first responders.

- **CSU Position:** Tracking
- **Status:** This bill is on the Assembly Appropriations Suspense File.

### **AB 266 (Boerner) – Legislative Internship Program**

The bill would establish the Legislative Internship Program under the administration of the CSU's Center for California Studies.

- **CSU Position:** Pending
- **Status:** This bill is set for hearing in the Assembly Appropriations Committee on May 10.

**AB 277 (Rodriguez) – Extreme Weather Forecast and Threat Intelligence Integration Center**

This bill would require the Department of Water Resources and Office of Emergency Services to establish an extreme weather research center to analyze extreme weather data and atmospheric conditions. The center shall be comprised of representatives from several organizations, including the CSU.

- **CSU Position:** Pending
- **Status:** This bill is set for hearing in the Assembly Appropriations Committee on May 10.

**AB 299 (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 of the student organization involved in hazing.

- **CSU Position:** Pending
- **Status:** This bill is on the Assembly Appropriations Suspense File.

**AB 322 (Mathis) – Veteran and California National Guard Supplemental Orientation Act of 2023.**

This bill would require the CSU and the CCC, and requests the UC, to develop and include within first-year student orientation a supplemental module of services and resources available for students who are veterans of the Armed Forces of the United States and members of the California National Guard.

- **CSU Position:** Pending
- **Status:** This bill is set for hearing in the Assembly Appropriations Committee on May 10.

**AB 447 (Arambula) – Public Postsecondary Education: Students with Disabilities: Inclusive College Pilot Programs**

This bill requires the CSU, and requests the UC, to develop inclusive college programs for students with intellectual and developmental disabilities to pursue an educational credential, upon appropriation from the Legislature.

- **CSU Position:** Tracking
- **Status:** This bill is on the Assembly Appropriations Suspense File.

**AB 456 (Maienschein) – Public Postsecondary Education: Campus Mental Health Hotlines**

This bill requires each campus of the CSU and CCC, and requests the UC, to establish a campus mental health hotline for students to access mental health services remotely during working hours and to include this phone number on the back of all student ID cards.

- **CSU Position:** Tracking
- **Status:** This bill is on the Assembly Appropriations Suspense File.

**AB 461 (Ramos) – Student Safety: Fentanyl Test Strips**

This bill requires the CSU to include information about the use and location of fentanyl test strips at new student orientations and requires that each campus health center stock and distribute fentanyl test strips.

- **CSU Position:** Tracking
- **Status:** This bill is on the Assembly Appropriations Suspense File.

**AB 504 (Reyes) – State and Local Public Employees: Labor Relations: Disputes**

This bill would establish a statutory right for all public employees to take part in a sympathy strike.

- **CSU Position:** Pending
- **Status:** This bill is on the Assembly Appropriations Suspense File.

**AB 506 (Fong, Mike) – CSU: Graduation Requirement: Ethnic Studies**

This bill requires the CSU to collaborate with the CCC Chancellor's Office (CCCCO), the CCC Ethnic Studies Faculty Council, the Academic Senate for the CCC, the Academic Senate for the CSU, and the CSU Council on Ethnic Studies on a process for the CSU to approve CCC ethnic studies courses. It also delays the completion of the ethnic studies graduation requirement for students from 2024-25 to 2025-26.

- **CSU Position:** Pending
- **Status:** This bill is set for hearing in the Assembly Appropriations Committee on May 10.

**AB 569 (Garcia) – CSU: Veterans: Cybersecurity Regional Alliances and Multistakeholder Partnerships Pilot Program**

This bill would require the CSU Chancellor's Office to submit a report to the Legislature on the Cybersecurity pilot program funded in the 2022 budget by July 1, 2028.

- **CSU Position:** Pending
- **Status:** This bill is set for hearing in the Assembly Appropriations Committee on May 10.

**AB 603 (Cervantes) – Public Postsecondary Education: Diversity: Report**

This bill requires the CSU and CCC, and requests the UC, to annually report to the Legislature on the diversity of their student body and of their governing board.

- **CSU Position:** Tracking
- **Status:** This bill is on the Assembly Appropriations Suspense File.

**AB 607 (Kalra) – Public Postsecondary Education: Course Materials**

This bill would require the CSU, CCC, and request the UC, to display the estimated costs for each digital course of all required course materials and fees directly related to those materials. This requirement would be applied to at least 75% of the total number of courses on the online campus course schedule.

- **CSU Position:** Pending
- **Status:** This bill is on the Assembly Appropriations Suspense File.

**AB 624 (Grayson) – Postsecondary Education: Disabled Student Services: Assessments**

This bill requires public and private postsecondary educational institutions to provide and cover the costs of diagnostic assessments needed by students for academic accommodations. State funds will be provided to reimburse institutions on an actual-cost basis.

- **CSU Position:** Pending
- **Status:** This bill is on the Assembly Appropriations Suspense File.

**AB 659 (Aguiar-Curry) – Cancer Prevention Act**

This bill declares the public policy of the state that students who are 26 years of age or younger are expected to be fully immunized against HPV before first-time enrollment at an institution of the CSU, UC, or CCC.

- **CSU Position:** Tracking
- **Status:** This bill is set for hearing in the Assembly Appropriations Committee on May 10.

**AB 680 (Rubio, Blanca) – Public Postsecondary Education: Nonresident Tuition: Exemption**

This bill expands the provisions of AB 540 and exempts certain students from paying nonresident tuition at the CSU and CCC.

- **CSU Position:** Pending
- **Status:** This bill is on the Assembly Appropriations Suspense File.



**AB 746 (Sanchez) – Learning-Aligned Employment Program: Eligibility and Priority**

This bill changes the requirements of the Learning-Aligned Employment Program to make it available to more students while still prioritizing those from underrepresented backgrounds.

- **CSU Position:** Pending
- **Status:** This bill is on the Assembly Appropriations Suspense File.

**AB 760 (Wilson) – CSU and UC: records: Affirmed Name and Gender Identification**

This bill requires CSU, and requests UC, by the 2024–25 academic year, to implement a system by which current students, faculty and staff can declare an affirmed name and/or gender be used in their records where a legal name is not required. The bill also requires the CSU to update specified records, including transcripts upon request of the individual.

- **CSU Position:** Tracking
- **Status:** This bill is awaiting an Assembly Floor vote.

**AB 789 (Berman) – Student Financial Aid: Cal Grants: Satisfactory Academic Progress**

This bill requires postsecondary institutions to align their satisfactory academic progress standards to the minimum federal standards to qualify for participation in the Cal Grant program. Institutions must also annually report to the Legislature on the number of students who became ineligible to receive financial aid due to not achieving satisfactory academic progress.

- **CSU Position:** Pending
- **Status:** This bill is on the Assembly Appropriations Suspense File.

**AB 1082 (Kalra) – Authority to Remove Vehicles**

This bill would prohibit towing or immobilizing a vehicle due to unpaid parking tickets, increase the number of unpaid tickets from one to eight before the Department of Motor Vehicles can place a registration hold and implement new requirements for parking payment plans established by processing agencies.

- **CSU Position:** Pending
- **Status:** This bill is awaiting hearing in the Assembly Appropriations Committee.

**AB 1123 (Addis) CSU: Employees: Paid Parental Leave of Absence**

This bill requires the CSU to grant paid parental leave to an employee for one semester of an academic year.

- **CSU Position:** Oppose
- **Status:** This bill is on the Assembly Appropriations Suspense File.

**AB 1138 (Weber) – Postsecondary Education: Sexual Assault and Sexual Violence Prevention: Transportation Services**

This bill requires the CSU, UC, and CCC to provide students free transportation to and from a rape crisis center to administer Sexual Assault Forensic Examination (SAFE) Kits if such kits are not already administered on campus.

- **CSU Position:** Pending
- **Status:** This bill is on the Assembly Appropriations Suspense File.

**AB 1311 (Soria) – Public Postsecondary Education: Allied Health Programs: Assessment**

This bill requires the Legislative Analyst’s Office (LAO) to assess the effectiveness of existing programs in allied health jointly offered between the CCC, CSU and UC.

- **CSU Position:** Pending
- **Status:** This bill is set for hearing in the Assembly Appropriations Committee on May 10.

**AB 1390 (McCarty) – CSU: UC: Graduation Requirements: Service Learning**

This bill specifies that the CSU and UC institute a service-learning requirement for students graduating by the 2032-33 academic year. The CSU and UC is prohibited from increasing the number of units needed to graduate because of this requirement.

- **CSU Position:** Oppose unless amended
- **Status:** This bill is set for hearing in the Assembly Appropriations Committee on May 10.

**AB 1524 (Lowenthal) Postsecondary Education: On-Campus Access to Drug Testing Devices**

This bill requires the CSU and CCC, and requests the UC, to stock devices including test strips, stickers, and straws that detect the presence of drugs such as Ketamine in a central and accessible location on campus and offer them free of charge.

- **CSU Position:** Pending
- **Status:** This bill is on the Assembly Appropriations Suspense File.

**AB 1540 (Fong, Mike) – Postsecondary Education: Nonresident Tuition: Exemption**

This bill would simplify the financial aid application process for undocumented students by authorizing institutions to accept an affidavit provided to the Student Aid Commission rather than requiring multiple affidavits.

- **CSU Position:** Tracking
- **Status:** This bill is on the Assembly Appropriations Suspense File.

## **TWO-YEAR BILLS**

### **Senate Bills**

#### **SB 574 (Wahab) – Public Agencies: Project Labor Agreements**

This bill prohibits a state agency from entering into a public works project in excess of \$35 million dollars, unless that project is governed by a project labor agreement (PLA). This would apply to the CSU if state bond funds are used in the construction of the public works project

- **CSU Position:** Pending
- **Status:** This bill is awaiting hearing in the Senate Governmental Organization Committee.

### **Assembly Bills**

#### **AB 644 (Jones-Sawyer) – Public Postsecondary Education: Campus Safety: Hate Crimes: Surveys**

This bill requires the CSU and CCC, and requests the UC, to work with students to develop questions related to hate crimes, campus climate, and safety to be added to the biennial online campus climate survey conducted by the U.S. Department of Education and to report the campus-level results to the Legislature.

- **CSU Position:** Tracking
- **Status:** This bill is awaiting hearing in the Assembly Higher Education Committee.

#### **AB 810 (Friedman) – Athletics Department: Misconduct Database**

This bill requires a postsecondary education institution to create a database for the institution to collect and store information on individuals working with or within athletic departments who have been convicted of a crime involving misconduct relating to their employment with the institution.

- **CSU Position:** Pending
- **Status:** This bill is awaiting hearing in the Assembly Higher Education Committee.

#### **AB 1062 (Santiago) – Public Postsecondary Education: California State University: Tuition**

This bill requires, upon appropriation, that the CSU not charge tuition or mandatory systemwide fees to any community college transfer student with financial need and an ADT for up to two years. Additionally, such students who receive financial aid to cover their tuition and fees must receive an institutional grant in the commensurate amount of what otherwise would have been waived by the CSU to help cover their nontuition costs.

- **CSU Position:** Oppose
- **Status:** This bill is awaiting hearing in the Assembly Higher Education 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 the statewide postsecondary education oversight, coordination, and planning entity. Among many duties and responsibilities, the Commission would be required to develop and publish an independent annual report on the condition of higher education in California.

- **CSU Position:** Pending
- **Status:** This bill is awaiting hearing in the Assembly Higher Education Committee.

**AB 1160 (Pacheco) – Protecting Students from Creditor Colleges Act**

This bill prohibits public and private postsecondary educational institutions from engaging in debt collection practices such as withholding a diploma or certificate, placing a hold on registration or enrollment, or engaging a third-party debt collection agency. Additionally, each segment is required to annually report to the Legislature on the amounts and types of debts owed by students to each institution.

- **CSU Position:** Oppose
- **Status:** This bill is set for hearing in the Assembly Higher Education Committee on April 25.

**AB 1558 (Gallagher) – Postsecondary Education: Safety: Credible Threats**

The bill would require each campus after receiving a threat to student, faculty or staff safety to determine, through a third-party risk assessment, whether the threat is credible. If the campus determines the threat is credible, to determine whether the individual poses an immediate threat and impose interim measures to ensure school and student safety.

- **CSU Position:** Pending
- **Status:** This bill is awaiting hearing in the Assembly Higher Education Committee.

**AB 1575 (Irwin) – Postsecondary Education: Designated Advocates: Notification**

This bill requires the segments of postsecondary education to notify students of their ability to opt into selecting a designated advocate, who will receive notifications about specified administrative, academic, health, and disciplinary notices.

- **CSU Position:** Pending
- **Status:** This bill is awaiting hearing in the Assembly Higher Education Committee.

# 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 24, 2023

*Presiding: Wenda Fong, Chair*

2:30 p.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 21, 2023 and March 22, 2023

*Action* 2. Approval of Committee Resolutions as follows:

### **Committee on Institutional Advancement**

2. Naming of Landmark Hall – California State University, Fullerton
3. Naming of the Philip and Christina Bailey College of Science and Mathematics – California Polytechnic State University, San Luis Obispo

### **Committee on University and Faculty Personnel**

2. Approval of Recommended Revision of Title 5 California Code of Regulations, Article 2.2, Management Personnel Plan, Section 42723 Employment Status
3. Executive Compensation: President – California State University, Chico
4. Executive Compensation: President – California State University, Sacramento
5. Executive Compensation: Interim Presidents

### **Committee on Finance**

2. Approval to Issue Trustees of the California State University, Systemwide Revenue Bonds and Related Debt Instruments for a Capital Project at California State Polytechnic University, Humboldt

\*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 Campus Planning, Buildings and Grounds**

2. California State University, San Marcos Village Housing and Dining Schematic Design Approval
3. California State University, Dominguez Hills Health, Wellness, and Recreation Center Approval to Amend the Capital Outlay Program and Approval of Schematic Design

### **Discussion**

- Action* 3. Approval of Board of Trustees' Standing Committee Assignments for 2023-2024
- Action* 4. Election of the Chair and Vice Chair of the Board of Trustees for 2023-2024
- Action* 5. Conferral of Title of President Emeriti – Gayle E. Hutchinson, Thomas A. Cropper

**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 21, 2023**

**Trustees Present**

Wenda Fong, Chair  
Jack Clarke, Jr., Vice Chair  
Larry L. Adamson  
Diego Arambula  
Douglas Faigin  
Jean Picker Firstenberg  
Leslie Gilbert-Lurie  
Lillian Kimbell  
Maria Linares  
Julia I. Lopez  
Jack McGrory  
Anna Ortiz-Morfit  
Yammilette Rodriguez  
Romey Sabalius  
Christopher Steinhauser  
Jolene Koester, Interim 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: Mario Baeza CSUSB; Drew Scott, CSUFR; Chris Rooney, CSUN; Carlos Sanchez; Zeina Elrachid, CSULB; Dagoberto Argueta, Edi Brown, Rose Duran

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The board also heard from the following individuals who provided public comment virtually: Tessy Reese, SDSU; Don Moreno; Jessica Westby; Frances Mercer, CPP; Wendy St. John, SSU; Matthew Mason, CSUS; Rhiannon Aarons, CSULB; Elizabeth Melo, CSUSt; Shyla Penn, SSU; Paul Signorelli, CSUSM; Meaghan Beaudoin, CSUF; Kellen Wilson, CSUF; Cleo Kennedy, SSU; Taylor Pilot, CSUSt; Liliana Marques, CSUSt; Ycela Ochoa, CSUSt.; Shauna Johnston, CSUSt; Alisha Garcias, CSUSt; Gina Garcias, CSUSt; Makelia Yancy, CSUSt; Claire Garrido-Ortega, CSULB; Fay Wachs, CPP; Oliverio Rodriguez, CSULA; Brad Erickson, SFSU; Carolyn Gill, CSUF; Anri De Jesus; Angelmarie Taylor, CSUCI; Rachel Flores, SJSU; Kathleen Ramirez, CPP; Vincent Rasso; Chris Ritter, CPSLO; Da'Mayaih Lews, CSUSt; Korie Corral, CSUSt; Molly Talcott, CSULA

### **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-2023.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 from the California State Student Association**

CSSA President Krishan Malhotra'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 Jeremy Addis-Mills' 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**

Interim Chancellor Jolene Koester's report is available online at the following link: <https://www.calstate.edu/csu-system/board-of-trustees/chancellor-reports/Pages/March-21-2023.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 22, 2023**

**Trustees Present**

Wenda Fong, Chair  
Jack Clarke, Jr., Vice Chair  
Larry L. Adamson  
Diana Aguilar-Cruz  
Douglas Faigin  
Jean Picker Firstenberg  
Leslie Gilbert-Lurie  
Lillian Kimbell  
Maria Linares  
Julia I. Lopez  
Jack McGrory  
Anna Ortiz-Morfit  
Yammilette Rodriguez  
Romey Sabalius  
Christopher Steinhauser  
Jolene Koester, Interim Chancellor  
Lieutenant Governor Eleni Kounalakis

Chair Fong called the meeting of the Board of Trustees to order.

**Consent Agenda**

Prior to the approval of the consent agenda, Chair Fong noted that item 5, Executive Compensation: President – California State University, Los Angeles from the Committee on University and Faculty Personnel, was removed from the consent agenda. The action item was removed from the committee agenda and no action was taken in committee on item 5.

Chair Fong called for a motion to approve all remaining consent agenda items. There was a motion and a second. The minutes of the meeting of January 24, 2023, and January 25, 2023, were unanimously approved as submitted.

The Board of Trustees unanimously approved the following resolutions:

## **BOARD OF TRUSTEES**

### **Appointment of Five Members to the Committee on Committees for 2023-2024 (RBOT 03-23-01)**

**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 2023-2024 term:

Jean Firstenberg, Chair  
Lillian Kimbell, Vice Chair  
Jack Clarke  
Julia Lopez  
Christopher Steinhauser

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## **COMMITTEE ON INSTITUTIONAL ADVANCEMENT**

### **Naming of Ernest E. Tschannen Hall – California State University, Sacramento (RIA 03-23-03)**

**RESOLVED**, by the Board of Trustees of the California State University, that the Engineering Replacement Building at California State University, Sacramento, be named The Ernest E. Tschannen Engineering Teaching and Research Building and, in the interim, to name Santa Clara Hall as The Ernest E. Tschannen Engineering Teaching and Research Building until the replacement building is completed.

### **Naming of the Autodesk Technology Engagement Center – California State University, Northridge (RIA 03-23-04)**

**RESOLVED**, by the Board of Trustees of the California State University, that this facility at California State University, Northridge be named as the Autodesk Technology Engagement Center for a term of 35 years.

## COMMITTEE ON EDUCATIONAL POLICY

### Academic Planning (REP 03-23-03)

**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 2 of the March 20-22, 2023 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 Office approval and CSU policy and procedures.

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## COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

### Approval of Recommended Revision of Title 5, California Code of Regulations, Article 4.1, Holidays (RUF 03-23-05)

**RESOLVED**, by the Board of Trustees of the California State University, acting under the authority prescribed herein and pursuant to Section 89030.1 of the Education Code, that the board hereby amends its regulations in Section 42920, Article 4.1, Subchapter 7, Chapter 1, Division 5 of Title 5 of the California Code of Regulations as follows:

**Title 5, California Code of Regulations**  
**Division 5 – Board of Trustees of the California State University**  
**Chapter 1 – California State University**  
**Subchapter 7 – Employees**  
**Article 4.1 – Holidays**

**§ 42920. Holidays.**

The Chancellor for the systemwide staff and the President for each campus shall be responsible for the administration of paid holidays for the employees under their supervision.

(a) The following holidays, when not occurring on a Saturday or Sunday, shall be observed on the days specified:

- (1) January 1
- (2) Third Monday in January (Martin Luther King, Jr. Day)
- (3) March 31 (Cesar Chavez Day)
- (4) June 19 (Juneteenth)
- ~~(45)~~ July 4
- ~~(56)~~ First Monday in September (Labor Day)
- ~~(67)~~ November 11 (Veterans Day)
- ~~(78)~~ Thanksgiving Day
- ~~(89)~~ December 25
- (910) Any other day designated by the Governor of this state for a public fast or holiday.

(b) The following days are designated holidays which the Chancellor or President may reschedule to another day consistent with the needs of the campus or systemwide offices:

- (1) Third Monday in February (President's Day)
- (2) February 12 (Lincoln's Birthday)
- (3) Last Monday in May (Memorial Day)
- (4) September 9 (Admission Day)
- (5) Second Monday in October (Columbus Day)
- (6) Personal holiday, to be designated by each employee. The employee may be required to supply reasonable advance notice of intent to take the personal holiday.

(c) Any holiday which falls on a Saturday shall be observed on the preceding Friday and any holiday which falls on a Sunday shall be observed on the following Monday.

(d) On days when the campuses or systemwide office are observing holidays, particular employees may be required to work to perform necessary services.

(e) Notwithstanding the above provisions, the Chancellor shall have discretion to determine whether the holidays identified in this Article shall be paid or unpaid for non-represented, Management Personnel Plan and Executive employees.

Note: Authority cited: Sections 89030 and 89500, Education Code. Reference: Section 89030 and 89500, Education Code.

And, be it further

**RESOLVED**, That the Board of Trustees has determined that the adoption of the proposed amendment will not impose a cost or savings on any state agency; will not impose a cost or savings on any local agency or school district that is required to be reimbursed under Section 17561 of the Government Code; will not result in any nondiscretionary cost or savings to local agencies; will not result in any cost or savings in federal funding to the state; and will not impose a mandate on local agencies or school districts.

And, be it further

**RESOLVED**, That the Board of Trustees delegates to the Chancellor of the California State University authority to further adopt, amend, or repeal this revision pursuant to the Administrative Procedure Act if further adoption, amendment, or repeal is required and is nonsubstantial or solely grammatical in nature, or sufficiently related to the original text that the public was adequately placed on notice that the change could result from the originally proposed regulatory action.

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## COMMITTEE ON FINANCE

### **California State University Master Investment Policy Revisions (RFIN 03-23-04)**

**RESOLVED**, by the Board of Trustees of the California State University, that the Trustees hereby:

1. Approve the revised California State University Master Investment Policy as presented in this Agenda Item 4 and included as Attachment A of the March 20-22, 2023 meeting of the Committee on Finance;
2. Authorize the chair of the Committee on Finance; the chancellor; the executive vice chancellor and chief financial officer; and the assistant vice chancellor, Financing, Treasury, and Risk Management; and their designees to take any and all actions necessary under delegated authority to implement this resolution. This resolution shall supersede RFIN 11-17-17 and take effect immediately upon approval by the Board of Trustees.

### **Approval to Issue Trustees of the California State University, Systemwide Revenue Bonds and Related Debt Instruments for a Project at San Francisco State University (RFIN 03-23-05)**

#### **San Francisco State University West Campus Green Student Health Center and Dining Project**

**RESOLVED**, by the Board of Trustees of the California State University, that the Trustees:

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 amount not-to-exceed \$16,895,000 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.

**COMMITTEE ON ORGANIZATION AND RULES**

**Approval of the California State University Board of Trustees' Meeting Dates for 2024  
(ROR 03-23-01)**

**RESOLVED**, by the Board of Trustees of the California State University, that the following schedule of meetings for 2024 is adopted:

**2024 Meeting Dates**

January 30-31, 2024	Tuesday – Wednesday	Chancellor's Office
March 26-27, 2024	Tuesday – Wednesday	Chancellor's Office
May 21-22, 2024	Tuesday – Wednesday	Chancellor's Office
July 23-24, 2024	Tuesday – Wednesday	Chancellor's Office
September 24-25, 2024	Tuesday – Wednesday	Chancellor's Office
November 19-20, 2024	Tuesday – Wednesday	Chancellor's Office

**Approval of Proposed Revisions to the Rules Governing the CSU Board of Trustees –  
Procedures for Selection of Board Committees  
(ROR 03-23-02)**

**RESOLVED**, by the Board of Trustees of the California State University, that the criteria listed in Attachment A of item 3 of the Committee on Organization and Rules at the March 20-22, 2023 meeting of the Board of Trustees, is adopted.

**Approval of Program for Board Planning, Goal Setting and Self-Evaluation  
(ROR 03-23-03)**

**RESOLVED**, by the Board of Trustees of the California State University, that the Program for Board Planning, Goal Setting and Self-Evaluation as outlined in item 4 of the Committee on Organization and Rules at the March 20-22, 2023 meeting of the Board of Trustees, is adopted.

**BOARD OF TRUSTEES**

**Approval of Board of Trustees' Standing Committee Assignments for 2023-2024**

**Presentation By**

Jean P. Firstenberg  
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 2023-2024 to take effect immediately following the conclusion of the May 21-24, 2023 board meeting:

**AUDIT**

Yammilette Rodriguez, Chair  
Jean Picker Firstenberg, Vice Chair  
Leslie Gilbert-Lurie  
Lillian Kimbell  
Romey Sabalius  
Lateefah Simon  
Christopher Steinhauser

**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  
Romey Sabalius

**COLLECTIVE BARGAINING**

Christopher Steinhauser, Chair  
Jack Clarke, Jr., Vice Chair  
Larry L. Adamson  
Julia I. Lopez  
Lateefah Simon

**EDUCATIONAL POLICY**

Diego Arambula, Chair  
Christopher Steinhauser, Vice Chair  
Diana Aguilar-Cruz  
Raji Kaur Brar  
Jack Clarke, Jr.  
Mark Ghilarducci  
Leslie Gilbert-Lurie  
Romey Sabalius  
Jose Antonio Vargas



**Action Item**

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**FINANCE**

Julia I. Lopez, Chair  
Jack McGrory, Vice Chair  
Larry L. Adamson  
Douglas Faigin  
Mark Ghilarducci  
Leslie Gilbert-Lurie  
Anna Ortiz-Morfit  
Romey Sabalius  
Jose Antonio Vargas

**GOVERNMENTAL RELATIONS**

Jack Clarke, Jr., Chair  
Yammilette Rodriguez, Vice Chair  
Diana Aguilar-Cruz  
Diego Arambula  
Raji Kaur Brar  
Lillian Kimbell  
Julia Lopez  
Jack McGrory  
Jose Antonio Vargas

**INSTITUTIONAL ADVANCEMENT**

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

**ORGANIZATION AND RULES**

Lillian Kimbell, Chair  
Julia I. Lopez, Vice Chair  
Anna Ortiz-Morfit  
Diego Arambula  
Douglas Faigin  
Jack Clarke, Jr.  
Jean Picker Firstenberg  
Lateefah Simon

**UNIVERSITY AND FACULTY  
PERSONNEL**

Larry L. Adamson, Chair  
Jean Picker Firstenberg, Vice Chair  
Diana Aguilar-Cruz  
Douglas Faigin  
Lillian Kimbell  
Jack McGrory  
Yammilette Rodriguez  
Lateefah Simon  
Christopher Steinhauser

**BOARD OF TRUSTEES**

**Election of the Chair and Vice Chair of the Board of Trustees for 2023-2024**

**Presentation By**

Jean P. Firstenberg  
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 Wenda Fong be elected chair for 2023-2024 to take effect immediately following the conclusion of the May 21-24, 2023 board meeting.

**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 vice chair for 2023-2024 to take effect immediately following the conclusion of the May 21-24, 2023 board meeting.

**BOARD OF TRUSTEES**

**Conferral of Title of President Emeriti – Gayle E. Hutchinson, Thomas A. Cropper**

**Presentation By**

Jolene Koester  
Interim Chancellor

**Summary**

It is recommended that Presidents Gayle E. Hutchinson and Thomas A. Cropper, upon their retirements, be conferred the title of President Emeriti for their many years of dedicated service to California State University, Chico; California State University, Maritime Academy; and the California State University. The granting of emeriti status carries the title but no compensation.

The following resolutions are recommended for approval:

**RESOLVED**, by the Board of Trustees of the California State University, that this board confers the title of President Emerita on President Gayle E. Hutchinson with all the rights and privileges thereto.

**RESOLVED**, by the Board of Trustees of the California State University, that this board confers the title of President Emeritus on Thomas A. Cropper with all the rights and privileges thereto.