

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
July 11-13, 2022**

Time**	Committee	Location¹
<i>MONDAY, JULY 11, 2022</i>		
9:00 a.m.	<u>Board of Trustees—Closed Session</u> Executive Personnel Matters Government Code §11126	Hilton Long Beach
<i>TUESDAY, JULY 12, 2022</i>		
8:00 a.m.	<u>Board of Trustees—Closed Session</u> Executive Personnel Matters Government Code §11126 Pending Litigation Government Code §11126 Fowler v. CSU (Class Action) Munoz v. CSU, et al Anticipated Litigation – one matter	Munitz
10:00 a.m.	<u>Committee on Collective Bargaining—Closed Session</u> Government Code §3596(d)	Munitz
10:20 a.m.	Break	

¹ All committees meet in the Dumke Auditorium unless otherwise noted.

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

TUESDAY, JULY 12, 2022 (cont.)

10:30 a.m. Board of Trustees

Call to Order

Roll Call

Public Comment

12:00 p.m. Luncheon

1:00 p.m. Chair's Report

Chancellor'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*

2:00 p.m. Committee on Collective Bargaining – Open Session

Consent

- Action* 1. Approval of Minutes
- Action* 2. Ratification of the Tentative Agreement in the 2021/22 Salary Reopener with Bargaining Unit 4, Academic Professionals of California (APC)
- Action* 3. Ratification of the Successor Collective Bargaining Agreement with Bargaining Units 2, 5, 7, 9, California State University Employees Union (CSUEU)
- Action* 4. Ratification of the Successor Collective Bargaining Agreement with Bargaining Unit 8, Statewide University Police Association (SUPA)
- Action* 5. Ratification of the Tentative Agreement in the 2022/23 Salary Reopener with Bargaining Unit 10, International Union of Operating Engineers (IUOE)
- Action* 6. Ratification of the Successor Collective Bargaining Agreement with Bargaining Unit 6, Teamsters Local 2010
- Action* 7. Ratification of the Tentative Agreement in the 2021/22 Salary Reopener with Bargaining Unit 6, Teamsters Local 2010
- Action* 8. Ratification of the Successor Collective Bargaining Agreement with Bargaining Unit 4, Academic Professionals of California (APC)

TUESDAY, JULY 12, 2022 (cont.)

2:05 p.m. Committee on Committees

Consent

Action 1. Approval of Minutes

Action 2. Amendments to Board of Trustees' Standing Committee Assignments for 2022-2023

2:10 p.m. Committee on Audit

Consent

Action 1. Approval of Minutes

Information 2. Status Report on Audit and Advisory Services Activities

Discussion

Information 3. Audited Financial Statements and Single Audit Report

Action 4. Review and Approval of the California State University External Auditor

2:55 p.m. Break

3:05 p.m. Committee on Educational Policy

Consent

Action 1. Approval of Minutes

Discussion

Action 2. Recommended Amendments to Title 5 Regarding Blended Academic Programs

Information 3. Graduation Initiative 2025

Information 4. The CSU Certificate Program in Student Success Analytics

4:35 p.m. Committee on Institutional Advancement

Consent

Action 1. Approval of Minutes

Action 2. Renaming of the University Library – California State University, Fresno

Discussion

Action 3. Naming of the Valley Children's Stadium – California State University, Fresno

WEDNESDAY, JULY 13, 2022

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

Consent

Action 1. Approval of Minutes

Discussion

Action 2. Executive Compensation: President – California State University, Monterey Bay

Action 3. Executive Compensation: Interim President – Sonoma State University

Action 4. Employment Policy Governing Administrator Employees' Option to Retreat

Action 5. Employment Policy Governing Employee References

Information 6. Executive Transition Program Review

Action 7. Executive Compensation

9:30 a.m. Committee on Organization and Rules

Consent

Action 1. Approval of Minutes

Discussion

Information 2. Progress Report on the Board of Trustees' Review

10:00 a.m. Break

10:10 a.m. Committee on Finance

Consent

Action 1. Approval of Minutes

Discussion

Information 2. 2022-2023 Final Budget

Information 3. Planning for the 2023-2024 Operating Budget

Action 4. Law Enforcement Regulated Equipment and Tools

11:30 a.m. Committee on Campus Planning, Buildings and Grounds

Consent

Action 1. Approval of Minutes

Discussion

Action 2. California State University, Northridge Affordable Student Housing Building #22 & #23 Schematic Design Approval

WEDNESDAY, JULY 13, 2022 (cont.)

11:45 a.m. Board of Trustees

Call to Order

Roll Call

Consent

Action 1. Approval of the Minutes of the Board of Trustees Meeting of May 24, 2022, and May 25, 2022

Action 2. Approval of Committee Resolutions as follows:

Committee on Committees

2. Amendments to Board of Trustees' Standing Committee Assignments for 2022-2023

Committee on Educational Policy

2. Recommended Amendments to Title 5 Regarding Blended Academic Programs

Committee on Institutional Advancement

2. Renaming of the University Library – California State University, Fresno
3. Naming of the Valley Children's Stadium – California State University, Fresno

Committee on University and Faculty Personnel

2. Executive Compensation: President – California State University, Monterey Bay
3. Executive Compensation: Interim President – Sonoma State University
4. Employment Policy Governing Administrator Employees' Option to Retreat
5. Employment Policy Governing Employee References
7. Executive Compensation

Committee on Finance

4. Law Enforcement Regulated Equipment and Tools

Committee on Campus Planning, Buildings and Grounds

2. California State University, Northridge Affordable Student Housing Building #22 & #23 Schematic Design Approval

Discussion

Action 3. Conferral of Title of President Emeritus – Eduardo Ochoa

WEDNESDAY, JULY 13, 2022 (cont.)

12:00 p.m. Luncheon

**1:00 p.m. Board of Trustees—Closed Session
Executive Personnel Matters
Government Code §11126**

Munitz

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 safety measures, such as temperature checks and self-assessments that they are free of any COVID-related symptoms. **Due to a recent increase in COVID-related cases, masks will be required and the Dumke Auditorium will 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 the distancing measures and 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. **PLEASE NOTE:** This information is current as of July 1, 2022, and is subject to change due to rapidly evolving guidelines and policies. Please visit the [Information for BoT Attendees](#) for the latest information on COVID health and safety guidelines.
- All public comment (for all committee and plenary sessions) will take place on **Tuesday, July 12**, at the start of the Board of Trustees' open session (**scheduled to begin at approximately 10:30 a.m.**)
- **Written comments** may be emailed in advance of the meeting by **12:00 p.m. on Monday, July 11** to 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, July 11** to 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, 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, July 12, 2022

Presiding: Wenda Fong, Chair

10:30 a.m.*	Board of Trustees	Dumke Auditorium
	Call to Order	
	Roll Call	
	Public Comment	
1:00 p.m.	Chair’s Report	
	Chancellor’s Report	
	Academic Senate CSU Report: <i>Chair—Beth Steffel</i>	
	California State Student Association Report: <i>President—Krishan Malhotra</i>	
	California State University Alumni Council Report: <i>President—Jeremy Addis-Mills</i>	

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

AGENDA

COMMITTEE ON COLLECTIVE BARGAINING

Meeting: 10:00 a.m., Tuesday, July 12, 2022
Munitz Conference Room—Closed Session
Government Code §3596(d)

2:00 p.m., Tuesday, July 12, 2022
Glenn S. Dumke Auditorium—Open Session

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

Open Session—Glenn S. Dumke Auditorium

- Consent**
1. Approval of Minutes of the Meeting of May 24, 2022, *Action*
 2. Ratification of the Tentative Agreement in the 2021/22 Salary Reopener with Bargaining Unit 4, Academic Professionals of California (APC), *Action*
 3. Ratification of the Successor Collective Bargaining Agreement with Bargaining Units 2, 5, 7, 9, California State University Employees Union (CSUEU), *Action*
 4. Ratification of the Successor Collective Bargaining Agreement with Bargaining Unit 8, Statewide University Police Association (SUPA), *Action*
 5. Ratification of the Tentative Agreement in the 2022/23 Salary Reopener with Bargaining Unit 10, International Union of Operating Engineers (IUOE), *Action*
 6. Ratification of the Successor Collective Bargaining Agreement with Bargaining Unit 6, Teamsters Local 2010, *Action*
 7. Ratification of the Tentative Agreement in the 2021/22 Salary Reopener with Bargaining Unit 6, Teamsters Local 2010, *Action*
 8. Ratification of the Successor Collective Bargaining Agreement with Bargaining Unit 4, Academic Professionals of California (APC), *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**

May 24, 2022

Members Present

Lateefah Simon, Vice Chair
Adam Day
Douglas Faigin

Lillian Kimbell, 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.

Vice Chair Simon called the Committee on Collective Bargaining to order.

Approval of the Consent Agenda

The minutes of the March 22, 2022 meeting were approved as submitted.

Agenda Item 2, Adoption of Initial Proposals for a Successor Collective Bargaining Agreement with Bargaining Unit 1, Union of American Physicians and Dentists (UAPD), was approved as submitted.

Agenda Item 3, Ratification of the Tentative Agreement in the Salary Reopener with Bargaining Unit 1, Union of American Physicians and Dentists (UAPD), was approved as submitted.

Vice Chair Simon adjourned the meeting of the Committee on Collective Bargaining.

COMMITTEE ON COLLECTIVE BARGAINING

Ratification of the Tentative Agreement in the 2021/22 Salary Reopener with Bargaining Unit 4, Academic Professionals of California (APC)

Presentation By

Evelyn Nazario
Vice Chancellor
Human Resources

Summary

The tentative agreement in the 2021/22 salary reopener between the California State University and Bargaining Unit 4, Academic Professionals of California (APC) will be presented to the Board of Trustees for ratification.

Recommended Action

The following resolution is recommended for adoption:

RESOLVED, by the Board of Trustees of the California State University, that the tentative agreement reached in the 2021/22 salary reopener between the California State University and Bargaining Unit 4, Academic Professionals of California (APC) is hereby ratified.

COMMITTEE ON COLLECTIVE BARGAINING

Ratification of the Successor Collective Bargaining Agreement with Bargaining Units 2, 5, 7, and 9, California State University Employees Union (CSUEU)

Presentation By

Evelyn Nazario
Vice Chancellor
Human Resources

Summary

The successor collective bargaining agreement between the California State University and Bargaining Units 2, 5, 7, and 9, California State University Employees Union (CSUEU), will be presented to the Board of Trustees for ratification.

Recommended Action

The following resolution is recommended for ratification:

RESOLVED, by the Board of Trustees of the California State University, that the successor collective bargaining agreement between the California State University and Bargaining Units 2, 5, 7, and 9, California State University Employees Union (CSUEU), is hereby ratified.

COMMITTEE ON COLLECTIVE BARGAINING

**Ratification of the Successor Collective Bargaining Agreement with Bargaining Unit 8,
Statewide University Police Association (SUPA)**

Presentation By

Evelyn Nazario
Vice Chancellor
Human Resources

Summary

The successor collective bargaining agreement between the California State University and Bargaining Unit 8, Statewide University Police Association (SUPA), will be presented to the Board of Trustees for ratification.

Recommended Action

The following resolution is recommended for ratification:

RESOLVED, by the Board of Trustees of the California State University, that the successor collective bargaining agreement between the California State University and Bargaining Unit 8, Statewide University Police Association (SUPA), is hereby ratified.

COMMITTEE ON COLLECTIVE BARGAINING

Ratification of the Tentative Agreement in the 2022/23 Salary Reopener with Bargaining Unit 10, International Union of Operating Engineers (IUOE)

Presentation By

Evelyn Nazario
Vice Chancellor
Human Resources

Summary

The tentative agreement in the 2022/23 salary reopener between the California State University and Bargaining Unit 10, International Union of Operating Engineers (IUOE) will be presented to the Board of Trustees for ratification.

Recommended Action

The following resolution is recommended for adoption:

RESOLVED, by the Board of Trustees of the California State University, that the tentative agreement reached in the 2022/23 salary reopener between the California State University and Bargaining Unit 10, International Union of Operating Engineers (IUOE) is hereby ratified.

COMMITTEE ON COLLECTIVE BARGAINING

**Ratification of the Successor Collective Bargaining Agreement with Bargaining Unit 6,
Teamsters Local 2010**

Presentation By

Evelyn Nazario
Vice Chancellor
Human Resources

Summary

The successor collective bargaining agreement between the California State University and Bargaining Unit 6, Teamsters Local 2010, will be presented to the Board of Trustees for ratification.

Recommended Action

The following resolution is recommended for ratification:

RESOLVED, by the Board of Trustees of the California State University, that the successor collective bargaining agreement between the California State University and Bargaining Unit 6, Teamsters Local 2010, is hereby ratified.

COMMITTEE ON COLLECTIVE BARGAINING

Ratification of the Tentative Agreement in the 2021/22 Salary Reopener with Bargaining Unit 6, Teamsters Local 2010

Presentation By

Evelyn Nazario
Vice Chancellor
Human Resources

Summary

The tentative agreement in the 2021/22 salary reopener between the California State University and Bargaining Unit 6, Teamsters Local 2010 will be presented to the Board of Trustees for ratification.

Recommended Action

The following resolution is recommended for adoption:

RESOLVED, by the Board of Trustees of the California State University, that the tentative agreement reached in the 2021/22 salary reopener between the California State University and Bargaining Unit 6, Teamsters Local 2010 is hereby ratified.

COMMITTEE ON COLLECTIVE BARGAINING

Ratification of the Successor Collective Bargaining Agreement with Bargaining Unit 4, Academic Professionals of California (APC)

Presentation By

Evelyn Nazario
Vice Chancellor
Human Resources

Summary

The successor collective bargaining agreement between the California State University and Bargaining Unit 4, Academic Professionals of California (APC), will be presented to the Board of Trustees for ratification.

Recommended Action

The following resolution is recommended for ratification:

RESOLVED, by the Board of Trustees of the California State University, that the successor collective bargaining agreement between the California State University and Bargaining Unit 4, Academic Professionals of California (APC), is hereby ratified.

AGENDA

COMMITTEE ON COMMITTEES

Meeting: 2:05 p.m., Tuesday, July 12, 2022
Dumke Auditorium

Jack Clarke, Jr., Chair
Douglas Faigin, Vice Chair
Diego Arambula
Anna Ortiz-Morfit

Consent

1. Approval of Minutes of the Meeting of April 28, 2022, *Action*
2. Amendments to Board of Trustees' Standing Committee Assignments for 2022-2023, *Action*

**MINUTES OF MEETING OF
COMMITTEE ON COMMITTEES**

**Trustees of the California State University
Office of the Chancellor
401 Golden Shore
Long Beach, California**

April 28, 2022

Members Present

Jack B. Clarke, Jr., Chair
Diego Arambula
Anna Ortiz-Morfit
Krystal Raynes

Lillian Kimbell, Chair of the Board

Call to Order

Trustee Clarke called the meeting to order. There were no requests for public comment.

Approval of Minutes

The minutes of the September 14, 2021, meeting were approved as submitted.

Discussion

Trustee Clarke presented the proposed 2022-2023 standing committee assignments, including committee chairs and vice chairs. He provided some of the thinking and guiding principles that were followed. After consultation with leadership and the vice chair of the committee, they endeavored to make the proposed committee assignments fair after considering the trustees' preferences, their expertise and experience, a balanced workload and a careful consideration of the unique challenges facing the board at this time.

Trustee Clarke called for a motion to approve the proposed standing committee assignments, including committee chairs and vice chairs, for 2022-2023. There was a motion and a second.

Trustee Raynes shared that she is excited to see Trustee Sabalius nominated as chair of Educational Policy. Although she is confident in Trustee Faigin's ability to continue as chair of Governmental Relations, she would like to see a broader conversation about the opportunities for

student trustees in board leadership roles. She expressed her appreciation to board leadership and her respect and admiration for those on the proposed slate.

Trustee Arambula is appreciative of his colleagues who have stepped up and expressed an interest in leadership roles. He thanked board leadership for putting together the slate of nominees and believes this is the right group to lead the board. He would like the board to explore the idea of student trustees potentially serving as committee chairs despite the challenge of their shorter time on the board.

Trustee Clarke believes that this nomination process needs to be the subject of a broader board discussion and he looks forward to bringing this conversation forward.

Hearing no further discussion, there was a roll call vote. The proposed committee assignments were unanimously approved.

Trustee Clarke then asked if any trustee would like to make a nomination for chair and vice chair of the board. Chair Kimbell nominated Wenda Fong to serve as board chair and Jack Clarke to serve as board vice chair for 2022-2023. Trustee Arambula seconded the motion.

Trustee Arambula believes Trustee Fong and Trustee Clarke are the right leaders during this momentous time as they are level-headed, clear about the CSU mission and have the ability to bring the board together.

Chair Kimbell acknowledged that the last year has been challenging, but there is still a lot of work ahead and believes that Trustee Fong and Trustee Clarke are the right trustees to take on these roles.

Trustee Raynes also expressed her support and admiration for both Trustee Fong and Trustee Clarke, is excited to see the continued progress of the board and believes the institution is in very good hands.

Hearing no further discussion, there was a roll call vote. The proposed nominations for board leadership were unanimously approved.

The recommendations will be presented to the full board for approval at the May 24-25, 2022, meeting.

Trustee Clarke adjourned the Committee on Committees.

COMMITTEE ON COMMITTEES

Amendments to Board of Trustees' Standing Committee Assignments for 2022-2023

Presentation By

Jack B. Clarke, Jr.
Chair, Committee on Committees

Summary

Due to the appointment of Trustee **Diana Aguilar-Cruz** on July 1, 2022, the Committee on Committees recommends amendments to the Standing Committees for 2022-2023 as noted below.

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 amendments be made to the Standing Committees for 2022-2023:

AUDIT

Lateefah Simon, Chair
Yammilette Rodriguez, Vice Chair
Diana Aguilar-Cruz
Jack Clarke, Jr.
Adam Day
Lillian Kimbell
Jack McGrory

COLLECTIVE BARGAINING

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

**CAMPUS PLANNING, BUILDINGS
AND GROUNDS**

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

EDUCATIONAL POLICY

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

CoC
Agenda Item 2
July 11-13, 2022
Page 2 of 2

FINANCE

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

**UNIVERSITY AND FACULTY
PERSONNEL**

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

GOVERNMENTAL RELATIONS

Douglas Faigin, Chair
Maria Linares, Vice Chair
Diego Arambula
Jack McGrory
Yammilette Rodriguez
Romey Sabalius
Lateefah Simon

INSTITUTIONAL ADVANCEMENT

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

ORGANIZATION AND RULES

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

AGENDA

COMMITTEE ON AUDIT

Meeting: 2:10 p.m., Tuesday, July 12, 2022
Glenn S. Dumke Auditorium

Lateefah Simon, Chair
Yammilette Rodriguez, Vice Chair
Jack Clarke, Jr.
Adam Day
Lillian Kimbell
Jack McGrory

- Consent**
1. Approval of Minutes of the Meeting of May 24, 2022, *Action*
 2. Status Report on Audit and Advisory Services Activities, *Information*
- Discussion**
3. Audited Financial Statements and Single Audit Report, *Information*
 4. Review and Approval of the California State University External Auditor, *Action*

**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**

May 24, 2022

Members Present

Adam Day, Chair
Julia I. Lopez
Anna Ortiz-Morfit
Krystal Raynes
Yammilette Rodriguez
Lillian Kimbell, Chair of the Board

Trustee Adam Day called the meeting to order.

Approval of the Consent Agenda

The minutes of the March 23, 2022, 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.

Fiscal Year 2022-2023 Audit Plan

Vlad Marinescu, vice chancellor and chief audit officer, presented the annual audit plan for fiscal year 2022-2023 to the committee for review and approval. The primary objective of the audit plan, is to provide assurance that risks are being mitigated, and the CSU is operating effectively and efficiently. Each year, Audit and Advisory Services engages in an annual audit planning process to develop a comprehensive risk-based audit plan that addresses both systemwide risks and individual campus-specific risks. The 2022-2023 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 foundation of the plan is focused on the core support areas of Finance and Administration; Information Technology; and Compliance, Human Resources and Risk Management. The second

segment of the plan is focused on Academic Administration; Student Activities and Services; and University Relations and Advancement. The final segment of the plan focuses on auxiliary organizations. A brief description of each planned audit topic is included in Attachment A of the agenda item.

The assurance audits portion of the audit plan also includes data analytics, which allows for monitoring and reviewing large data sets for anomalies and trends with a high degree of automation. Data analytics strategically enhances assurance audits by providing data sets for audit projects, facilitating analytics driven audit scope and sample selection, and integrating data analytics testing into selected audits. Data analytics also augments the annual audit plan through the performance of data analytics projects. This year, Audit and Advisory Services will perform Human Resources and Payroll reviews, continue reviews of Information Technology Configuration Management, and develop travel expense analytics tests.

Approximately 20 percent of staff resources are allocated toward advisory services. For these consultative reviews, 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.

Resources are also allocated for investigations and the coordinating of intergovernmental audits. The investigations unit is responsible for conducting investigations of alleged fiscal improprieties, providing support for campus-conducted investigations, managing processes and information related to the campus reporting of fiscal improprieties, and coordinating intergovernmental audits. Because the need for investigations fluctuates depending on when issues come up, investigations resources are also deployed to perform fraud risk and prevention activities.

The last major area of the audit plan includes outreach and engagement. Although audit and advisory work naturally requires quite a bit of outreach and engagement, the audit plan allocates additional resources to ensure that Audit and Advisory Services is partnering and working with stakeholders beyond what would be the usual course of business for an audit or advisory review.

The Fiscal Year 2022-2023 Audit Plan was approved.

Trustee Day 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 report on the 2021-22 and 2022-23 audit plans. Follow-up on current and past assignments is being conducted on approximately 37 completed campus reviews. Attachment A summarizes the status of audit assignments by campus. Additionally, Attachment B illustrates various current year activities and milestones.

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; and provide advisory services and investigation reviews.

ASSURANCE AUDITS AND DATA ANALYTICS

Status of In-Process and Completed Audits

Audit and Advisory Services is wrapping up work on the 2021-2022 audit plan and has commenced work on the 2022-23 audit plan. Thirty-three audits have been completed as part of the 2021-22 audit plan and all fieldwork for the remaining 2021-22 audits is complete and the reports are progressing through the report writing and distribution process. Fieldwork has begun for 2022-23 audits, with 12 campus audits starting by the end of July 2022. Completed audit reports are posted on the California State University website at <https://www2.calstate.edu/csusystem/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

As part of the continued effort to utilize data analytics in the planning stage of every audit, the data analytics team has created customized analytics and dashboards for a recent audit of admissions. The dashboards streamlined the audit process allowing the assurance team to work efficiently with the large data sets.

As part of continuous monitoring of campus credit card data, the data analytics team is performing follow up with ten campuses for possible credit card anomalies. The human resources/payroll review at four campuses is currently in progress and planning for two additional campuses has begun.

Additionally, the Data Analytics team is working to develop dashboards and visualizations for Concur travel data and the annual audit risk assessment process.

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; 2) an audit of the California State University's compliance with the Native American Graves Protection and Repatriation Act. Both audits will be conducted by the California State Auditor and are expected to commence in November 2022. The scope and objectives of the audits are available on the California State Auditor's website (<https://www.auditor.ca.gov/bsa/recent>).

Audit and Advisory Services is also responsible for maintaining and administering the policy on *Campus Reporting of Fiscal Improprieties (Executive Order 1104)* and recently revised the policy to include a list of initial actions that campus management should consider taking in the first 24 to 48 hours after discovering that a potential fiscal impropriety has occurred. Overall, the structure and flow of the policy was streamlined to help clarify required procedures and place emphasis on quickly contacting Audit and Advisory Services when a fiscal impropriety is suspected. The policy can be found in the CSU Policy Library (<https://www.calstate.edu/policies>).

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. Outreach and engagement activities also include educational activities such as providing fraud prevention and awareness training for staff throughout the system and providing students with work experience and exposure to the audit profession.



STATUS REPORT ON CURRENT AND PAST AUDIT ASSIGNMENTS

Campus	Category	Audit Topic	Audit Plan Year	Total # of Recommendations	*Status
Bakersfield	Audits Currently in Progress	Information Security	2021		
	Status of Recommendations	Sponsored Programs	2021	5	5
Chancellor's Office	Status of Recommendations	Information Security	2021	7	4 (Green), 3 (Blue)
Channel Islands	Audits Currently in Progress	IT Disaster Recovery	2022		
	Status of Recommendations	Sponsored Programs	2021	2	2
Chico	No Reportable Recommendations	Student Fee Administration	2021	n/a	
	Status of Recommendations	Chico State Enterprises	2021	4	4
Dominguez Hills	No Reportable Recommendations	Fund Administration and Accountability	2021	n/a	
	Status of Recommendations	Construction Management	2021	3	3
East Bay	Status of Recommendations	Endowment Management	2021	3	3
	Status of Recommendations	Information Security	2020	13	13
Fresno	Status of Recommendations	Procurement	2021	3	3
	Status of Recommendations	Counseling and Psychological Services	2021	6	6
Fullerton	Status of Recommendations	IT Disaster Recovery	2021	7	6 (Green), 1 (Blue)
	Audits Currently in Progress	Corporation	2021		
Humboldt	Status of Recommendations	Construction Management	2021	3	3
	Status of Recommendations	Information Security	2021	6	2 (Green), 4 (Blue)
Humboldt	Audits Currently in Progress	Police Services	2021		
	Status of Recommendations	Information Security	2021	5	5
Long Beach	Audits Currently in Progress	Decentralized Computing	2021		
	Status of Recommendations	Sponsored Programs	2021	4	3 (Green), 1 (Blue)
Los Angeles	Status of Recommendations	Student Fee Administration	2021	2	2
	Audits Currently in Progress	Associated Students, Inc.	2021		
Maritime Academy	Status of Recommendations	Service Learning and Internships	2020	5	5
	Status of Recommendations	Information Security	2021	10	10
Monterey Bay	Audits Currently in Progress	Vendor Administration and Payments	2022		
	Status of Recommendations	Construction Management	2021	2	2
Northridge	Status of Recommendations	Student Union	2021	10	10
	Audits Currently in Progress	Counseling and Psychological Services	2021		
Northridge	Status of Recommendations	Information Security	2021		
	Status of Recommendations	Financial Aid	2021	1	1
Pomona	Audits Currently in Progress	Facilities Management	2021		
	Status of Recommendations	Decentralized Computing	2020	11	7 (Green), 4 (Blue)
Sacramento	Status of Recommendations	Auxiliary-Owned Housing	2021	7	4 (Green), 3 (Blue)
	Status of Recommendations	Information Security	2020	10	9 (Green), 1 (Blue)
San Bernardino	Status of Recommendations	Endowment Management	2021	3	3
	Status of Recommendations	Service Learning	2021	3	3
San Bernardino	Audits Currently in Progress	Human Resources	2021		
	Audits Currently in Progress	Information Security	2022		
San Diego	Status of Recommendations	Centers and Institutes	2021	5	5
	Audits Currently in Progress	Admissions	2021		
San Diego	Audits Currently in Progress	Student Fee Administration	2021		
	Status of Recommendations	Information Security	2020	9	6 (Green), 3 (Blue)
San Francisco	Status of Recommendations	Procurement	2020	2	2
	Audits Currently in Progress	Decentralized Computing	2021		
San Francisco	Status of Recommendations	Associated Students, Inc.	2021	8	8
	No Reportable Recommendations	Endowment Management	2021	n/a	
San Jose	Audits Currently in Progress	Decentralized Computing	2021		
	Audits Currently in Progress	Vendor Administration and Payments	2022		
San Jose	Status of Recommendations	Counseling and Psychological Services	2021	3	2 (Green), 1 (Blue)
	Status of Recommendations	Student Health Services	2021	6	1 (Green), 5 (Blue)
San Luis Obispo	Status of Recommendations	Information Security	2020	12	11 (Green), 1 (Blue)
	Status of Recommendations	Counseling and Psychological Services	2021	2	2
San Marcos	Status of Recommendations	Endowment Management	2021	1	1
	Audits Currently in Progress	Corporation	2021		
Sonoma	Status of Recommendations	Faculty Assigned Time and Additional Employment	2021	3	3
	Audits Currently in Progress	Information Security	2021		
Stanislaus	Status of Recommendations	Procurement	2021	2	2
	Audits Currently in Progress	Construction Management	2021		
Stanislaus	Status of Recommendations	Police Services	2021	4	2 (Green), 2 (Blue)

*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

AUDIT HIGHLIGHTS

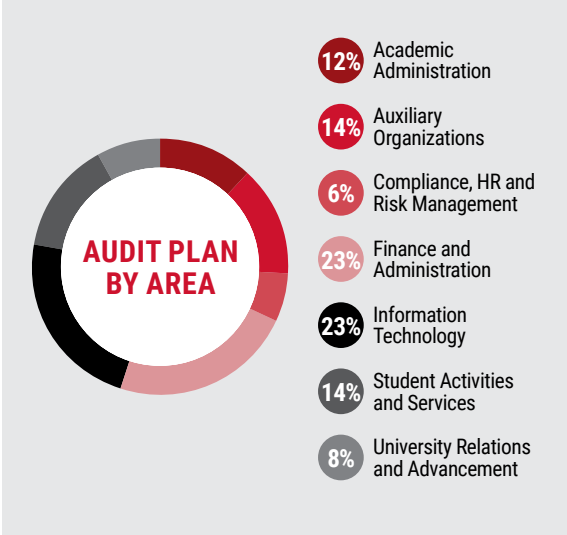
2021-22 ASSURANCE AUDITS



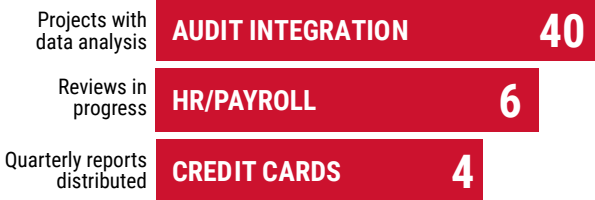
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IN-PROGRESS



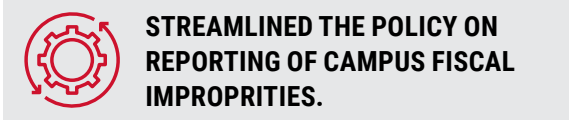
2021-22 DATA ANALYTICS



2021-22 RECOMMENDATIONS



FRAUD PREVENTION



KEY MILESTONES

JULY 2022

WRAPPING UP 2021-22 AUDIT PLAN

PRESENTED 2022-23 AUDIT PLAN TO CAMPUS CFOS

COMMENCED 2022-23 AUDITS



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

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, 2021, included as Attachment A to this item, was issued with an unmodified opinion on June 15, 2022.

The CSU Single Audit Report was also issued on June 15, 2022, 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 was an audit finding related to internal controls and an instance of noncompliance over allowable costs charged against the HEERF grant. Corrective actions have been completed.

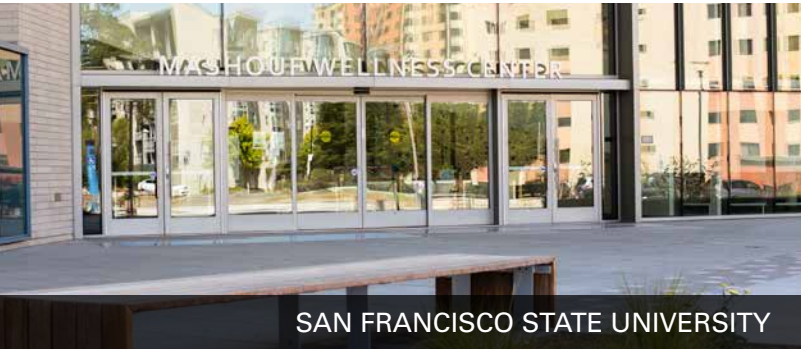


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LETTER FROM THE EXECUTIVE VICE CHANCELLOR, CHIEF FINANCIAL OFFICER



LETTER FROM THE EXECUTIVE VICE CHANCELLOR, CHIEF FINANCIAL OFFICER



The year 2021 dawned at the peak of the COVID-19 pandemic, with the vast majority of the CSU's learning and support services offered via virtual modalities. However, thanks to the ingenuity, adaptability and dedication of our faculty and staff – and to the resolve and resilience of our students – the university continued to thrive.

In 2021, the CSU celebrated its largest graduating class ever, with almost 133,000 students earning their degree and joining a global alumni network that now exceeds four million – another 2021 milestone. Graduation rates continue at all-time highs, and for students from all walks of life.

In the fall, vibrancy began to return to campus life thanks, in large part, to the overwhelming success of the CSU's vaccine requirement. As a result, almost 70 percent of Cal State students systemwide attended courses offered fully or partially in person, with fall sports, concerts, performances and many other events exceeding expectations for participation and attendance.

Looking forward to the spring 2022 term and beyond, barring another significant surge in cases, there will be a continued increase in the number of in-person activities on our campuses, with the ability to flex toward virtual modalities if circumstances require. However, even as public health conditions improve, the CSU will continue to expand and enhance many of the virtual learning and support services that proved so effective through the pandemic, demonstrating responsiveness to the shifting preferences of our students, who increasingly appreciate the access and flexibility these virtual options provide.

As noted above, graduation rates – our most critical student-success metric – are currently at all-time highs, for students from all backgrounds. Simply stated, there has never been a better time to be a Cal State student. This is thanks, in large part, to the continued success of Graduation Initiative 2025, the CSU's flagship initiative to help more students graduate in a timely manner, and to close equity gaps that exist between students of color, low-income students and first-generation students and their peers. And to accelerate our efforts to close these gaps, in 2021 the CSU launched a five-point equity action plan – and early results are extraordinarily positive.

Addressing educational equity, keeping tuition costs affordable with no increase in 2021-22 or proposed for 2022-23, supporting our students' basic needs and advancing student success for students from all backgrounds – through these priorities and many others, the California State University remains one of the nation's leading drivers of socioeconomic ascent, as it helps propel California toward its brightest future.

For California,

A handwritten signature in black ink, appearing to read 'Steve Relyea', written in a cursive style.

Steve Relyea
Executive Vice Chancellor, CFO
The California State University

INDEPENDENT AUDITORS' REPORT





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

Independent Auditors' Report

The Board of Trustees
California State University:

We have audited the accompanying financial statements of the business-type activities and 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, 2021, and the related notes to the financial statements, which collectively comprise the University's basic financial statements for the year then ended as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes 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' Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We did not audit the financial statements of 90 of the 92 aggregate discretely presented component units, which represent 97% of total assets and 99% of the total net position as of June 30, 2021, and 96% of total revenues for the year then ended of the aggregate discretely presented component units totals. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as it relates to the amounts included for the 90 discretely presented component units, are based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



Opinions

In our opinion, based on our audits and the reports of the other auditors, the 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, 2021, 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.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 9 – 31, the schedule of University's proportionate share of the net pension liability and related ratios, and employer contributions related to pension in Schedules 1 and 2, and the schedule of University's total other postemployment benefits liability and related ratios, and employer contributions related to other postemployment benefits in Schedules 3 and 4, be presented to supplement the basic financial statements. Such information, 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 auditing standards generally accepted in the United States of America, 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 and Other 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 supplementary information included in Schedules 5 to 8 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Schedules 5 and 8 are 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. Such 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 auditing standards generally accepted in the United States of America. In our opinion, Schedules 5 and 8 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Schedules 6 and 7 have 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 provide any assurance on it.



Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2022 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
June 15, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS



CALIFORNIA STATE UNIVERSITY
Management's Discussion and Analysis

June 30, 2021

The discussion and analysis below provides an overview of the financial position and performance of the California State University (the University) as of and for the year ended June 30, 2021, including 23 campuses and the Office of the Chancellor (collectively referred to as the University), and 92 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 are suffering financially.

In order to keep core instructional and student-support functions afloat, and to mitigate negative impacts to faculty and staff, the University implemented a hiring slowdown, halted travel, and is carefully spending down a portion of reserves that had been prudently saved for economic uncertainty.

In addition, the University has received \$563.67 million funding through the Higher Education Emergency Relief Fund (HEERF I) authorized by the Coronavirus Aid, Relief, and Economic Security (CARES) Act enacted into law in April 2020. This made it possible for the University to offer emergency grants for students experiencing financial hardships

CALIFORNIA STATE UNIVERSITY
Management's Discussion and Analysis

June 30, 2021

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.

The Higher Education Emergency Relief Fund II (HEERF II), authorized by the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) signed into law in December, 2020, awarded the University \$908.39 million in student financial aid and institutional support. Lastly, the Higher Education Emergency Relief Fund III (HEERF III), authorized by the American Rescue Plan signed into law in March, 2021, awarded the University \$1.59 billion in student financial aid and institutional support.

As a result of HEERF I, II, and III, \$292.71 million and \$242.65 million, were distributed to students in fiscal year 2021 and 2020, respectively, while \$739.95 million mainly from HEERF III, is left to be drawn and distributed in fiscal year 2022. Similarly, \$625.26 million of institutional support was distributed by the University in fiscal year 2021 and \$2.53 million in fiscal year 2020, with \$1.15 billion, mainly from HEERF III, left to be drawn and distributed.

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.

The extent to which the COVID-19 global pandemic impacts the operations going forward will depend on numerous evolving factors, which cannot be reliably predicted at this time. The University has and will continue to attempt to minimize negative impacts of the COVID-19 global pandemic.

Financial Statements

The financial statements of the University as of and for the year ended June 30, 2021 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. 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, 2021, and therefore, was 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

CALIFORNIA STATE UNIVERSITY
Management's Discussion and Analysis

June 30, 2021

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 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 capital leases. Within the capital and related financing activities, uses of funds consist of acquisition of capital assets, and debt repayments. Sales and purchases of investments are part of investing activities.

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

CALIFORNIA STATE UNIVERSITY
Management's Discussion and Analysis

June 30, 2021

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 follows as of June 30, 2021 and 2020:

	University		Discretely presented component units	
	2021	2020	2021	2020
	(In thousands)			
Assets:				
Current assets	\$ 4,608,660	4,249,587	1,850,762	1,678,457
Capital assets, net	10,789,215	10,139,549	828,277	871,445
Other noncurrent assets	2,670,521	2,704,609	3,304,440	2,660,458
Total assets	18,068,396	17,093,745	5,983,479	5,210,360
Deferred outflows of resources	3,101,461	2,984,024	42,022	36,209
Liabilities:				
Current liabilities	1,594,255	1,465,131	459,549	525,924
Noncurrent liabilities	32,827,759	31,227,378	1,032,841	1,076,603
Total liabilities	34,422,014	32,692,509	1,492,390	1,602,527
Deferred inflows of resources	2,216,734	2,452,308	81,232	59,506
Net position:				
Net investment in capital assets	3,466,408	3,566,992	303,403	329,264
Restricted:				
Nonexpendable	1,663	1,677	1,667,753	1,414,654
Expendable	129,165	178,610	1,473,417	1,184,530
Unrestricted	(19,066,127)	(18,814,327)	1,007,306	656,088
Total net position	<u>\$ (15,468,891)</u>	<u>(15,067,048)</u>	<u>4,451,879</u>	<u>3,584,536</u>

The University's net position decreased by \$401.84 million in 2021. 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 2.90.

CALIFORNIA STATE UNIVERSITY
Management's Discussion and Analysis

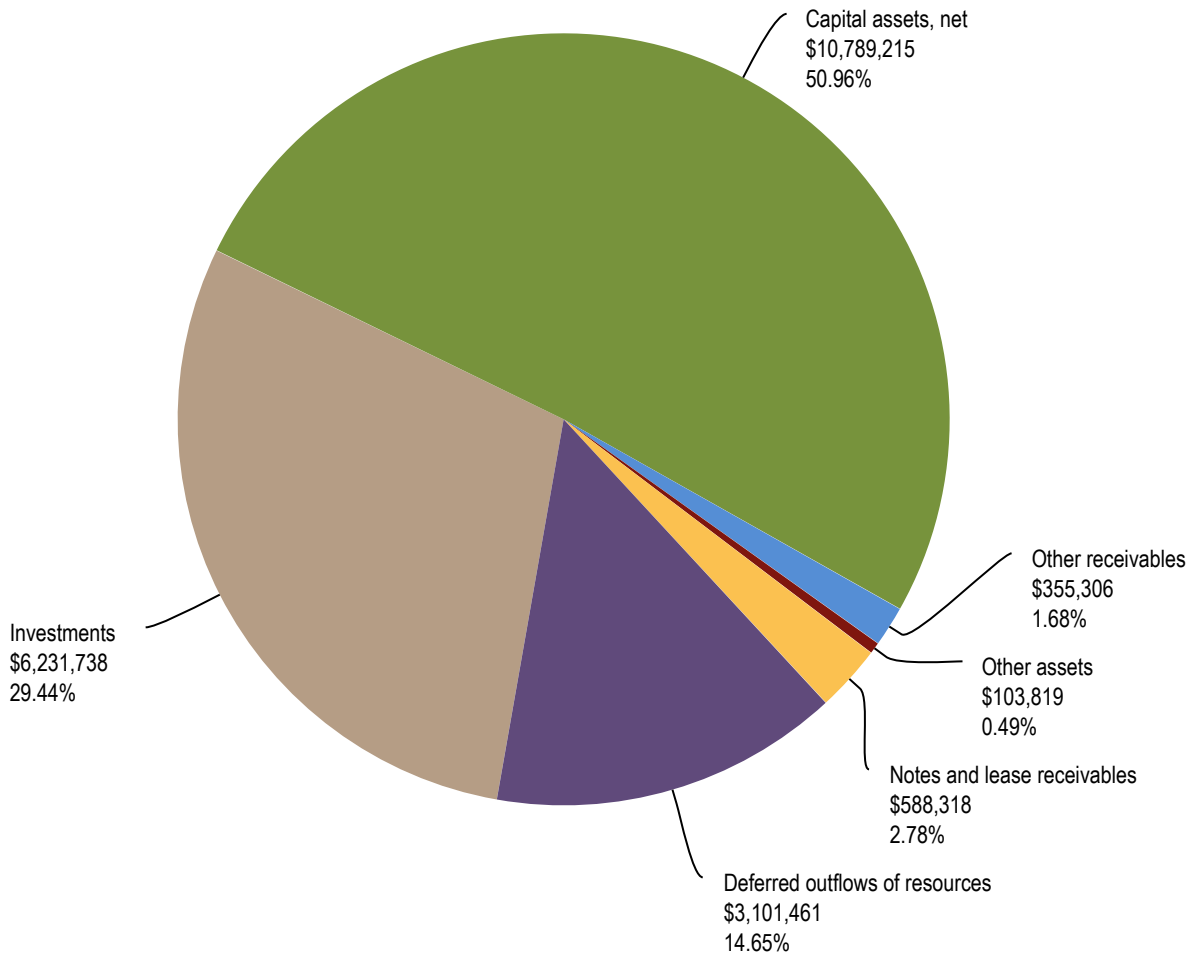
June 30, 2021

The University's Financial Position

Assets and Deferred Outflows of Resources

Total assets increased from \$17.09 billion in 2020 to \$18.07 billion in 2021. Deferred outflows of resources increased from \$2.98 billion in 2020 to \$3.10 billion in 2021.

Assets and Deferred Outflows of Resources
(In thousands)



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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, restricted cash and cash equivalents, investments, accounts receivable, notes receivable, capital leases receivable, student loans receivable, pledges receivable, prepaid expenses, and other assets.

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, 2021 and 2020:

	2021	2020
	(In thousands)	
Land and land improvements	\$ 378,757	285,802
Buildings and building improvements	7,306,120	7,349,654
Improvements other than buildings	193,511	209,258
Infrastructure	702,000	669,619
Equipment	212,380	219,464
Library books and materials	30,223	30,964
Works of art and historical treasures	57,058	53,581
Intangible assets	68,425	62,135
Construction work in progress	1,840,741	1,259,072
Total	<u>\$ 10,789,215</u>	<u>10,139,549</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 2021 included the East Bay Library Replacement Building, the Long Beach Housing Expansion (Phase I), the Los Angeles Student Housing Complex E and the Physical Science Building seismic renewal, the San Bernardino Santos Manuel Student Union expansion, the San Diego Land Mission Valley and the Aztec Recreation Center expansion, and the San Luis Obispo Science and Research Building.

Investments

The University invests its funds mainly in the Liquidity Portfolio (Systemwide Investment Fund Trust or SWIFT), 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 investment objective for TRP is to achieve prudent return within a moderate risk level. In addition, funds are invested in Surplus Money Investment Fund (SMIF), which is managed and invested by the State Treasurer in a short-term pool. The proceeds from the sale of Systemwide Revenue Bonds (SRB) are held by the State and invested in SMIF, as required by state law. The investment balances are as follows as of June 30, 2021 and 2020:

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	2021	Percentage of total	2020	Percentage of total
	(In thousands)	%	(In thousands)	%
Liquidity Portfolio	\$ 3,579,832	57.45	\$ 3,398,917	57.28
Total Return Portfolio	1,361,864	21.85	1,110,236	18.71
State's Surplus Money Investment Fund	1,290,042	20.70	1,424,805	24.01
Total	<u>\$ 6,231,738</u>	<u>100.00</u>	<u>\$ 5,933,958</u>	<u>100.00</u>

Investments increased due to proceeds from issuance of SRB Series 2020C, 2020D, and 2020E, investment gains/earnings, and increase in operating resources from cost saving measures to protect liquidity in light of COVID-19 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 units 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 decreased from \$385.19 million in 2020 to \$362.30 million in 2021. The decrease of \$22.89 million is due mainly to current year net collection of \$36.17 million, and refunding of existing loan agreements from \$13.15 million to \$26.43 million.

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 changed in assumptions used by an actuary to determine total pension liability and difference between project and actual earnings on pension plan investments. 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.

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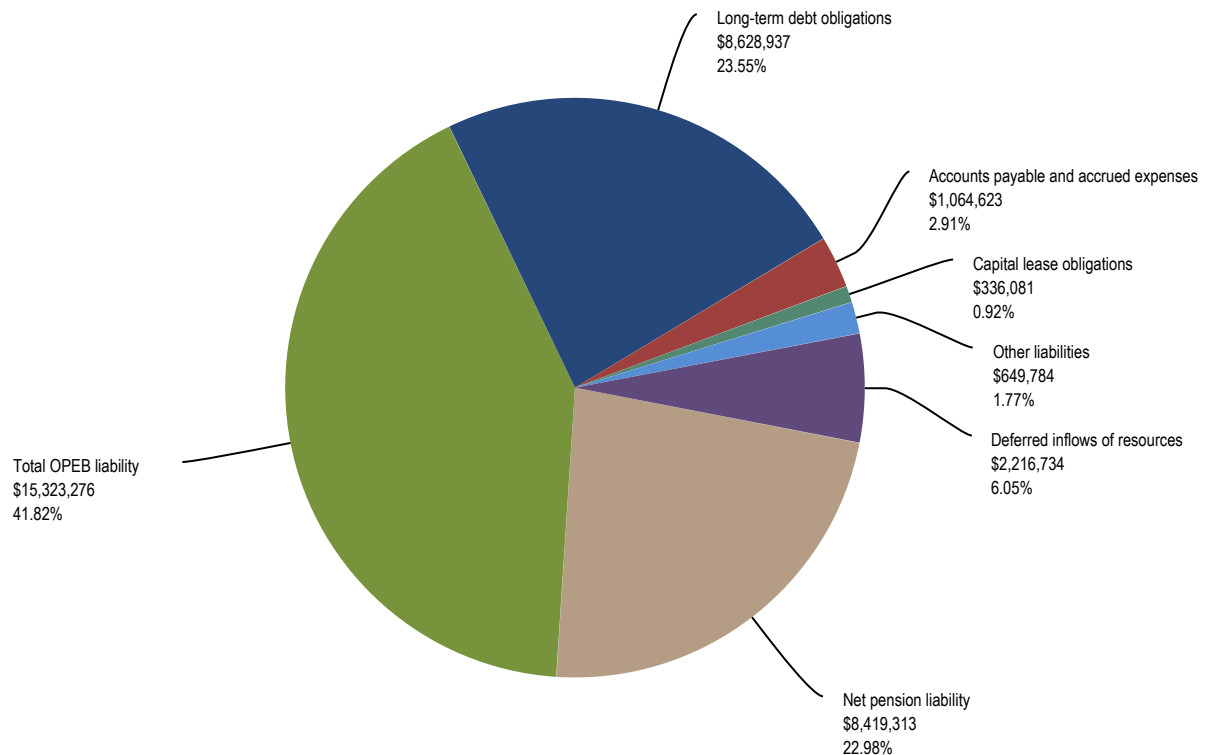
- *Loss on Debt Refunding* - The defeasance of previously outstanding systemwide revenue bonds results in deferring refunding losses. These deferred losses are recognized as a component of interest over the remaining life of the old debt or the life of the new debt, whichever is shorter.

Deferred outflows of resources increased by \$117.44 million from \$2.98 billion in 2020 to \$3.10 billion in 2021. This is mainly due to the increase in deferred outflows of \$585.19 million related to changes in assumptions such as decrease in discount rate used in determining total OPEB liability. In addition, the deferred outflows related to net pension liability increased by \$379.18 million due to higher projected earnings in pension plan investments than actual and \$176.79 million related to change in the demographic experience wherein more members are retiring, retiring earlier, and living longer than assumed. These are offset by, the University's OPEB and pension contributions made subsequent to measurement date of \$74.96 million. Further, amortization amounted to \$947.87 million for deferred outflows of resources related to total OPEB liability, net pension liability and loss on debt refunding.

Liabilities and Deferred Inflows of Resources

Total liabilities of \$34.42 billion represent an increase of \$1.73 billion compared to \$32.69 billion in 2020. Deferred inflows of resources decreased from \$2.45 billion in 2020 to \$2.22 billion in 2021.

**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, capital lease obligations, 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 increased from \$14.50 billion in 2020 to \$15.32 billion in 2021. The key factors contributing to this increase include (a) change in the demographic experience wherein more members are retiring, retiring earlier, and living longer than assumed, and (b) lower discount rate from 3.13% to 2.45%. This is offset by (a) favorable healthcare claims experience as average member claim costs were lower than assumed, and (b) change in trend rates.

Net Pension Liability

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

The net pension liability increased from \$8.19 billion in 2020 to \$8.42 billion in 2021. The increase is due mainly to \$2.67 billion additional pension liability which included the impact of service costs, interest and unfavorable experience compared to the expected. The contributions both by the University and its employees of \$1.47 billion and net return on investment of \$0.97 billion reduced the net pension liability.

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Long-Term Debt Obligations

The University's capital assets are financed using the State's capital appropriations, SRB, leases, and reserves. Bond Anticipation Notes (BANs) provide short-term financing for capital assets during the construction period. The University's total long-term debt obligations increased by \$587.17 million in 2021. The University's long-term debt obligations are summarized as follows as of June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
	(In thousands)	
Systemwide revenue bonds	\$ 7,888,250	7,218,305
Bond anticipation notes	63,266	129,119
Other long-term debt obligations	8,070	9,012
Total	7,959,586	7,356,436
Unamortized net bond premium	669,351	685,331
Total long-term debt obligations	8,628,937	8,041,767
Less current portion	(184,641)	(171,661)
Long-term debt obligations, net of current portion	<u>\$ 8,444,296</u>	<u>7,870,106</u>

- *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 \$0.67 billion due to issuance of SRB Series 2020C, 2020D, and 2020E with principal amounting to \$1.31 billion offset by \$0.64 billion of combined payments and partial refunding of SRB Series 2011A and 2012A.

- *Bond Anticipation Notes*

BANs are used as short-term financing to acquire and construct capital assets. The BAN payable decreased by \$65.85 million from a prior year's ending balance of \$129.12 million, based on additional BANs amounting to \$176.89 million, offset by redemption of \$242.74 million using proceeds from sale of SRB Series 2020C, 2020D, and 2020E.

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- *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 \$2.05 billion in 2020 to \$1.94 billion in 2021. 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 decreased by \$235.57 million from \$2.45 billion in 2020 to \$2.22 billion in 2021. Deferred inflows of resources are mainly related to certain changes in net pension liability and total OPEB liability. The decrease is mainly due to the amortization of prior year deferred inflows of resources amounting to \$711.85 million, net of \$470.75 million additions primarily related to favorable healthcare claims experience as member claims cost is lower than assumed.

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, 2021 and 2020:

	2021	2020
	(In thousands)	
Net investment in capital assets	\$ 3,466,408	3,566,992
Restricted:		
Nonexpendable	1,663	1,677
Expendable	129,165	178,610
Unrestricted	(19,066,127)	(18,814,327)
Total net position	\$ (15,468,891)	(15,067,048)

- *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 decreased from \$3.57 billion in 2020 to \$3.47 billion in 2021.

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- *Restricted*

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

- i. Restricted Nonexpendable

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

- ii. Restricted Expendable

Restricted expendable net position represents resources that are subject to external restrictions on how they may be used. Such restrictions are primarily related to scholarships and fellowships, research, loans, capital projects, and debt service funds. The restricted expendable net position decreased due to spending for capital outlay projects and unearned revenues for institutional supported related to amounts received 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 for 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.

At June 30, 2021, unrestricted net position reflects a deficit of \$19.07 billion due primarily to the implementation of GASB Statement No. 68 (pension) in 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. The deficit related to pension and OPEB amounted to \$22.93 billion, offset by positive net position of \$3.86 billion from other unrestricted activities.

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Discretely Presented Component Units' Financial Position

In 2021, the discretely presented component units (DPCUs) managed \$5.98 billion of assets, representing 24.88% of the University's \$24.05 billion combined total assets. In 2020, \$5.21 billion of assets were managed by the discretely presented component units, representing 23.36% of the combined total assets.

The philanthropic activities of the University are managed mostly by the discretely presented component units. The restricted cash and cash equivalents, pledges receivables, and endowment investments increased from \$2.09 billion in 2020 to \$2.64 billion in 2021. This represents 10.97% and 9.39% of the combined total assets for 2021 and 2020, respectively.

The claims liability for losses and loss adjustment expenses increased from of \$53.98 million in 2020 to \$54.81 million in 2021. These are mainly the liabilities from the California State University Risk Management Authority, a discretely presented component unit.

The restricted net position, expendable and nonexpendable, of the discretely presented component units was \$3.14 billion, representing 96% of the combined restricted net position in 2021. In 2020, the restricted net position of discretely presented component units was \$2.60 billion, representing 93.51% of the combined restricted net position.

The combined University and discretely presented component units' net position reflects a deficit of \$11.02 billion in 2021 when compared to \$11.48 billion deficit in 2020.

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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, 2021 and 2020:

	University		Discretely presented component units	
	2021	2020	2021	2020
	(In thousands)			
Operating revenues:				
Student tuition and fees, net	\$ 2,289,439	2,175,170	—	196,983
Grants and contracts, noncapital	72,047	70,304	590,750	586,416
Sales and services of educational activities	19,103	39,923	31,728	43,650
Sales and services of auxiliary enterprises, net	153,952	455,639	221,308	439,576
Other operating revenues	200,831	247,890	472,975	264,676
Total operating revenues	2,735,372	2,988,926	1,316,761	1,531,301
Operating expenses	10,233,573	10,460,792	1,544,117	1,743,663
Operating loss	(7,498,201)	(7,471,866)	(227,356)	(212,362)
Nonoperating revenues (expenses):				
State appropriations, noncapital	4,041,103	4,734,349	—	—
Financial aid grants, noncapital	2,066,476	2,060,158	2,470	3,100
Grants and gifts, noncapital	946,778	304,741	381,189	178,295
Investment income, net	326,398	173,420	166,370	39,953
Endowment income, net	39	35	456,886	38,684
Interest expense	(278,539)	(275,191)	(23,971)	(20,301)
Other nonoperating revenues (expenses)	(97,666)	(80,124)	(35,132)	3,753
Net nonoperating revenues	7,004,589	6,917,388	947,812	243,484
Income (loss) before other revenues (expenses)	(493,612)	(554,478)	720,456	31,122
State appropriations, capital	210	5,236	—	—
Grants and gifts, capital	91,559	63,361	23,185	8,447
Additions to permanent endowments	—	—	119,763	106,803
Change in net position	(401,843)	(485,881)	863,404	146,372
Net position – beginning of year	(15,067,048)	(14,581,167)	3,588,475	3,438,164
Net position – end of year	\$ (15,468,891)	(15,067,048)	4,451,879	3,584,536

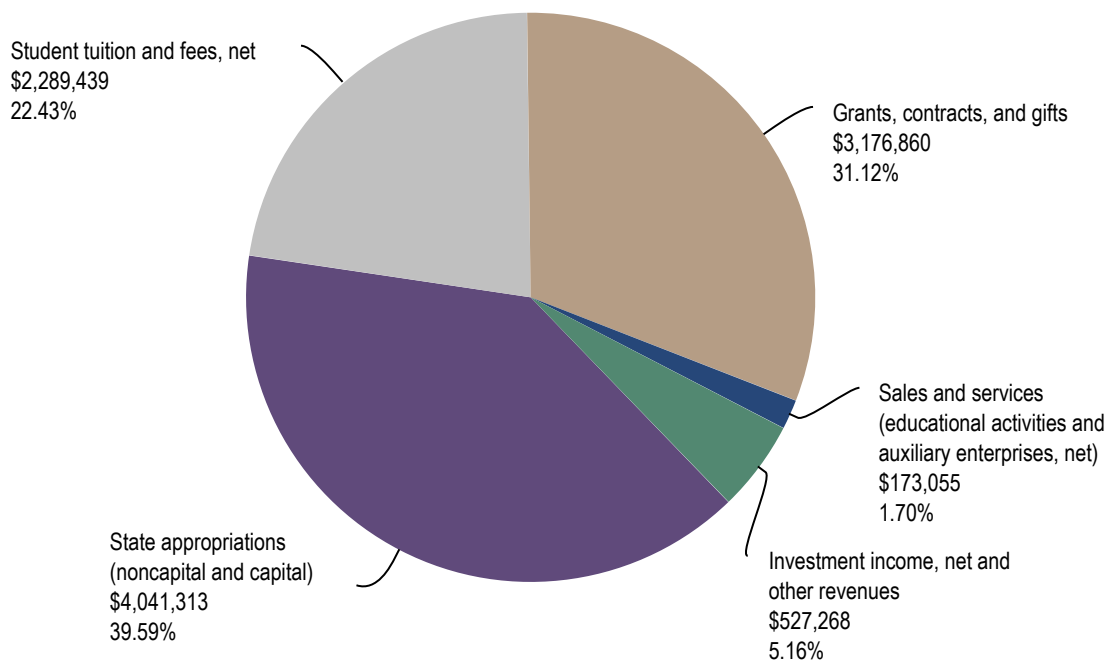
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Revenues (Operating and Nonoperating)

The University's two major sources of revenues are state appropriations and student tuition and fees, net, which accounted for a combined 62.02% and 66.94% of total revenues in 2021 and 2020, respectively. State appropriations are received for both noncapital and capital purposes. Another major source of revenues are grants, contracts, and gifts which represent 31.12% of total revenues in 2021. This includes revenues from student financial aid grants and contracts and funding through the HEERF I, II, and III.

Revenues (Operating and Nonoperating)
(In thousands)



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The University's total revenues consisted of the following:

	<u>2021</u>	<u>Percentage of total</u>	<u>2020</u>	<u>Percentage of total</u>
	(In thousands)		(In thousands)	
State appropriations (noncapital and capital)	\$ 4,041,313	39.59 %	\$ 4,739,585	45.88 %
Student tuition and fees, net	2,289,439	22.43	2,175,170	21.06
Grants, contracts, and gifts	3,176,860	31.12	2,498,564	24.19
Sales and services (educational activities and auxiliary enterprises), net	173,055	1.70	495,562	4.80
Investment income, net and other revenues	527,268	5.16	421,345	4.07
Total revenues (operating and nonoperating)	<u>\$ 10,207,935</u>	<u>100.00 %</u>	<u>\$ 10,330,226</u>	<u>100.00 %</u>

State Appropriations (Noncapital and Capital)

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

	<u>2021</u>	<u>2020</u>
	(In thousands)	
State appropriations, general fund	\$ 3,691,390	4,346,139
State's contribution on behalf of the University for OPEB	349,713	388,210
Total state appropriations, noncapital	4,041,103	4,734,349
State appropriations, capital	210	5,236
Total state appropriations (noncapital and capital)	<u>\$ 4,041,313</u>	<u>4,739,585</u>

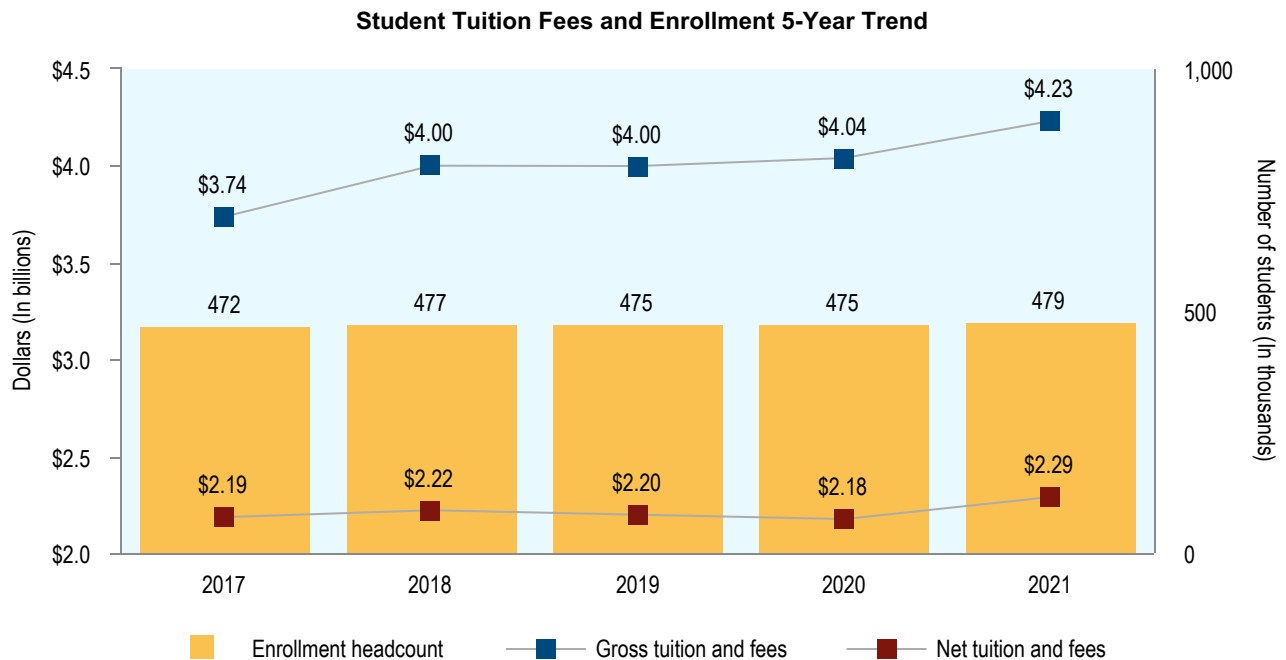
State appropriations are shown as nonoperating revenue, but are primarily used to fund the University's core operations. The state general fund appropriations decreased from \$4.35 billion in 2020 to \$3.69 billion in 2021. This year, the State reduced permanent base funding by \$299 million and removed \$315 million in one-time funding from prior year.

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Student Tuition and Fees, Net

The student tuition and fees (before scholarship allowances) amounted to \$4.23 billion . 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 over the last five years. This is mainly driven by student enrollment growth in the last five years. In addition to student enrollment growth, the increase in tuition rates effective in academic year 2017-2018 resulted in the upward trend in 2018. In 2021, the increase 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 increasing gap between the gross and net student tuition and fees reflects growth in the waivers and financial aid grants made available to students. During the last two years, approximately half of the student tuition and fees were paid through waivers and financial aid grants, as shown in the following table.

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	2021	2020
(In thousands)		
Gross student tuition and fees	\$ 4,231,654	4,040,242
Less: Institutional grants	(782,620)	(786,717)
Less: Financial aid grants	(1,159,595)	(1,078,355)
Net student tuition and fees	\$ 2,289,439	2,175,170

The emergency student aid received by the University through HEERF I, II, and III were distributed to students as scholarship and fellowship, 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 \$19.10 million, a decrease from \$39.92 million in 2020.

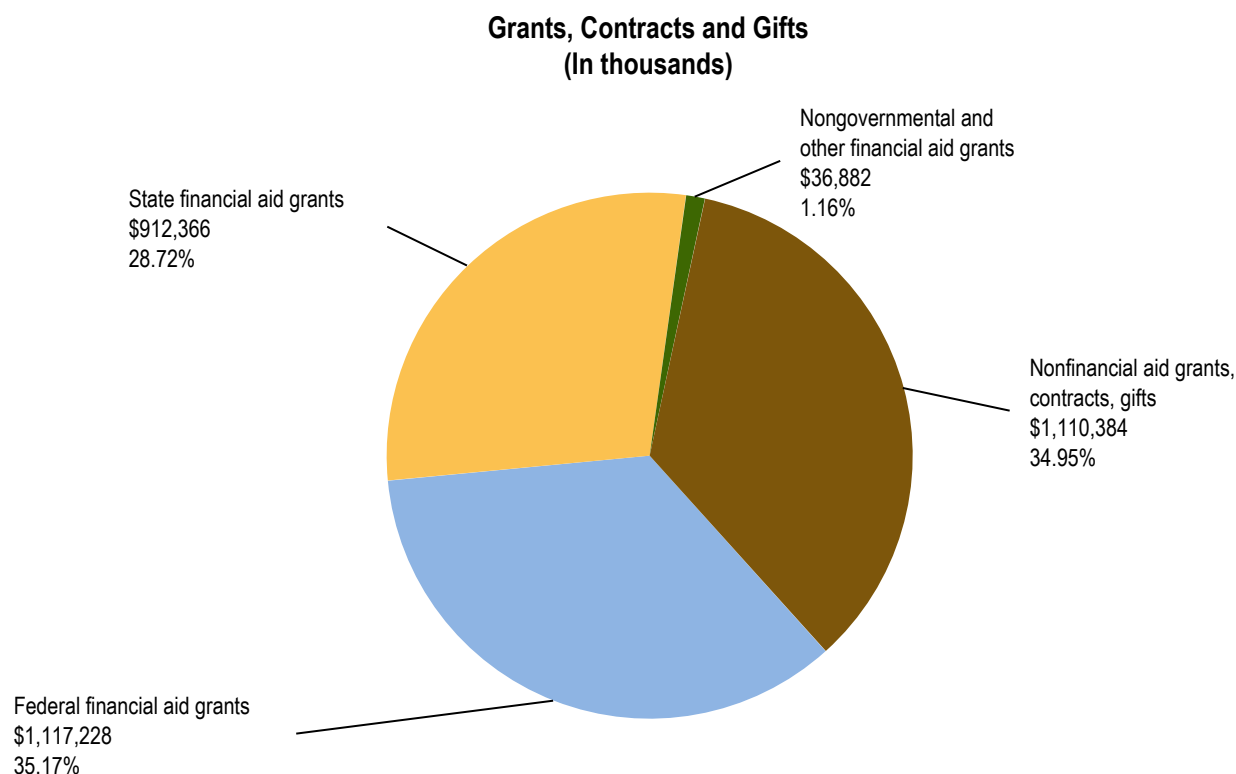
Auxiliary enterprises exist predominantly to furnish goods or services to students, faculty, or staff, for a fee. Net revenues from sales and services of auxiliary enterprises, which are primarily for student housing and parking, amounted to \$153.95 million, which is a \$301.69 million decrease when compared to 2020. The decrease is due to loss of revenue resulting from the University's response to the pandemic by transitioning to primarily virtual instructional approach in 2021.

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.

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Student financial aid grants from federal and state agencies were \$1.12 billion and \$912.37 million, respectively. A combined increase of \$13.28 million from previous year. The financial aid increases are due to more eligible students and higher aid per student.

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 \$1.11 billion, or 34.95%, of total grants, contracts, and gifts. This included \$880.25 million 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 \$106.79 million.

Investment and Endowment Income, Net

Investment and endowment income for 2021 is \$326.44 million, which is \$152.98 million higher when compared to the prior year. This is primarily due to the rise in unrealized gains compared to prior year.

Expenses (Operating and Nonoperating)

The University's total expenses of \$10.61 billion is comprised of operating expenses of \$10.23 billion, or 96.45%, and nonoperating expenses of \$376.20 million, or 3.55%.

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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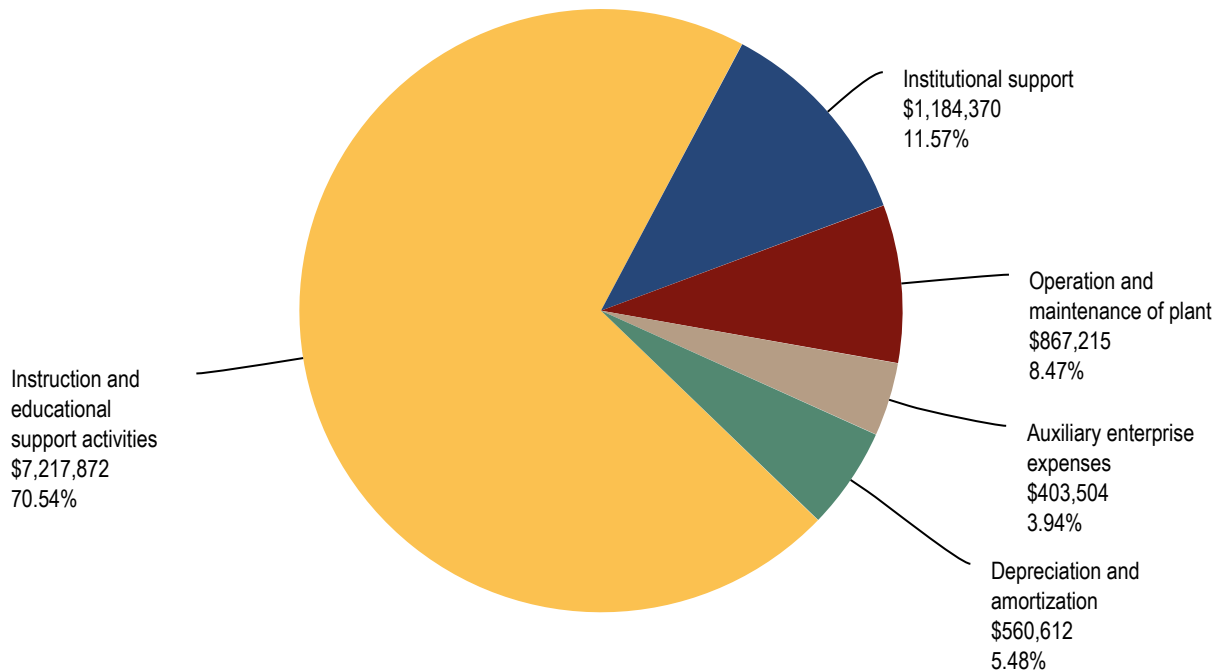
educational support activities account for 70.53% and 70.10% of the 2021 and 2020 total operating expenses of the University, respectively.

	<u>2021</u>	<u>Percentage of total</u>	<u>2020</u>	<u>Percentage of total</u>
	(In thousands)		(In thousands)	
Instruction	\$ 3,530,908	34.50 %	\$ 3,853,279	36.84 %
Research	57,268	0.56	57,249	0.55
Public service	50,452	0.50	58,867	0.56
Academic support	1,000,371	9.78	1,028,607	9.83
Student services	1,243,642	12.15	1,139,403	10.89
Student grants and scholarships	1,335,231	13.05	1,195,923	11.43
Total instruction and educational support activities	<u>7,217,872</u>	<u>70.54</u>	<u>7,333,328</u>	<u>70.10</u>
Institutional support	1,184,370	11.57	1,195,144	11.42
Operation and maintenance of plant	867,215	8.47	986,818	9.43
Auxiliary enterprise expenses	403,504	3.94	399,282	3.83
Depreciation and amortization	560,612	5.48	546,220	5.22
Total operating expenses	<u>\$ 10,233,573</u>	<u>100.00 %</u>	<u>\$ 10,460,792</u>	<u>100.00 %</u>

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**Operating Expenses
(In thousands)**



- **Salaries**

The University's salaries decreased from \$3.89 billion in 2020 to \$3.78 billion in 2021. The decrease reflects the reduction in staffing which reflects the intent to decrease overall operating expenses in response to decline in revenues associated with the COVID-19 pandemic. The majority of the decrease in salaries are in instruction and education support of \$80.92 million, in auxiliary enterprise of \$24.26 million, and in operation and maintenance of plant of \$15.28 million.

- **Benefits**

The University's benefits decreased from \$3.23 billion in 2020 to \$2.97 billion in 2021. The majority of the decrease in benefits are in instruction and educational support of \$260.13 million.

The pension related benefits expense decreased by \$295.79 million in 2021, due mainly to higher pension plan investment earnings, change in proportionate share in the State's pension liability, and difference between the University's contribution and its proportionate share of the State's total pension contribution, offset by increase in service cost and related interest on total pension liability. The other benefits expense slightly increased by \$4.58 million. The OPEB expense increased by \$33.75 million in 2021, due mainly to higher service cost and the smoothing effect of the changes in the assumptions and differences between actual and expected experience.

CALIFORNIA STATE UNIVERSITY
Management's Discussion and Analysis

June 30, 2021

- *Scholarships and Fellowships*

The scholarship and fellowships, which represent financial aid directly paid to students, increased from \$1.20 billion in 2020 to \$1.34 billion in 2021. The increase is mainly due to the HEERF I, II and III grants given to eligible students.

Discretely Presented Component Units' Results of Operations

The discretely presented component units managed \$2.47 billion of revenues, representing 19.46% of the University's \$12.67 billion combined total revenues. This is higher compared to the 15.61% in prior year due to the increase in endowment investment income, gifts and grants revenues, and offset by the decline in revenues from sales and services for auxiliary enterprise.

The discretely presented component units managed \$997.59 million grants contracts, and gifts revenues, representing 23.90% of the \$4.17 billion combined total. Discretely presented component units fund many student 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

The impact of COVID-19 global pandemic continues to have significant effects on global markets, supply chains, businesses, and communities. The University is continually monitoring the potential impacts of the COVID-19 pandemic and its effects on the financial statements. The extent to which the COVID-19 global pandemic impacts the operations going forward will depend on numerous evolving factors, which cannot be reliably predicted at this time.

The University has been proactive in mitigating the impact of the decrease in General Fund appropriation. The University implemented several cost-control measures. The CSU has and will continue to attempt to minimize negative impacts of the COVID-19 global pandemic.

Subsequent Events

The following information describes significant events that occurred subsequent to June 30, 2021, but prior to the date of the auditors' report.

- *SRB Issuance*

In July 2021, the University issued \$124.23 million of SRB Series 2021A (Tax Exempt) and \$1.66 billion of SRB Series 2021B (Taxable). The new bonds were issued to fund various capital projects, redeem maturing BANs, refund a portion of outstanding SRB Series 2013A and a portion of the SRB Series 2014A bonds, and apply proceeds towards payment of capital lease obligations related to the State's Series 2010B-1 Public Works Board Lease Revenue Bonds.

CALIFORNIA STATE UNIVERSITY
Management's Discussion and Analysis

June 30, 2021

- *BAN Issuance and Redemption*

In October 2021, the University redeemed the BANs for the following capital projects:

	Amount (In thousands)
Long Beach Hillside Renovation	\$ 31,416
Long Beach Housing Expansion Phase 1 Administration and Commons Building	18,853
Monterey Bay Capital Improvement	11,789
Total	<u>\$ 62,058</u>

In February and March 2022, the University issued BANs amounting to \$107 million (Taxable) and \$7.5 million (Tax-Exempt) for the San Diego State University's Mission Valley Multi-Use Stadium and California Polytechnic State University, San Luis Obispo's Science and Agricultural Teaching and Research Complex, respectively.

BASIC FINANCIAL STATEMENTS



CALIFORNIA STATE UNIVERSITY

Statement of Net Position

June 30, 2021

(In thousands)

Assets	University	Discretely presented component units	Total
	<u> </u>	<u> </u>	<u> </u>
Current assets:			
Cash and cash equivalents	\$ 7,512	379,967	387,479
Short-term investments	4,210,803	1,014,307	5,225,110
Accounts receivable, net	294,450	261,058	555,508
Capital lease receivable, current portion	9,218	6,830	16,048
Notes receivable, current portion	13,722	64,159	77,881
Pledges receivable, net	2,000	91,938	93,938
Prepaid expenses and other current assets	70,955	32,503	103,458
Total current assets	<u>4,608,660</u>	<u>1,850,762</u>	<u>6,459,422</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	66,630	66,630
Accounts receivable, net	16,380	22,847	39,227
Capital lease receivable, net of current portion	213,677	151,489	365,166
Notes receivable, net of current portion	351,701	18,164	369,865
Student loans receivable, net	42,476	50	42,526
Pledges receivable, net	—	134,926	134,926
Endowment investments	1,663	2,345,617	2,347,280
Other long-term investments	2,019,272	501,677	2,520,949
Capital assets, net	10,789,215	828,277	11,617,492
Other assets	25,352	63,040	88,392
Total noncurrent assets	<u>13,459,736</u>	<u>4,132,717</u>	<u>17,592,453</u>
Total assets	<u>18,068,396</u>	<u>5,983,479</u>	<u>24,051,875</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>3,101,461</u>	<u>42,022</u>	<u>3,143,483</u>
Liabilities			
Current liabilities:			
Accounts payable	345,234	108,051	453,285
Accrued salaries and benefits	428,088	34,607	462,695
Accrued compensated absences, current portion	109,535	16,077	125,612
Unearned revenues	369,386	103,446	472,832
Capital lease obligations, current portion	20,008	9,235	29,243
Long-term debt obligations, current portion	184,641	85,601	270,242
Claims liability for losses and loss adjustment expenses, current portion	—	18,065	18,065
Depository accounts	3,345	13,956	17,301
Other liabilities	134,018	70,511	204,529
Total current liabilities	<u>1,594,255</u>	<u>459,549</u>	<u>2,053,804</u>

CALIFORNIA STATE UNIVERSITY

Statement of Net Position

June 30, 2021

(In thousands)

	<u>University</u>	<u>Discretely presented component units</u>	<u>Total</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	\$ 181,766	7,028	188,794
Unearned revenues	5,979	75,151	81,130
Grants refundable	39,792	4,638	44,430
Capital lease obligations, net of current portion	316,073	226,136	542,209
Long-term debt obligations, net of current portion	8,444,296	429,861	8,874,157
Claims liability for losses and loss adjustment expenses, net of current portion	—	36,746	36,746
Depository accounts	16	8,918	8,934
Total other postemployment benefits liability	15,323,276	98,367	15,421,643
Net pension liability	8,419,313	99,948	8,519,261
Other liabilities	97,248	46,048	143,296
Total noncurrent liabilities	<u>32,827,759</u>	<u>1,032,841</u>	<u>33,860,600</u>
Total liabilities	<u>34,422,014</u>	<u>1,492,390</u>	<u>35,914,404</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>2,216,734</u>	<u>81,232</u>	<u>2,297,966</u>
Net Position			
Net position:			
Net investment in capital assets	3,466,408	303,403	3,769,811
Restricted for:			
Nonexpendable – endowments	1,663	1,667,753	1,669,416
Expendable:			
Scholarships and fellowships	26,907	336,515	363,422
Research	—	31,514	31,514
Loans	24,487	2,418	26,905
Capital projects	25,412	109,444	134,856
Debt service	22,943	8,315	31,258
Others	29,416	985,211	1,014,627
Unrestricted	<u>(19,066,127)</u>	<u>1,007,306</u>	<u>(18,058,821)</u>
Total net position	<u>\$ (15,468,891)</u>	<u>4,451,879</u>	<u>(11,017,012)</u>

See accompanying notes to financial statements.

CALIFORNIA STATE UNIVERSITY

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2021

(in thousands)

	<u>University</u>	<u>Discretely presented component units</u>	<u>Eliminations</u>	<u>Total</u>
Revenues:				
Operating revenues:				
Student tuition and fees (net of University scholarship allowances of \$1,942,215)	\$ 2,289,439	—	—	2,289,439
Grants and contracts, noncapital:				
Federal	43,907	386,456	(8)	430,355
State	6,843	124,959	(179)	131,623
Local	5,928	16,578	—	22,506
Nongovernmental	15,369	62,757	(128)	77,998
Sales and services of educational activities	19,103	31,728	—	50,831
Sales and services of auxiliary enterprises (net of University scholarship allowances of \$32,888)	153,952	221,308	(3,266)	371,994
Other operating revenues	200,831	472,975	(14,537)	659,269
Total operating revenues	2,735,372	1,316,761	(18,118)	4,034,015
Expenses:				
Operating expenses:				
Instruction	3,530,908	119,096	(3,248)	3,646,756
Research	57,268	231,867	(600)	288,535
Public service	50,452	210,573	(338)	260,687
Academic support	1,000,371	74,371	(6,298)	1,068,444
Student services	1,243,642	165,730	(8,772)	1,400,600
Institutional support	1,184,370	241,377	(16,243)	1,409,504
Operation and maintenance of plant	867,215	56,916	(24,943)	899,188
Student grants and scholarships	1,335,231	83,609	(35,502)	1,383,338
Auxiliary enterprise expenses	403,504	303,778	(7,687)	699,595
Depreciation and amortization	560,612	56,800	—	617,412
Total operating expenses	10,233,573	1,544,117	(103,631)	11,674,059
Operating loss	(7,498,201)	(227,356)	85,513	(7,640,044)

CALIFORNIA STATE UNIVERSITY

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2021

(in thousands)

	University	Discretely presented component units	Eliminations	Total
Nonoperating revenues (expenses):				
State appropriations, noncapital	\$ 4,041,103	—	—	4,041,103
Federal financial aid grants, noncapital	1,117,228	660	—	1,117,888
State financial aid grants, noncapital	912,366	1,281	—	913,647
Local financial aid grants, noncapital	—	36	—	36
Nongovernmental and other financial aid grants, noncapital	36,882	493	(18,456)	18,919
Other federal nonoperating grants, noncapital	884,663	6,519	—	891,182
Gifts, noncapital	62,115	374,670	(46,130)	390,655
Investment income, net	326,398	166,370	—	492,768
Endowment income, net	39	456,886	—	456,925
Interest expense	(278,539)	(23,971)	—	(302,510)
Other nonoperating expenses	(97,666)	(35,132)	39,737	(93,061)
Net nonoperating revenues	<u>7,004,589</u>	<u>947,812</u>	<u>(24,849)</u>	<u>7,927,552</u>
Income (loss) before other revenues	(493,612)	720,456	60,664	287,508
State appropriations, capital	210	—	—	210
Grants and gifts, capital	91,559	23,185	(60,664)	54,080
Additions to permanent endowments	—	119,763	—	119,763
Increase (decrease) in net position	<u>(401,843)</u>	<u>863,404</u>	<u>—</u>	<u>461,561</u>
Net position:				
Net position at beginning of year	<u>(15,067,048)</u>	<u>3,588,475</u>	<u>—</u>	<u>(11,478,573)</u>
Net position at end of year	<u>\$ (15,468,891)</u>	<u>4,451,879</u>	<u>—</u>	<u>(11,017,012)</u>

See accompanying notes to financial statements.

CALIFORNIA STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>University</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 2,302,527
Federal grants and contracts	58,224
State grants and contracts	11,020
Local grants and contracts	5,454
Nongovernmental grants and contracts	14,933
Payments to suppliers	(1,574,907)
Payments to employees	(3,757,204)
Payments for benefits	(1,897,765)
Payments to students	(1,340,086)
Collections of student loans	2,352
Sales and services of educational activities	18,578
Sales and services of auxiliary enterprises	156,650
Other receipts	220,158
	<hr/>
Net cash used in operating activities	(5,780,066)
	<hr/>
Cash flows from noncapital financing activities:	
State appropriations	3,691,994
Federal financial aid grants	1,095,841
State financial aid grants	912,090
Nongovernmental and other financial aid grants	36,914
Other federal nonoperating grants	833,895
Gifts and grants received for other than capital purposes	60,628
Federal loan program receipts	1,135,888
Federal loan program disbursements	(1,135,480)
Monies received on behalf of others	75,701
Monies disbursed on behalf of others	(73,421)
Transfers to escrow agent	(78,583)
Proceeds from long-term debt	57,051
Principal paid on long-term debt	(21,905)
Interest paid on long-term debt	(18,861)
Issuance of notes receivable	(11,594)
Issuance of capital leases receivable	(30,571)
Principal collections on capital leases	32,673
Interest collections on capital leases	3,104
Principal collections on notes receivable	36,193
Interest collections on notes receivable	17,962
Other noncapital financing activities	(90,557)
	<hr/>
Net cash provided by noncapital financing activities	6,528,962
	<hr/>

CALIFORNIA STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>University</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	\$ 1,479,324
State appropriations	25,807
Capital grants and gifts	82,782
Proceeds from sale of capital assets	54,816
Acquisition of capital assets	(1,210,013)
Transfers to escrow agent	(440,400)
Principal paid on capital debt and leases	(415,767)
Interest paid on capital debt and leases	(355,197)
Principal collection on capital leases	5,598
Interest collection on capital leases	7,265
Net cash used in capital and related financing activities	<u>(765,785)</u>
Cash flows from investing activities:	
Proceeds from sales of investments	11,287,501
Purchases of investments	(11,394,671)
Investment income proceeds	120,053
Net cash provided by investing activities	<u>12,883</u>
Net decrease in cash and cash equivalents	(4,006)
Cash and cash equivalents at beginning of year	11,518
Cash and cash equivalents at end of year	<u>\$ 7,512</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 7,512
Total cash and cash equivalents at end of year	<u>\$ 7,512</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (7,498,201)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	560,612
Change in assets and liabilities:	
Accounts receivable, net	(8,012)
Student loans receivable, net	219
Prepaid expenses and other current assets	(1,810)
Other assets	1,876
Deferred outflows of resources	230,082
Accounts payable	41,761
Accrued salaries and benefits	805
Accrued compensated absences	21,291
Unearned revenues	50,924
Depository accounts	(1,859)

CALIFORNIA STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>University</u>
Total other postemployment benefits liability	820,942
Net pension liability	228,543
Other liabilities	8,863
Deferred inflows of resources	(236,102)
Net cash used in operating activities	<u>\$ (5,780,066)</u>

Supplemental schedule of noncash transactions:

State's contribution for OPEB	\$ 349,713
Other assets paid through long-term debt	36,073
Amortization of net bond premium	29,398
Change in accrued capital asset purchases	20,300

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS



CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2021

(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, 2021:

- 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, 2021

(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 92 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 81.52% 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, 2021

(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, 2021

(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
- 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
- Associated Students of San Francisco State University

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2021

(In thousands)

- 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

**New in FY 2020/2021*

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. There were adjustments to the beginning net position of certain component units that were deemed insignificant to the financial statements. 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. These organizations primarily provide services to the University in the areas of asset management and student support. The University is financially accountable for these organizations.

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2021

(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

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, 2021, and therefore, was not reported in the basic financial statements.

In May 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, effective for the University's fiscal year ended June 30, 2020. This Statement extends the effective dates of certain accounting and financial reporting provisions in Statements and Implementation Guides that were first effective for reporting periods beginning after June 15, 2018. The new accounting pronouncements below reflect the extended effective dates pursuant to GASB Statement No. 95.

In June 2017, the GASB issued Statement No. 87, *Leases*, effective for the University's fiscal year beginning July 1, 2021. This Statement requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The University is evaluating the effect GASB Statement No. 87 will have on its financial statements.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, effective for the University's fiscal year beginning July 1, 2021. This Statement requires that interest cost incurred before the end of the construction period be recognized as an expense in the period in which the cost is incurred. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The University is evaluating the effect GASB Statement No. 89 will have on its financial statements.

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In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*, effective for the University's fiscal year beginning July 1, 2022. This Statement clarifies the definition of a conduit debt obligation and establishes that a conduit debt obligation is not a liability of the issuer. However, an issuer should recognize a liability associated with an additional commitment or a voluntary commitment to support debt service if certain recognition criteria are met. The University is evaluating the effect GASB Statement No. 91 will have on its financial statements.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*, effective for the University's fiscal year beginning July 1, 2021. This Statement addresses a variety of topics including issues related to leases and implementation guides, intra-entity transfers of assets, fiduciary activities, asset retirement obligations, and postemployment benefits (pensions and OPEB). The University is evaluating the effect GASB Statement No. 92 will have on its financial statements.

In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates (IBOR)*, effective for the University's fiscal year beginning July 1, 2021. This Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. The University is evaluating the effect GASB Statement No. 93 will have on its financial statements.

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 arrangements. 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 June 2020, the GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, effective for the University's fiscal year beginning July 1, 2021. This Statement will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The University is evaluating the effect GASB Statement No. 97 will have on its financial statements.

(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.

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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, 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 receivable, 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. Such cost includes, where applicable, interest capitalized as part of the cost of constructed capital assets. 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. Capital assets, with the exception of land and land improvements, works of art and historical treasures, construction work in progress, and certain intangible assets, are depreciated or amortized on a straight-line basis over their estimated useful lives, which ranges from 3 to 45 years. Library books, unless considered rare collections, are capitalized and depreciated over a 10-year period. Periodicals and subscriptions are expensed as purchased. Works of art and historical treasures are valued at cost, if purchased, or the acquisition value (an entry

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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) Unearned Revenues

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

(j) 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, 2021 to calculate the liability for accrued compensated absences. The University provides vacation based on length of service and job classifications.

(k) 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, 2021. 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.

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.

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(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 expense 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 position is negative due primarily to liabilities for pension and other postemployment health benefits exceeding University assets available to pay such obligations.

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(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, 2020. 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.

(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.

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(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, 2021 are classified in the accompanying Statement of Net Position as follows:

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Cash and cash equivalents	\$	7,512
Total cash and cash equivalents		<u>7,512</u>
Short-term investments		4,210,803
Endowment investments		1,663
Other long-term investments:		
Restricted for capital projects expenditures		1,208,353
Others		810,919
Other long-term investments		<u>2,019,272</u>
Total investments		<u>6,231,738</u>
Total cash, cash equivalents, and investments		<u>\$ 6,239,250</u>

(a) Cash and Cash Equivalents

At June 30, 2021, cash and cash equivalents consist of demand deposits held at the State Treasury, commercial banks, and petty cash. Total cash and cash equivalents of \$7,512 had a corresponding carrying balance with the State Treasury and commercial banks of \$18,234 at June 30, 2021. The difference was primarily related to deposits in transit and outstanding checks.

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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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 \$1,361,864 as of June 30, 2021.

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. 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, 2021 are presented in the following table:

Investment type	Fair value	Duration
Money market funds	\$ 382,120	—
Certificates of deposit	238,751	0.13519
U.S. agency securities	835,733	1.50078
U.S. Treasury securities	1,158,909	1.31812
Municipal bonds	13,975	1.25882
Corporate bonds	910,352	1.45002
Mortgage-backed securities	39,993	1.68804
Mutual funds:		
Fixed income	530,607	6.05536
Equity and real assets	831,256	N/A
SMIF	1,290,042	0.79726
Total	<u>\$ 6,231,738</u>	

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

(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.

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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, 2021 are presented in the following table:

Investment type	Fair value	AAA	AA	A	BB	B	Not rated
Money market funds	\$ 382,120	70,378	—	—	—	—	311,742
Certificates of deposit	238,751	122,977	—	115,774	—	—	—
U.S. agency securities	835,733	—	835,733	—	—	—	—
U.S. Treasury securities	1,158,909	—	1,158,909	—	—	—	—
Municipal bonds	13,975	—	11,032	2,943	—	—	—
Corporate bonds	910,352	—	131,270	779,082	—	—	—
Mortgage-backed securities	39,993	8,275	31,718	—	—	—	—
Mutual funds:							
Fixed income	530,607	—	366,946	—	20,382	143,279	—
Equity and real assets	831,256	—	—	—	—	—	831,256
SMIF	1,290,042	—	—	—	—	—	1,290,042
Total	<u>\$6,231,738</u>	<u>201,630</u>	<u>2,535,608</u>	<u>897,799</u>	<u>20,382</u>	<u>143,279</u>	<u>2,433,040</u>

The mutual funds credit ratings are based on average credit ratings of the underlying mutual funds. Credit ratings for mutual fund 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.

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(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, 2021, 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 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.

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- 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, 2021:

Investment type	Fair value	Level 2	NAV	Not required to be leveled
Money market funds	\$ 382,120	—	382,120	—
Certificates of deposit	238,751	238,751	—	—
U.S. agency securities	835,733	835,733	—	—
U.S. Treasury securities	1,158,909	1,158,909	—	—
Municipal bonds	13,975	13,975	—	—
Corporate bonds	910,352	910,352	—	—
Mortgage-backed securities	39,993	39,993	—	—
Mutual funds:				
Fixed income	530,607	530,607	—	—
Equity and real asset	831,256	831,256	—	—
SMIF	1,290,042	—	—	1,290,042
Total	<u>\$ 6,231,738</u>	<u>4,559,576</u>	<u>382,120</u>	<u>1,290,042</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 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 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).

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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.

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2021

(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, 2021:

Investment type	Current	Noncurrent	Total
Money market funds	\$ 76,567	53,566	130,133
Certificates of deposit	26,367	2,314	28,681
U.S. agency securities	23,530	6,626	30,156
U.S. Treasury securities	77,643	113,994	191,637
Municipal bonds	3,602	10,774	14,376
Corporate bonds	84,361	139,829	224,190
Asset-backed securities	2,186	2,051	4,237
Mortgage-backed securities	6,026	36,924	42,950
Mutual funds	258,045	893,873	1,151,918
Exchange-traded funds	64,846	264,964	329,810
Equity securities	83,247	821,703	904,950
Alternative investments:			
Private equity (including limited partnerships)	3,574	100,757	104,331
Hedge funds	9,673	187,209	196,882
Managed futures	—	3,608	3,608
Real estate investments (including real estate investment trust)	3,346	35,031	38,377
Commodities	—	17,298	17,298
Other alternative investments	2,559	94,658	97,217
Other external investment pools	—	39,201	39,201
Local Agency Investment Fund (LAIF)	285,687	2,000	287,687
Other investments	3,048	20,914	23,962
Total	\$ 1,014,307	2,847,294	3,861,601

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

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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, 2021:

<u>Investment type</u>	<u>Fair value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>NAV</u>
Money market funds	\$ 130,133	105,866	8,978	—	15,289
Certificates of deposit	28,681	262	28,419	—	—
U.S. agency securities	30,156	2,230	27,926	—	—
U.S. Treasury securities	191,637	31,370	112,735	—	47,532
Municipal bonds	14,376	5,054	9,322	—	—
Corporate bonds	224,190	112,032	93,145	—	19,013
Asset-backed securities	4,237	112	4,125	—	—
Mortgage-backed securities	42,950	4,058	10,373	—	28,519
Mutual funds	1,151,918	1,095,898	38,408	—	17,612
Exchange-traded funds	329,810	329,222	588	—	—
Equity securities	904,950	829,754	14,430	46,106	14,660
Alternative investments:					
Private equity (including limited partnerships)	104,331	1,218	—	12,769	90,344
Hedge funds	196,882	6,796	10,962	569	178,555
Managed futures	3,608	—	—	—	3,608
Real estate investments					
(including real estate investment trust)	38,377	5,495	—	6,903	25,979
Commodities	17,298	5,428	—	—	11,870
Other alternative investments	97,217	1,216	—	—	96,001
Other external investment pools	39,201	—	—	39,201	—
LAIF	287,687	—	—	—	287,687
Other investments	23,962	21,304	1,499	1,159	—
Total	<u>\$ 3,861,601</u>	<u>2,557,315</u>	<u>360,910</u>	<u>106,707</u>	<u>836,669</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 of \$65,534 are invested under contractual agreements on behalf of the discretely presented component units by the University.

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2021

(In thousands)

(4) Accounts Receivable

Accounts receivable of the University at June 30, 2021 consisted of the following:

	Current	Noncurrent	Total
State appropriations	\$ 519	8,865	9,384
State appropriations – SPWB Lease Revenue Bond program	—	1,045	1,045
Discretely presented component units	58,972	6,117	65,089
Student accounts	130,091	—	130,091
Government grants and contracts	121,983	—	121,983
Others	29,872	353	30,225
	<u>341,437</u>	<u>16,380</u>	<u>357,817</u>
Less allowance for doubtful accounts	<u>(46,987)</u>	<u>—</u>	<u>(46,987)</u>
Total	\$ <u>294,450</u>	<u>16,380</u>	<u>310,830</u>

(5) Capital Lease Receivable

The University has entered into capital lease agreements with certain discretely presented component units using proceeds from issuance of SRB and BANs to lease existing and newly constructed facilities to the discretely presented component units amounting to \$195,527. Interest rates range from 0.35% to 5.55%. Lease payments are due twice a year on May 1 and November 1. Under the capital lease agreements, payments are due to the University as follows:

Fiscal year ending June 30:

2022	\$ 16,388
2023	29,750
2024	23,564
2025	23,466
2026	20,679
2027 - 2031	94,782
2032 - 2036	65,101
2037 - 2041	16,602
2042 - 2046	6,726
2047 - 2051	2,689
Total minimum lease payments to be received	<u>299,747</u>
Less amounts representing interest	<u>(76,852)</u>
Present value of future minimum lease payments to be received	222,895
Less current portion	<u>(9,218)</u>
Capital lease receivable, net of current portion	<u>\$ 213,677</u>

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2021

(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 \$362,301. Interest rates range from 0.35% 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:

2022	\$	29,695
2023		29,633
2024		29,590
2025		29,820
2026		28,924
2027 - 2031		142,082
2032 - 2036		116,283
2037 - 2041		82,349
2042 - 2046		56,354
2047 - 2051		20,725
Total minimum note payments to be received		565,455
Less amounts representing interest		(200,032)
Present value of future minimum note payments to be received		365,423
Less current portion		(13,722)
Notes receivable, net of current portion		\$ 351,701

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2021

(In thousands)

(7) Capital Assets

Capital assets activity for the University for the year ended June 30, 2021 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	\$ 285,802	92,955	—	—	378,757
Works of art and historical treasures	53,581	3,951	(474)	—	57,058
Construction work in progress	1,259,072	1,018,149	(10,100)	(426,380)	1,840,741
Intangible assets	41,200	2,945	(493)	(2,035)	41,617
Total nondepreciable/ nonamortizable capital assets	<u>1,639,655</u>	<u>1,118,000</u>	<u>(11,067)</u>	<u>(428,415)</u>	<u>2,318,173</u>
Depreciable/amortizable capital assets:					
Buildings and building improvements	14,038,802	29,816	(50,946)	389,440	14,407,112
Improvements other than buildings	776,549	4,495	(184)	8,149	789,009
Infrastructure	1,301,903	48,358	(49,529)	25,666	1,326,398
Personal property:					
Equipment	939,386	48,363	(12,197)	3,125	978,677
Library books and materials	387,569	5,499	(441)	—	392,627
Intangible assets	283,546	13,939	(2,650)	2,035	296,870
Total depreciable/ amortizable capital assets	<u>17,727,755</u>	<u>150,470</u>	<u>(115,947)</u>	<u>428,415</u>	<u>18,190,693</u>
Total cost	<u>19,367,410</u>	<u>1,268,470</u>	<u>(127,014)</u>	<u>—</u>	<u>20,508,866</u>
Less accumulated depreciation/ amortization:					
Buildings and building improvements	(6,689,148)	(419,226)	7,382	—	(7,100,992)
Improvements other than buildings	(567,291)	(28,646)	439	—	(595,498)
Infrastructure	(632,284)	(39,356)	47,242	—	(624,398)
Personal property:					
Equipment	(719,922)	(57,589)	11,214	—	(766,297)
Library books and materials	(356,605)	(6,225)	426	—	(362,404)
Intangible assets	(262,611)	(9,570)	2,119	—	(270,062)
Total accumulated depreciation/amortization	<u>(9,227,861)</u>	<u>(560,612)</u>	<u>68,822</u>	<u>—</u>	<u>(9,719,651)</u>
Net capital assets	<u>\$ 10,139,549</u>	<u>707,858</u>	<u>(58,192)</u>	<u>—</u>	<u>10,789,215</u>

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2021

(In thousands)

Capital assets activity of the discretely presented component units of the University for the year ended June 30, 2021 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	\$ 135,503	17,006	(8,464)	—	144,045
Works of art and historical treasures	12,922	77	(769)	—	12,230
Construction work in progress	71,398	24,968	(4,709)	(64,185)	27,472
Intangible assets	6,637	6	(1,539)	(6)	5,098
Total nondepreciable/ nonamortizable capital assets	<u>226,460</u>	<u>42,057</u>	<u>(15,481)</u>	<u>(64,191)</u>	<u>188,845</u>
Depreciable/amortizable capital assets:					
Buildings and building improvements	792,499	8,929	(34,931)	54,017	820,514
Improvements other than buildings	205,759	2,891	(5,593)	6,863	209,920
Infrastructure	67,693	—	—	—	67,693
Personal property:					
Equipment	246,249	9,056	(25,418)	3,305	233,192
Intangible assets	7,785	200	(516)	6	7,475
Total depreciable/ amortizable capital assets	<u>1,319,985</u>	<u>21,076</u>	<u>(66,458)</u>	<u>64,191</u>	<u>1,338,794</u>
Total cost	<u>1,546,445</u>	<u>63,133</u>	<u>(81,939)</u>	<u>—</u>	<u>1,527,639</u>
Less accumulated depreciation/ amortization:					
Buildings and building improvements	(355,261)	(29,098)	12,126	—	(372,233)
Improvements other than buildings	(105,565)	(11,112)	2,777	—	(113,900)
Infrastructure	(25,933)	(1,697)	—	—	(27,630)
Personal property:					
Equipment	(182,078)	(17,273)	20,227	—	(179,124)
Intangible assets	(6,163)	(817)	505	—	(6,475)
Total accumulated depreciation/amortization	<u>(675,000)</u>	<u>(59,997)</u>	<u>35,635</u>	<u>—</u>	<u>(699,362)</u>
Net capital assets	<u>\$ 871,445</u>	<u>3,136</u>	<u>(46,304)</u>	<u>—</u>	<u>828,277</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.

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2021

(In thousands)

(8) Lease Obligations

The University is obligated under various capital and operating leases and installment purchase agreements for the acquisition of equipment and facility rentals. A substantial amount of the capital leases are a result of the University's participation with the State in the State Public Works Board (SPWB) Lease Revenue Bond program. The University has participated in this 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 lease payments. The capital lease obligations related to the SPWB Lease Revenue Bond program amounted to \$137,350 at June 30, 2021. Total capital assets related to these capital leases have a carrying value of \$146,586 at June 30, 2021. The leases have terms expiring in various years through 2035. The other capital leases consist primarily of leases of campus facilities, but also include certain computer, energy efficiency equipment, and telecommunications equipment. Total capital assets related to these capital leases have a carrying value of \$211,609 at June 30, 2021. The leases bear interest at rates ranging from 0.04% to 10% and have terms expiring in various years through 2049.

Operating leases consist primarily of leases for the use of real property. The University's operating leases expire in various years through 2099. The leases can be canceled if the State does not provide adequate funding. Some of these leases are with discretely presented component units for the rental of office space used in the operations of the University. Total operating lease expenditures for the year ended June 30, 2021 were \$29,165 of which \$13,502 was paid to related discretely presented component units.

Future minimum lease payments under capital and operating leases having remaining terms in excess of one year as of June 30, 2021 are as follows:

	Capital leases	Operating leases
Fiscal year ending June 30:		
2022	\$ 37,388	33,855
2023	36,353	21,209
2024	34,643	18,945
2025	33,791	17,230
2026	39,038	15,532
2027 - 2031	153,488	41,054
2032 - 2036	115,640	12,899
2037 - 2041	30,506	10,191
2042 - 2046	16,691	7,063
2047 - thereafter	9,274	1,229
Total minimum lease payments	506,812	\$ 179,207
Less amount representing interest	(171,499)	
Present value of future minimum lease payments	335,313	
Unamortized net premium	768	
Total capital lease obligations	336,081	
Less current portion	(20,008)	
Capital lease obligations, net of current portion	\$ 316,073	

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2021

(In thousands)

(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 \$1,937,864 as of June 30, 2021.

(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 \$7,888,250 at June 30, 2021. 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).

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.

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2021

(In thousands)

(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, 2021 were 1.90% and 0.17%, respectively. The University's BANs totaled \$63,266 at June 30, 2021. The authorized amounts totaled \$92,460, of which \$27,461 has not been issued and \$64,999 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.

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2021

(In thousands)

Long-term debt obligations of the University as of June 30, 2021 consisted of the following:

Description	Interest rate percentage	Final maturity date	Original issue amount	Amount outstanding
Systemwide Revenue Bonds:				
Housing Series N & Q	3%	2021/22	\$ 6,695	\$ 235
Series 2007-B	5.45-5.55	2037/38	13,165	8,425
Series 2007-C	5.00	2028/29	63,275	21,190
Series 2010-B	5.45-6.48	2041/42	205,145	205,145
Series 2011-A	3.00-5.25	2042/43	236,410	22,000
Series 2012-A	3.00-5.00	2042/43	436,220	14,930
Series 2012-B	2.79-4.17	2036/37	16,700	13,620
Series 2013-A	3.00-5.00	2026/27	308,855	175,265
Series 2014-A	3.00-5.00	2044/45	747,740	679,825
Series 2015-A	2.00-5.00	2047/48	1,032,920	889,420
Series 2015-B	1.98-4.41	2035/36	29,305	16,860
Series 2016-A	2.00-5.00	2045/46	1,133,105	1,082,700
Series 2016B-1	1.60	2047/48	50,000	50,000
Series 2016B-2	4.00	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	764,540
Series 2017-B	1.55-3.90	2047/48	335,155	332,105
Series 2017-C	3.25-5.00	2037/38	49,175	42,045
Series 2018-A	4.00-5.00	2050/51	492,690	483,395
Series 2018-B	2.45-4.25	2050/51	171,000	170,670
Series 2019-A	4.00-5.00	2051/52	449,430	444,865
Series 2019-B	1.90-3.59	2051/52	81,335	79,000
Series 2020-A	5.00	2031/32	65,240	56,385
Series 2020-B	1.47-3.07	2042/43	829,425	827,015
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
			<u>\$ 9,073,630</u>	7,888,250
Bond Anticipation Notes	Various			63,266
Others	Various			8,070
Total				<u>7,959,586</u>
Unamortized net bond premium				669,351
Total long-term debt				<u>8,628,937</u>
Less current portion				<u>(184,641)</u>
Long-term debt, net of current portion				<u>\$ 8,444,296</u>

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

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(In thousands)

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

Fiscal year ending June 30:	Principal	Interest
2022	\$ 184,641	322,479
2023	194,280	313,797
2024	216,357	305,697
2025	223,164	297,383
2026	225,695	289,001
2027 - 2031	1,316,898	1,294,708
2032 - 2036	1,415,202	997,202
2037 - 2041	1,395,870	695,528
2042 - 2046	1,369,870	398,382
2047 - 2051	1,112,841	140,989
2052 - thereafter	304,768	24,598
	\$ 7,959,586	5,079,764

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, 2021, the Board had approved SRB and BANs that were authorized but unissued in the aggregate principal amount of \$1,226,169 for projects including academic, infrastructure, housing, and parking facilities. As of June 30, 2021, there are approximately \$470,840 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.

(10) Long-Term Debt Refunding

Current Year Refunding

In September 2020, the University issued SRB Series 2020C (Tax Exempt), 2020D (Taxable) and 2020E (Taxable), a portion of Series 2020D proceeds was applied for advance refunding a portion of the SRB Series 2011A (Tax Exempt) and a portion of the SRB series 2012A (Tax Exempt). The defeasance will reduce the University's total financing cost by approximately \$71,176 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 \$64,065. 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 \$445,725 which remained outstanding as of June 30, 2021 .

CALIFORNIA STATE UNIVERSITY

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(In thousands)

Prior Year Refunding

In prior years, the University refunded a portion of SRB Series 2011A (Tax Exempt) by placing the proceeds from the issuance of SRB Series 2020B (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 \$193,445 as of June 30, 2021.

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2021

(In thousands)

(11) Long-Term Liabilities Activity

Long-term liabilities activity of the University for the year ended June 30, 2021 was as follows:

	Beginning balance	Additions	Reductions	Ending balance	Current portion
Accrued compensated absences	\$ 270,011	154,897	(133,607)	291,301	109,535
Capital lease obligations (note 8)	357,072	180	(21,171)	336,081	20,008
Long-term debt obligations (note 9):					
Systemwide revenue bonds	7,218,305	1,308,615	(638,670)	7,888,250	182,190
Bond anticipation notes	129,119	176,891	(242,744)	63,266	72
Other	9,012	2,880	(3,822)	8,070	2,379
	<u>7,356,436</u>	<u>1,488,386</u>	<u>(885,236)</u>	<u>7,959,586</u>	<u>184,641</u>
Unamortized net bond premium	685,331	50,869	(66,849)	669,351	—
Total long-term debt obligations	<u>8,041,767</u>	<u>1,539,255</u>	<u>(952,085)</u>	<u>8,628,937</u>	<u>184,641</u>
Total long-term liabilities	<u>\$ 8,668,850</u>	<u>1,694,332</u>	<u>(1,106,863)</u>	<u>9,256,319</u>	<u>314,184</u>

Long-term liabilities activity of the aggregated discretely presented component units of the University for the year ended June 30, 2021 was as follows:

	Beginning balance	Additions	Reductions	Ending balance	Current portion
Accrued compensated absences	\$ 22,529	11,284	(10,708)	23,105	16,077
Claims liability for losses					
and loss adjustment expenses	53,977	39,817	(38,983)	54,811	18,065
Capital lease obligations	246,773	31,007	(42,409)	235,371	9,235
Long-term debt obligations:					
Revenue bonds	18,820	—	(1,030)	17,790	1,075
Commercial paper, including principal rollovers	129,119	558,523	(624,376)	63,266	62,556
Notes payable	334,785	21,966	(43,035)	313,716	11,480
Other	69,631	25,932	(8,301)	87,262	10,490
	<u>552,355</u>	<u>606,421</u>	<u>(676,742)</u>	<u>482,034</u>	<u>85,601</u>
Unamortized net bond premium	39,851	—	(6,423)	33,428	—
Total long-term liabilities	<u>\$ 915,485</u>	<u>688,529</u>	<u>(775,265)</u>	<u>828,749</u>	<u>128,978</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 component units amounting to \$313,716 included in notes payable and \$48,585 in other long-term debt obligations as of June 30, 2021.

The University has also entered into capital lease agreements with certain discretely presented component units using proceeds from issuance of SRB and BANs to lease existing and newly constructed facilities to the discretely presented component units amounting to \$193,809 as of June 30, 2021.

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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 belong to either the State Miscellaneous Tier 1 or Peace Officers and Firefighters categories.

(b) *Benefits Provided*

In addition to providing pension benefits to members, the plan also provides survivor, death, and disability benefits. Eligible employees and their eligible dependents 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 provisions, assumptions, and membership information are listed in the June 30, 2019 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., State miscellaneous or peace officers and firefighters)
- Membership category (Classic 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 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 a cost sharing multiple-employer defined-benefit pension plan, which provides a defined-benefit pension 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, 2019 through June 30, 2020.

(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 the July 1 following notice of a change in the rate. The total plan contributions are determined through the 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

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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, 2020, the average State's active employee contribution rates for State Miscellaneous and Peace Officer and Firefighters Plans are 7.00% and 11.51% of annual payroll, respectively. For the measurement period ended June 30, 2020, the State's contribution rates for State Miscellaneous and Peace Officer and Firefighters Plans are 31.08% and 48.85% 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:		
2021	\$	950,935
2020		1,011,518
2019		928,987

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, 2021, the outstanding amount to be repaid by the University is \$83,417.

(e) Actuarial Methods and Assumptions

The total pension liability was measured as of June 30, 2020 (measurement date), by rolling forward the total pension liability determined by the June 30, 2019 actuarial valuation (valuation date), based on the following

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actuarial methods and assumptions:

Valuation date:	June 30, 2019
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:	Contract cost of living allowance up to 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 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 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 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 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

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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 1–10¹ %	years 11+² %
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>		

¹ An expected inflation of 2% used for this period

² 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	\$ 11,785,845	8,270,213	5,323,791
Peace Officers and Firefighters Plan	225,702	149,100	86,232
Net pension liability	<u>\$ 12,011,547</u>	<u>8,419,313</u>	<u>5,410,023</u>

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(i) Changes in Net Pension Liability

The University reported a liability of \$8,419,313 for its proportionate share of the State's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined based on an actuarial valuation as of June 30, 2019 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, 2020, the University's proportionate share of the total State net pension liability for the State Miscellaneous and Peace Officers and Firefighters Plans were 23.79119% and 1.05879%, respectively.

	State Miscellaneous Plan	State Peace Officers and Firefighters Plan	Total
Balance at June 30, 2019 (measurement date)	\$ 8,022,234	168,536	8,190,770
Changes in proportionate share	(19,996)	(12,402)	(32,398)
Balance at June 30, 2019, adjusted	8,002,238	156,134	8,158,372
Changes recognized for the measurement period:			
Service cost	505,738	11,250	516,988
Interest on total pension liability	1,971,907	37,563	2,009,470
Recognized difference between expected and actual experience	176,645	1,823	178,468
Employee contributions	(239,299)	(4,895)	(244,194)
Employer contributions	(1,191,591)	(34,101)	(1,225,692)
Net investment income	(984,513)	(19,194)	(1,003,707)
Plan to plan resource movement	1,003	(8)	995
Administrative expenses	28,085	528	28,613
Net changes	267,975	(7,034)	260,941
Balance at June 30, 2020 (measurement date)	\$ 8,270,213	149,100	8,419,313

(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 \$1,277,922 for State Miscellaneous Plan and State Peace Officers and Firefighters Plan, which were reported as benefits expense.

The following table presents deferred outflows and inflows of resources as of June 30, 2021. 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

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subsequent to the measurement date of June 30, 2020 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	\$ 950,935	—
Differences due to changes in assumptions	6,374	88,036
Net differences between projected and actual earnings on pension plan investments	207,714	—
Differences between expected and actual experience	417,880	700
Total	\$ 1,582,903	88,736

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)		
			2021	2022	Total
Peace Officers and Firefighters Plan:					
2017	27,621	5.2	5,312	1,062	6,374
Increase in pension expense			\$ 5,312	1,062	6,374

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(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 dates)				
			2021	2022	2023	2024	Total
Miscellaneous Plan:							
2018	\$ 106,048	4.1	\$ 25,865	2,587	—	—	28,452
2019	483,546	4.1	117,938	117,938	11,794	—	247,670
2020	176,645	4.2	42,058	42,058	42,058	8,412	134,586
Peace Officers and Firefighters Plan:							
2016	194	5.2	7	—	—	—	7
2018	3,749	5	750	750	—	—	1,500
2019	7,035	5	1,407	1,407	1,407	—	4,221
2020	1,823	4.8	380	380	380	304	1,444
Increase in pension expense			<u>\$ 188,405</u>	<u>\$ 165,120</u>	<u>\$ 55,639</u>	<u>\$ 8,716</u>	<u>\$ 417,880</u>

(iii) Schedule of Differences between Projected and Actual Earnings on Pension Plan Investments

Measurement Period ended June 30	Initial differences*	Recognition period (year)	Increase (decrease) in pension expense arising from the recognition of the differences between projected and actual earnings on pension plan investments (measurement dates)				
			2021	2022	2023	2024	Total
Miscellaneous Plan:							
2017	\$ (628,395)	5	\$ (125,679)	—	—	—	(125,679)
2018	(217,519)	5	(43,504)	(43,504)	—	—	(87,008)
2019	118,351	5	23,670	23,670	23,670	—	71,010
2020	431,953	5	86,391	86,391	86,391	86,391	345,564
Peace Officers and Firefighters Plan:							
2017	(11,198)	5	(2,240)	—	—	—	(2,240)
2018	(3,947)	5	(789)	(789)	—	—	(1,578)
2019	2,076	5	415	415	415	—	1,245
2020	8,001	5	1,600	1,600	1,600	1,600	6,400
Increase (decrease) in pension expense			<u>\$ (60,136)</u>	<u>67,783</u>	<u>112,076</u>	<u>87,991</u>	<u>207,714</u>

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

(iv) Schedule of Differences between Expected and Actual Experience

Measurement Period ended June 30	Initial differences*	Recognition period (year)	Decrease in pension expense arising from the recognition of the differences between expected and actual experience (measurement dates)		
			2021	2022	Total
Peace Officers and Firefighters Plan:					
2017	\$ 3,034	5.2	\$ 583	117	700
Decrease in pension expense			\$ 583	117	700

(v) 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)		
			2021	2022	Total
Miscellaneous Plan:					
2018	\$ 327,737	4.1	\$ 79,936	7,994	87,930
Peace Officers and Firefighters Plan:					
2018	266	5	53	53	106
Decrease in pension expense			\$ 79,989	8,047	88,036

*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/Preferred Provider

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(PPO) 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 health benefit terms were:

	Headcount
Retirees elected to receive healthcare benefits	32,204
Active employees	50,271
Total	<u>82,475</u>

(c) Contributions

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

For healthcare benefits, responsibility for funding the cost of the employer share of premiums is apportioned between the State and the University based on "billable" and "nonbillable" accounts. Billable accounts have special revenue sources such as fees, licenses, penalties, assessments, and interest, which offset the costs incurred by the University 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.

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

Valuation and measurement date:	June 30, 2020
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	2.45%
Price inflation	2.25%
Wage inflation	2.50%
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	7.5% in 2022, graded down over a six-year period until to a trend rate of 4.5% in 2028, remains at 4.50 percent for nine years until the ultimate rate of 4.25 percent is reached in 2037.
Post-Medicare cost trend rate	7.5% in 2022, graded down over a six-year period until to a trend rate of 4.5% in 2028, remains at 4.50 percent for nine years until the ultimate rate of 4.25 percent is reached in 2037.
Participation rate	On average approximately 95% of all eligible retirees elect healthcare coverage.
Per capita claim costs	A retiree healthcare actuarial valuation depends on the retired member's expected healthcare claim at a given age indexed for healthcare inflation.
Pension-related:	Assumptions were based on the December 2017 Experience Study conducted by CalPERS which includes rates of decrement, salary increase rates, and economic assumptions. Assumptions were first adopted beginning with the June 30, 2018, actuarial valuation.

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 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.

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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:

	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	\$ 13,408,462	15,323,276	17,792,403

(f) Discount Rate

The discount rate used to estimate the total OPEB liability as of measurement dates June 30, 2020 and 2019 was 2.45% and 3.13%, 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 2.45%, 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 (1.45%) or one-percentage point higher (3.45%) than the current rate:

	Discount rate -1% (1.45%)	Current discount rate (2.45%)	Discount rate + 1% (3.45%)
Total OPEB liability	\$ 18,094,566	15,323,276	13,119,591

(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, 2019 (Measurement Date)	\$ 14,498,545
Changes recognized for the measurement period:	
Service cost	643,745
Interest on total OPEB liability	467,733
Recognized changes of assumptions	585,190
Differences between expected and actual experience (non-investment)	(471,337)
Employer contribution	(400,600)
Net changes	824,731
Balance at June 30, 2020 (Measurement Date)	\$ 15,323,276

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

The University recognized OPEB expense of \$747,972 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, 2020 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	\$ 390,008	—
Differences due to changes in assumptions	1,049,506	996,281
Differences between expected and actual experience (non-investment)	—	1,121,335
Total	<u>\$ 1,439,514</u>	<u>2,117,616</u>

The University's contributions subsequent to the measurement date includes \$353,502 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 arising from changes of assumptions (measurement dates)								Total
			2021	2022	2023	2024	2025	2026	2027		
2019	\$ 751,688	7.25	\$ 103,631	103,631	103,631	103,631	103,631	103,631	26,271	—	544,426
2020	585,190	7.30	80,110	80,110	80,110	80,110	80,110	80,110	80,110	24,420	505,080
Increase in OPEB expenses			<u>\$ 183,741</u>	<u>183,741</u>	<u>183,741</u>	<u>183,741</u>	<u>183,741</u>	<u>183,741</u>	<u>106,381</u>	<u>24,420</u>	<u>1,049,506</u>

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

Measurement Period ended June 30	Initial difference	Recognition period (year)	Decrease in OPEB expenses arising from changes of assumptions (measurement dates)					Total
			2021	2022	2023	2024	2025	
2017	\$ 1,663,194	6.86	\$ 242,299	242,299	209,400	—	—	693,998
2018	519,714	7.17	72,477	72,477	72,477	72,477	12,375	302,283
Decrease in OPEB expenses			<u>\$ 314,776</u>	<u>314,776</u>	<u>281,877</u>	<u>72,477</u>	<u>12,375</u>	<u>996,281</u>

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2021

(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)	2021	2022	2023	2024	2025	2026	2027	Total
2018	\$ 1,111,239	7.17	\$ 154,968	154,968	154,968	154,968	26,463	—	—	646,335
2019	94,145	7.25	12,979	12,979	12,979	12,979	12,979	3,292	—	68,187
2020	471,337	7.30	64,524	64,524	64,524	64,524	64,524	64,524	19,669	406,813
Decrease in OPEB expenses			<u>\$ 232,471</u>	<u>232,471</u>	<u>232,471</u>	<u>232,471</u>	<u>103,966</u>	<u>67,816</u>	<u>19,669</u>	<u>1,121,335</u>

(14) Deferred Outflows and Inflows of Resources

The composition of deferred outflows and inflows of resources at June 30, 2021 is summarized as follows:

	Deferred outflows of resources	Deferred inflows of resources
Related to:		
Net pension liability (note 12)	\$ 1,582,903	88,736
Total other postemployment benefits liability (note 13)	1,439,514	2,117,616
Unamortized loss on SRB debt refunding	79,011	—
Unamortized gain on SRB debt refunding	—	4,353
Nonexchange transactions	—	967
Others	33	5,062
Total	<u>\$ 3,101,461</u>	<u>2,216,734</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, 2021. 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, 2021.

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, 2021

(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, 2021 totaled \$826,832. 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 \$8,794 of electricity at fixed prices through December 2022. The University estimates that the special purchase contract in place represent approximately 11.48% 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, 2021, operating expenses by natural classification consisted of the following:

	Salaries	Benefits	Scholarships and fellowships expense	Supplies and other services	Depreciation and amortization	Total operating expenses
Instruction	\$ 1,995,868	1,383,175	—	151,865	—	3,530,908
Research	31,518	5,885	—	19,865	—	57,268
Public service	24,676	14,019	—	11,757	—	50,452
Academic support	451,905	354,312	—	194,154	—	1,000,371
Student services	464,215	415,761	—	363,666	—	1,243,642
Institutional support	492,242	417,491	—	274,637	—	1,184,370
Operation and maintenance of plant	249,720	292,349	—	325,146	—	867,215
Student grants and scholarships	—	—	1,335,231	—	—	1,335,231
Auxiliary enterprise expenses	67,829	87,647	—	248,028	—	403,504
Depreciation and amortization	—	—	—	—	560,612	560,612
Total	\$ 3,777,973	2,970,639	1,335,231	1,589,118	560,612	10,233,573

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2021

(In thousands)

(18) Transactions with Related Entities

The University is an agency of the State and receives approximately 40% of total revenues through state appropriations. State appropriations allocated to the University aggregated \$4,041,313 for the year ended June 30, 2021. State appropriations receivable is \$10,429 at June 30, 2021.

State appropriations allocated to the University for the year ended June 30, 2021 consisted of the following:

	2021
State appropriations, noncapital	\$ 3,691,390
State's contribution on behalf of the University for OPEB	349,713
State appropriations, capital	210
Total state appropriations	\$ 4,041,313

(19) Subsequent Events

The following information describes significant events that occurred subsequent to June 30, 2021, but prior to the date of the auditors' report.

- *SRB Issuance*

In July 2021, the University issued \$124,235 of SRB Series 2021A (Tax Exempt) and \$1,664,085 of SRB Series 2021B (Taxable). The new bonds were issued to fund various capital projects, redeem maturing BANs, refund a portion of outstanding SRB Series 2013A and a portion of the SRB Series 2014A bonds, and apply proceeds towards payment of capital lease obligations related to the State's Series 2010B-1 Public Works Board Lease Revenue Bonds.

- *BAN Issuance and Redemption*

In October 2021, the University redeemed the BANs for the following capital projects:

	Amount
Long Beach Hillside Renovation	\$ 31,416
Long Beach Housing Expansion Phase 1 Administration and Commons Building	18,853
Monterey Bay Capital Improvement	11,789
Total	\$ 62,058

In February and March 2022, the University issued BANs amounting to \$107,000 (Taxable) and \$7,520 (Tax-Exempt) for the San Diego State University's Mission Valley Multi-Use Stadium and California Polytechnic State University, San Luis Obispo's Science and Agricultural Teaching and Research Complex, respectively.

REQUIRED SUPPLEMENTARY INFORMATION



CALIFORNIA STATE UNIVERSITY

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

June 30, 2021

(In thousands)

Last Ten Fiscal Years⁽¹⁾

State of California Miscellaneous Plan	2020⁽²⁾	2019⁽²⁾	2018⁽²⁾	2017⁽²⁾	2016⁽²⁾	2015⁽²⁾	2014⁽²⁾
University's proportion of the net pension liability	23.79119 %	23.85065 %	24.09757 %	23.87558 %	22.87662 %	22.84970 %	22.72891 %
University's proportionate share of the net pension liability	\$ 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	\$ 3,152,983	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	262.29805 %	267.19061 %	261.02795 %	313.71711 %	295.07539 %	268.00996 %	244.88521 %
Plan fiduciary net position as a percentage of the total pension liability	71.51054 %	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	1.05879 %	1.14289 %	1.17223 %	1.15890 %	1.15882 %	1.07094 %	1.00623 %
University's proportionate share of the net pension liability	\$ 149,100	168,535	163,075	176,894	158,599	124,994	102,216
University's proportionate share of covered payroll	\$ 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	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	73.18576 %	70.56276 %	70.53476 %	65.89199 %	66.09678 %	69.61241 %	72.18915 %

⁽¹⁾ 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.

⁽²⁾ 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, 2021
 (In thousands)

Last Ten Fiscal Years⁽¹⁾

State of California Miscellaneous Plan	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 1,014,772	1,000,772	902,330	836,450	737,766	641,710	588,353
Contributions in relation to the actuarially determined contributions	(936,487)	(992,004)	(909,834)	(839,367)	(740,571)	(644,679)	(589,385)
Contribution deficiency (excess)	<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	\$ 3,195,126	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	29.30986 %	30.70560 %	29.54166 %	28.42380 %	26.74729 %	25.18397 %	24.24046 %
State of California Peace Officers and Firefighters Plan							
Actuarially determined contribution	\$ 19,601	\$ 19,512	\$ 18,374	17,762	15,858	14,027	11,737
Contributions in relation to the actuarially determined contributions	(14,448)	(19,514)	(19,153)	(18,442)	(16,600)	(14,647)	(13,610)
Contribution deficiency (excess)	<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	\$ 40,060	\$ 41,342	\$ 42,022	41,696	39,372	37,568	33,363
Contributions as a percentage of covered payroll	36.06590 %	47.20139 %	45.57851 %	44.22966 %	42.16194 %	38.98797 %	40.79369 %

⁽¹⁾ 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 Pensions

Year ended June 30, 2021

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, 2019 Funding Valuation Report.
Asset valuation method	Actuarial Value of Assets. For details, see June 30, 2019 Funding Valuation Report.
Inflation	2.5%
Salary increases	Varies by entry age and 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, 2019 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, 2021

(In thousands)

Last Ten Fiscal Years ⁽¹⁾

	2020 ⁽²⁾	2019 ⁽²⁾	2018 ⁽²⁾	2017 ⁽²⁾
University's total other postemployment benefits liability at beginning of the year	\$ 14,498,545	\$ 13,128,996	13,918,525	14,683,420
Changes recognized for the measurement period:				
Service cost	643,745	603,049	680,934	795,696
Interest on total other postemployment benefits liability	467,733	490,260	513,512	436,431
Recognized changes of assumptions	585,190	751,688	(519,714)	(1,663,194)
Recognized differences between Expected and Actual Experience (Non-Investment)	(471,337)	(94,145)	(1,111,239)	—
Employer contributions	(400,600)	(381,303)	(353,022)	(333,828)
Net changes	824,731	1,369,549	(789,529)	(764,895)
University's total other postemployment benefits liability at end of the year	\$ 15,323,276	\$ 14,498,545	13,128,996	13,918,525
University's covered payroll	\$ 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	473.64436 %	443.10469 %	420.55098 %	464.76588 %

⁽¹⁾ 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.

⁽²⁾ 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, 2021

(In thousands)

Last Ten Fiscal Years ⁽¹⁾

	2021	2020	2019	2018
Actuarially determined contributions	\$ 771,153	786,426	743,648	754,550
Contributions in relation to the actuarially determined contributions	(390,008)	(404,389)	(362,260)	(349,487)
Contribution deficiency	381,145	382,037	381,388	405,063
University's covered payroll	\$ 3,235,186	3,272,036	3,121,856	2,994,739
Contributions as a percentage of covered payroll	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.
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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 6.75 percent.
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Inflation	2.25%
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Payroll growth	2.50%
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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. For purposes of the mortality rates, the revised rates include 15 years of projected ongoing mortality improvement using 90% Scale MP 2016 published by the Society of Actuaries.
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⁽¹⁾ 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.

SUPPLEMENTARY INFORMATION



CALIFORNIA STATE UNIVERSITY

Systemwide Revenue Bond Program's Net Income Available for Debt Service

Year ended June 30, 2021

(In thousands)

Gross revenues:	
Tuition fees	\$ 3,390,203
Student housing	179,251
Student unions/recreation centers	280,152
Parking	21,462
Health centers	12,600
Professional and continuing education	434,689
Auxiliary organizations ¹	466,753
Other related entity ²	7,187
Total gross revenues	<u>4,792,297</u>
Maintenance and operation expenses ³ :	
Academic facilities	384,694
Student housing	305,594
Student unions/recreation centers	133,194
Parking	51,052
Health centers	4,413
Professional and continuing education	338,498
Auxiliary organizations ¹	415,738
Total maintenance and operation expenses	<u>1,633,183</u>
Net income available for debt service	<u>\$ 3,159,114</u>
Debt service:	
Systemwide revenue bonds debt	\$ 468,032
Designated auxiliary organizations debt	2,018
Total debt service	<u>\$ 470,050</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 included gross revenues and maintenance and operation 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 operation expenses are excluded as these are not paid by the pledged gross revenues.
- (3) Maintenance and operation expenses for the year ended June 30, 2021 include extraordinary maintenance and repair projects, which are generally paid from existing program fund balance of \$102,575, other postemployment benefits expense of (\$9,086) pursuant to GASB Statement No. 75, and pension expense of \$1,278,000 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 ⁽¹⁾

Year ended June 30, 2021

	(In thousands)						
	Operating and other revenues	Operating expenditures	Excess of revenues over expenditures	Design capacity	Operational capacity ⁽²⁾⁽³⁾	Average number of spaces occupied	% of spaces occupied ⁽³⁾⁽⁴⁾
California State University, Bakersfield	\$ 1,357	(4,122)	5,479	500	496	79	16 %
California State University Channel Islands	3,238	6,395	(3,157)	1,529	1,526	186	12
California State University, Chico	1,690	10,284	(8,593)	2,239	2,308	95	4
California State University, Dominguez Hills	1,142	3,320	(2,178)	1,155	1,153	101	9
California State University, East Bay	3,173	8,154	(4,981)	1,296	1,634	390	24
California State University, Fullerton	4,095	9,978	(5,883)	1,918	2,039	273	13
California State Polytechnic University, Humboldt	6,773	9,348	(2,575)	2,069	2,095	698	33
California State University, Long Beach	2,971	16,269	(13,298)	1,826	1,622	261	16
California State University, Los Angeles	2,039	931	1,107	1,069	1,060	205	19
California State University Maritime Academy	5,718	8,457	(2,739)	984	984	430	44
California State University, Northridge	3,910	13,123	(9,213)	3,578	3,421	295	9
California State Polytechnic University, Pomona	2,947	12,984	(10,038)	2,862	2,884	130	5
California State University, Sacramento	5,020	26,246	(21,225)	2,088	2,172	372	17
California State University, San Bernardino	1,570	4,709	(3,139)	1,934	1,579	175	11
San Diego State University	38,850	61,431	(22,581)	4,839	5,303	855	16
San Francisco State University ⁽⁷⁾	14,309	29,648	(15,339)	4,461	4,399	454	10
San José State University	13,526	27,703	(14,177)	3,699	4,218	952	23
California Polytechnic State University, San Luis Obispo	57,553	34,934	22,619	7,764	7,764	5,025	65
Sonoma State University	5,891	14,098	(8,207)	3,146	3,286	527	16
California State University, Stanislaus	1,314	4,187	(2,873)	460	472	105	22
	\$ 177,086	298,077	(120,991)	49,416	50,415	11,608	23 %
Interest income	15,173	—	15,173				
Total	\$ 192,259	298,077	(105,818)				

CALIFORNIA STATE UNIVERSITY

Systemwide Revenue Bond Program's Residence and Dining Halls Operating Data by Campus ⁽¹⁾
Year ended June 30, 2021

	Average annual rates per academic year ⁽⁵⁾⁽⁶⁾								
	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	14,070	—	11,660	11,060	—
California State University, Chico	9,933	8,201	6,917	9,933	8,201	6,917	—	—	—
California State University, Dominguez Hills	10,500	9,000	8,250	11,500	10,500	—	—	—	—
California State University, East Bay	—	—	—	11,221	9,743	—	—	9,367	—
California State University, Fullerton	—	12,540	—	13,362	10,080	—	—	—	—
California State Polytechnic University, Humboldt	8,216	6,638	4,938	8,216	6,638	—	—	—	—
California State University, Long Beach	9,360	8,360	7,360	—	—	—	—	—	—
California State University, Los Angeles	—	—	—	12,426	9,598	7,728	10,825	—	—
California State University Maritime Academy	8,010	6,158	—	—	—	—	—	—	—
California State University, Northridge	—	—	—	12,449	7,316	—	—	7,050	—
California State Polytechnic University, Pomona	11,988	10,461	9,552	—	—	—	—	—	—
California State University, Sacramento	8,352	7,744	5,250	9,840	8,610	—	9,219	8,306	—
California State University, San Bernardino	—	—	—	10,352	—	11,272	9,652	—	—
San Diego State University	—	—	—	14,176	12,328	—	14,176	12,328	—
San Francisco State University ⁽⁷⁾	—	—	—	10,872	9,720	10,656	—	—	—
San José State University	10,329	9,061	7,602	14,456	11,491	10,455	17,197	11,467	10,023
California Polytechnic State University, San Luis Obispo	9,441	—	—	9,441	—	—	—	—	—
Sonoma State University	10,456	7,668	5,594	12,518	8,626	5,858	—	—	—
California State University, Stanislaus	8,090	—	4,936	8,620	7,150	—	—	—	—
Average annual rates	\$ 9,461	\$ 8,714	\$ 7,300	\$ 11,378	\$ 9,577	\$ 8,814	\$ 12,122	\$ 9,930	\$ 10,023

⁽¹⁾ Housing facilities at the Fresno, Monterey Bay and San Marcos campuses are operated by Auxiliary Organizations.

⁽²⁾ This column reflects capacity adjusted for increase or decrease in permanent conversions and temporary adjustments.

⁽³⁾ The systemwide operational capacity does not include 228 beds and 6 apartment units, of which 61 beds and 4 units were occupied by faculty and staff. Additionally, it does not include 2 student apartment units, which were both vacant.

⁽⁴⁾ Percent (%) of spaces occupied is based on Operational Capacity. The percentages represent the average academic year occupancy, which was adversely impacted by the COVID-19 pandemic.

⁽⁵⁾ 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.

⁽⁶⁾ Represent pre-COVID-19 approved rates. However, certain room configurations and rates were eliminated to prevent the spread of COVID-19.

⁽⁷⁾ The operational capacity does not include 1,336 apartment units, of which 653 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.

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY

Systemwide Revenue Bond Program's Statement of Insurance Coverage

Year ended June 30, 2021

(In thousands)

Expiration date ⁽¹⁾	Insurance Coverage	Coverage Limit	Insurance Company	Policy number
Property Insurance:				
July 1, 2021	CSU Master Property Policy, "All Risk" Building, Equipment, Rental Income (excluding earthquake)	\$1,000,000 per occurrence	Alliant Property Insurance Program	Multiple
July 1, 2021	CSU Master Property Policy, Boiler & Machinery	100,000	Alliant Property Insurance Program	Multiple
General Liability Insurance:				
July 1, 2021	Bodily Injury & Property Damage Liability (Primary)	5,000	CSU Risk Management Authority (self-insured portion)	CSURMA-LIAB-2021
July 1, 2021	Bodily Injury & Property Damage Liability (Reinsurance)	5,000 xs 5,000	Argonaut Insurance Company	2902105-02
July 1, 2021	Bodily Injury & Property Damage Liability (Reinsurance)	5,000 xs 10,000	Everest Reinsurance Company	FC10044208-2020
July 1, 2021	Bodily Injury & Property Damage Liability (Excess)	10,000 xs 15,000	Allied World National Assurance Company	0312-4050
July 1, 2021	Bodily Injury & Property Damage Liability (Excess)	5,000 xs 25,000	Ironshore Specialty Insurance Company	000541310
July 1, 2021	Bodily Injury & Property Damage Liability (Excess)	5,000 xs 30,000	Hallmark Specialty Insurance Company	77PEF2000F0
July 1, 2021	Bodily Injury & Property Damage Liability (Excess)	10,000 xs 35,000	Gemini Insurance Company	CEX09600368-07
July 1, 2021	Bodily Injury & Property Damage Liability (Excess)	5,000 xs 45,000	Hamilton Re	CX20-6549
July 1, 2021	Bodily Injury & Property Damage Liability (Excess)	25,000 xs 50,000	Multiple	Multiple
July 1, 2021	Bodily Injury & Property Damage Liability (Excess)	15,000 xs 75,000	Multiple	Multiple
July 1, 2021	Bodily Injury & Property Damage Liability (Excess)	10,000 xs 90,000	CSURMA	Self-insured
July 1, 2021	Bodily Injury & Property Damage Liability (Excess)	40,000 xs 100,000	Multiple	Multiple
July 1, 2021	Bodily Injury & Property Damage Liability (Excess)	25,000 xs 140,000	XL Insurance Company SE	IE00023784LI20A
July 1, 2021	Bodily Injury & Property Damage Liability (Excess)	35,000 xs 165,000	Multiple	Multiple
Workers' Compensation and Employer's Liability Insurance:				
July 1, 2021	Workers' Compensation and Employer's Liability	2,500	PRISM	PRISM-PE 20 EWC-143
July 1, 2021	Workers' Compensation and Employer's Liability	in excess of 2,500 up to California Workers' Compensation Statutes	Safety National Casualty Corporation	SP 4062939

⁽¹⁾ Additional insurance policies are maintained for the period from July 1, 2021 through July 1, 2022. These policies provide the same coverage indicated above.

See accompanying independent auditors' report.

CAMPUSES' SUPPLEMENTAL INFORMATION



CALIFORNIA STATE UNIVERSITY, BAKERSFIELD

Statement of Net Position

June 30, 2021

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 325	\$ 17,124	\$ 17,449
Short-term investments	89,328	55	89,383
Accounts receivable, net	12,257	3,145	15,402
Capital lease receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	1,977	1,977
Prepaid expenses and other current assets	242	11	253
Total current assets	<u>102,152</u>	<u>22,312</u>	<u>124,464</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	—	—
Accounts receivable, net	140	—	140
Capital lease receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	1,241	—	1,241
Pledges receivable, net	—	3,155	3,155
Endowment investments	—	36,235	36,235
Other long-term investments	13,454	8,546	22,000
Capital assets, net	144,162	2,217	146,379
Other assets	—	687	687
Total noncurrent assets	<u>158,997</u>	<u>50,840</u>	<u>209,837</u>
Total assets	<u>261,149</u>	<u>73,152</u>	<u>334,301</u>
Deferred Outflows of Resources			
Deferred outflows of resources	66,619	—	66,619
Liabilities			
Current liabilities:			
Accounts payable	4,908	2,206	7,114
Accrued salaries and benefits	10,813	160	10,973
Accrued compensated absences, current portion	2,127	40	2,167
Unearned revenues	2,720	830	3,550
Capital lease obligations, current portion	192	—	192
Long-term debt obligations, current portion	1,250	—	1,250
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	31	—	31
Other liabilities	1,450	2,364	3,814
Total current liabilities	<u>23,491</u>	<u>5,600</u>	<u>29,091</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	4,967	—	4,967
Unearned revenues	—	2,051	2,051
Grants refundable	1,839	—	1,839
Capital lease obligations, net of current portion	249	—	249
Long-term debt obligations, net of current portion	47,232	—	47,232
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	311,946	815	312,761
Net pension liability	185,770	—	185,770
Other liabilities	4	—	4
Total noncurrent liabilities	<u>552,007</u>	<u>2,866</u>	<u>554,873</u>
Total liabilities	<u>575,498</u>	<u>8,466</u>	<u>583,964</u>
Deferred Inflows of Resources			
Deferred inflows of resources	45,060	—	45,060
Net Position			
Net position:			
Net investment in capital assets	96,380	2,217	98,597
Restricted for:			
Nonexpendable – endowments	—	22,746	22,746
Expendable:			
Scholarships and fellowships	134	7,549	7,683
Research	—	—	—
Loans	206	—	206
Capital projects	793	—	793
Debt service	3	—	3
Others	2,645	15,112	17,757
Unrestricted	(392,951)	17,062	(375,889)
Total net position	<u>\$ (292,790)</u>	<u>\$ 64,686</u>	<u>\$ (228,104)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2021

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$53,707)	\$ 41,741	\$ —	\$ —	\$ 41,741
Grants and contracts, noncapital:				
Federal	972	8,545	—	9,517
State	47	677	—	724
Local	—	51	—	51
Nongovernmental	96	40	—	136
Sales and services of educational activities	901	—	—	901
Sales and services of auxiliary enterprises (net of scholarship allowances of \$185)	1,249	—	—	1,249
Other operating revenues	281	15,215	(208)	15,288
Total operating revenues	<u>45,287</u>	<u>24,528</u>	<u>(208)</u>	<u>69,607</u>
Expenses:				
Operating expenses:				
Instruction	80,737	1,823	(454)	82,106
Research	365	1,155	(94)	1,426
Public service	299	653	(127)	825
Academic support	24,082	1,842	(233)	25,691
Student services	38,786	10,552	(312)	49,026
Institutional support	27,102	6,645	(2)	33,745
Operation and maintenance of plant	17,933	103	(99)	17,937
Student grants and scholarships	43,713	3,312	—	47,025
Auxiliary enterprise expenses	(2,542)	—	—	(2,542)
Depreciation and amortization	9,921	345	—	10,266
Total operating expenses	<u>240,396</u>	<u>26,430</u>	<u>(1,321)</u>	<u>265,505</u>
Operating loss	<u>(195,109)</u>	<u>(1,902)</u>	<u>1,113</u>	<u>(195,898)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	91,188	—	—	91,188
Federal financial aid grants, noncapital	33,963	—	—	33,963
State financial aid grants, noncapital	27,433	—	—	27,433
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	21,927	—	—	21,927
Gifts, noncapital	1,260	6,312	—	7,572
Investment income, net	6,421	1,830	—	8,251
Endowment income, net	—	7,582	—	7,582
Interest expense	(1,890)	—	—	(1,890)
Other nonoperating revenues	1,901	186	(81)	2,006
Net nonoperating income	<u>182,203</u>	<u>15,910</u>	<u>(81)</u>	<u>198,032</u>
Income (loss) before other revenues	<u>(12,906)</u>	<u>14,008</u>	<u>1,032</u>	<u>2,134</u>
State appropriations, capital	—	—	—	—
Grants and gifts, capital	1,033	—	(1,032)	1
Additions to permanent endowments	—	3,076	—	3,076
Increase (decrease) in net position	<u>(11,873)</u>	<u>17,084</u>	<u>—</u>	<u>5,211</u>
Net position:				
Net position at beginning of year	(280,917)	47,602	—	(233,315)
Net position at end of year	<u>\$ (292,790)</u>	<u>\$ 64,686</u>	<u>\$ —</u>	<u>\$ (228,104)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 37,887
Federal grants and contracts	729
State grants and contracts	72
Local grants and contracts	—
Nongovernmental grants and contracts	242
Payments to suppliers	(23,512)
Payments to employees	(84,127)
Payments for benefits	(43,697)
Payments to students	(43,449)
Collections of student loans	17
Sales and services of educational activities	901
Sales and services of auxiliary enterprises	653
Other receipts	1,405
Net cash used in operating activities	<u>(152,879)</u>
Cash flows from noncapital financing activities:	
State appropriations	83,850
Federal financial aid grants	33,963
State financial aid grants	27,433
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	18,784
Gifts and grants received for other than capital purposes	1,260
Federal loan program receipts	28,913
Federal loan program disbursements	(28,883)
Monies received on behalf of others	4,674
Monies disbursed on behalf of others	(4,657)
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	—
Issuance of capital leases receivable	—
Principal collections on capital leases	—
Interest collections on capital leases	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	1,009
Net cash provided by noncapital financing activities	<u>166,346</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	—
State appropriations	997
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	413
Proceeds from sale of capital assets	—
Acquisition of capital assets	(3,554)
Transfers to escrow agent	—
Principal paid on capital debt and leases	(1,367)
Interest paid on capital debt and leases	(1,842)
Principal collection on capital leases	—
Interest collection on capital leases	—
Net cash used in capital and related financing activities	<u>(5,353)</u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 313,834
Purchases of investments	(324,117)
Investment income proceeds	2,488
Net cash used in investing activities	(7,795)
Net increase in cash and cash equivalents	319
Cash and cash equivalents at beginning of year	6
Cash and cash equivalents at end of year	325
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	325
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	325
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	(195,109)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	9,921
Change in assets and liabilities:	
Accounts receivable, net	(2,122)
Student loans receivable, net	(20)
Pledges receivable, net	—
Prepaid expenses and other current assets	57
Other assets	32
Deferred outflows of resources	9,999
Accounts payable	1,717
Accrued salaries and benefits	1,708
Accrued compensated absences	745
Unearned revenues	251
Depository accounts	—
Total other postemployment benefits liability	20,258
Net pension liability	4,363
Other liabilities	(66)
Deferred inflows of resources	(4,613)
Net cash used in operating activities	(152,879)
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	7,339
Other assets paid through long-term debt	—
Amortization of net bond premium	298
Change in accrued capital asset purchases	664

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD

Transactions with Related Entities

Year ended June 30, 2021

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 3,600
Payments from discretely presented component units for other than salaries	7,177
Payments to discretely presented component units for services, space, and programs	6,077
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	—
Accounts receivable from discretely presented component units	2,743
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(767)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	108
Payments to the Office of the Chancellor for state pro rata charges	46
Accounts receivable from the Office of the Chancellor	484
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	966
Other interagency payments (receipts) for services, space, and programs	(101)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS

Statement of Net Position

June 30, 2021

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 4	\$ 3,275	\$ 3,279
Short-term investments	140,667	1,157	141,824
Accounts receivable, net	9,514	1,286	10,800
Capital lease receivable, current portion	1,335	—	1,335
Notes receivable, current portion	1,915	174	2,089
Pledges receivable, net	—	1,013	1,013
Prepaid expenses and other current assets	1,338	82	1,420
Total current assets	<u>154,773</u>	<u>6,987</u>	<u>161,760</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	33,620	33,620
Accounts receivable, net	74	—	74
Capital lease receivable, net of current portion	33,170	—	33,170
Notes receivable, net of current portion	46,670	—	46,670
Student loans receivable, net	21	—	21
Pledges receivable, net	—	490	490
Endowment investments	—	18,822	18,822
Other long-term investments	1,244	8,889	10,133
Capital assets, net	334,940	34,687	369,627
Other assets	5,239	4,953	10,192
Total noncurrent assets	<u>421,358</u>	<u>101,461</u>	<u>522,819</u>
Total assets	<u>576,131</u>	<u>108,448</u>	<u>684,579</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>54,966</u>	<u>—</u>	<u>54,966</u>
Liabilities			
Current liabilities:			
Accounts payable	3,008	1,715	4,723
Accrued salaries and benefits	652	51	703
Accrued compensated absences, current portion	2,096	18	2,114
Unearned revenues	2,757	209	2,966
Capital lease obligations, current portion	—	1,335	1,335
Long-term debt obligations, current portion	6,470	1,929	8,399
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	—	140	140
Other liabilities	2,476	675	3,151
Total current liabilities	<u>17,459</u>	<u>6,072</u>	<u>23,531</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	3,144	182	3,326
Unearned revenues	—	—	—
Grants refundable	—	—	—
Capital lease obligations, net of current portion	—	35,575	35,575
Long-term debt obligations, net of current portion	202,767	46,831	249,598
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	217,378	—	217,378
Net pension liability	162,747	—	162,747
Other liabilities	429	—	429
Total noncurrent liabilities	<u>586,465</u>	<u>82,588</u>	<u>669,053</u>
Total liabilities	<u>603,924</u>	<u>88,660</u>	<u>692,584</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>31,765</u>	<u>—</u>	<u>31,765</u>
Net Position			
Net position:			
Net investment in capital assets	216,358	2,487	218,845
Restricted for:			
Nonexpendable – endowments	—	10,781	10,781
Expendable:			
Scholarships and fellowships	—	1,058	1,058
Research	—	448	448
Loans	44	—	44
Capital projects	55	12,275	12,330
Debt service	10	5,000	5,010
Others	1,391	16,246	17,637
Unrestricted	(222,450)	(28,507)	(250,957)
Total net position	<u>\$ (4,592)</u>	<u>\$ 19,788</u>	<u>\$ 15,196</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2021

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$25,738)	\$ 28,972	\$ —	\$ —	\$ 28,972
Grants and contracts, noncapital:				
Federal	3,692	—	—	3,692
State	1,082	—	—	1,082
Local	—	—	—	—
Nongovernmental	402	—	10	412
Sales and services of educational activities	159	—	—	159
Sales and services of auxiliary enterprises (net of scholarship allowances of \$286)	2,576	—	—	2,576
Other operating revenues	4,400	12,937	—	17,337
Total operating revenues	<u>41,283</u>	<u>12,937</u>	<u>10</u>	<u>54,230</u>
Expenses:				
Operating expenses:				
Instruction	55,450	310	10	55,770
Research	2,794	270	—	3,064
Public service	222	26	—	248
Academic support	26,067	220	22	26,309
Student services	18,704	4,955	5	23,664
Institutional support	19,031	748	—	19,779
Operation and maintenance of plant	18,357	19	—	18,376
Student grants and scholarships	27,010	693	—	27,703
Auxiliary enterprise expenses	7,690	10,297	—	17,987
Depreciation and amortization	15,483	1,577	—	17,060
Total operating expenses	<u>190,808</u>	<u>19,115</u>	<u>37</u>	<u>209,960</u>
Operating loss	<u>(149,525)</u>	<u>(6,178)</u>	<u>(27)</u>	<u>(155,730)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	89,801	—	—	89,801
Federal financial aid grants, noncapital	17,871	—	—	17,871
State financial aid grants, noncapital	15,496	—	—	15,496
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	347	—	347
Other federal nonoperating grants, noncapital	18,383	699	—	19,082
Gifts, noncapital	8	17,296	—	17,304
Investment income, net	8,527	5,559	—	14,086
Endowment income (loss), net	—	—	—	—
Interest expense	(8,410)	(4,535)	—	(12,945)
Other nonoperating revenues	11,161	7,812	—	18,973
Net nonoperating income	<u>152,837</u>	<u>27,178</u>	<u>—</u>	<u>180,015</u>
Income before other revenues	<u>3,312</u>	<u>21,000</u>	<u>(27)</u>	<u>24,285</u>
State appropriations, capital	—	—	—	—
Grants and gifts, capital	10	—	27	37
Additions to permanent endowments	—	351	—	351
Increase in net position	<u>3,322</u>	<u>21,351</u>	<u>—</u>	<u>24,673</u>
Net position:				
Net position at beginning of year	(7,914)	(1,563)	—	(9,477)
Net position at end of year	<u>\$ (4,592)</u>	<u>\$ 19,788</u>	<u>\$ —</u>	<u>\$ 15,196</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 28,041
Federal grants and contracts	3,755
State grants and contracts	979
Local grants and contracts	5
Nongovernmental grants and contracts	836
Payments to suppliers	(23,116)
Payments to employees	(73,853)
Payments for benefits	(35,171)
Payments to students	(27,835)
Collections of student loans	5
Sales and services of educational activities	159
Sales and services of auxiliary enterprises	4,584
Other receipts	1,056
Net cash used in operating activities	<u>(120,555)</u>
Cash flows from noncapital financing activities:	
State appropriations	85,181
Federal financial aid grants	17,938
State financial aid grants	15,470
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	13,368
Gifts and grants received for other than capital purposes	8
Federal loan program receipts	17,180
Federal loan program disbursements	(17,152)
Monies received on behalf of others	—
Monies disbursed on behalf of others	—
Transfers to escrow agent	—
Proceeds from long-term debt	—
Principal paid on long-term debt	(3,095)
Interest paid on long-term debt	—
Issuance of notes receivable	—
Issuance of capital leases receivable	—
Principal collections on capital leases	—
Interest collections on capital leases	—
Principal collections on notes receivable	1,820
Interest collections on notes receivable	2,475
Other noncapital financing activities	10,930
Net cash provided by noncapital financing activities	<u>144,123</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	12,600
State appropriations	155
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	38
Proceeds from sale of capital assets	217
Acquisition of capital assets	(4,419)
Transfers to escrow agent	(12,563)
Principal paid on capital debt and leases	(3,105)
Interest paid on capital debt and leases	(13,034)
Principal collection on capital leases	1,275
Interest collection on capital leases	1,618
Net cash used in capital and related financing activities	<u>(17,218)</u>

CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 232,049
Purchases of investments	(242,684)
Investment income proceeds	4,285
Net cash used in investing activities	(6,350)
Net increase (decrease) in cash and cash equivalents	—
Cash and cash equivalents at beginning of year	4
Cash and cash equivalents at end of year	4
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	4
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	4
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	(149,525)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	15,483
Change in assets and liabilities:	
Accounts receivable, net	2,453
Student loans receivable, net	5
Pledges receivable, net	—
Prepaid expenses and other current assets	(72)
Other assets	(586)
Deferred outflows of resources	7,799
Accounts payable	(3,323)
Accrued salaries and benefits	(124)
Accrued compensated absences	(42)
Unearned revenues	610
Depository accounts	—
Total other postemployment benefits liability	9,479
Net pension liability	2,453
Other liabilities	(865)
Deferred inflows of resources	(4,300)
Net cash used in operating activities	(120,555)
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	4,620
Other assets paid through long-term debt	—
Amortization of net bond premium	910
Change in accrued capital asset purchases	138

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS

Transactions with Related Entities

Year ended June 30, 2021

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 564
Payments from discretely presented component units for other than salaries	8,114
Payments to discretely presented component units for services, space, and programs	6,589
Gifts in kind from discretely presented component units	20
Gifts (cash or assets) from discretely presented component units	17
Accounts receivable from discretely presented component units	501
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(322)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	160
Payments to the Office of the Chancellor for state pro rata charges	57
Accounts receivable from the Office of the Chancellor	155
Accounts payable to the Office of the Chancellor	—
Accounts receivable from campuses other than the Office of the Chancellor	6
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery allocation received	820
Other interagency payments (receipts) for services, space, and programs	(7)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, CHICO

Schedule 8

Statement of Net Position
June 30, 2021
(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 6	\$ 15,117	\$ 15,123
Short-term investments	144,458	45,449	189,907
Accounts receivable, net	8,536	12,307	20,843
Capital lease receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	2,472	2,472
Prepaid expenses and other current assets	2,529	621	3,150
Total current assets	<u>155,529</u>	<u>75,966</u>	<u>231,495</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	739	739
Accounts receivable, net	699	189	888
Capital lease receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	1,293	—	1,293
Pledges receivable, net	—	4,394	4,394
Endowment investments	—	86,519	86,519
Other long-term investments	50,310	20,282	70,592
Capital assets, net	359,832	15,168	375,000
Other assets	16	863	879
Total noncurrent assets	<u>412,150</u>	<u>128,154</u>	<u>540,304</u>
Total assets	<u>567,679</u>	<u>204,120</u>	<u>771,799</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>126,024</u>	<u>1,125</u>	<u>127,149</u>
Liabilities			
Current liabilities:			
Accounts payable	9,889	5,285	15,174
Accrued salaries and benefits	14,554	2,820	17,374
Accrued compensated absences, current portion	3,857	870	4,727
Unearned revenues	5,803	3,723	9,526
Capital lease obligations, current portion	707	—	707
Long-term debt obligations, current portion	4,815	115	4,930
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	2	—	2
Other liabilities	1,010	931	1,941
Total current liabilities	<u>40,637</u>	<u>13,744</u>	<u>54,381</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	4,813	339	5,152
Unearned revenues	—	4,498	4,498
Grants refundable	2,946	—	2,946
Capital lease obligations, net of current portion	2,833	—	2,833
Long-term debt obligations, net of current portion	121,734	2,034	123,768
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	683,718	1,171	684,889
Net pension liability	299,260	—	299,260
Other liabilities	—	594	594
Total noncurrent liabilities	<u>1,115,304</u>	<u>8,636</u>	<u>1,123,940</u>
Total liabilities	<u>1,155,941</u>	<u>22,380</u>	<u>1,178,321</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>97,768</u>	<u>829</u>	<u>98,597</u>
Net Position			
Net position:			
Net investment in capital assets	238,976	9,820	248,796
Restricted for:			
Nonexpendable – endowments	—	81,549	81,549
Expendable:			
Scholarships and fellowships	906	2,251	3,157
Research	—	3,213	3,213
Loans	645	—	645
Capital projects	196	4,721	4,917
Debt service	12	—	12
Others	—	28,142	28,142
Unrestricted	(800,741)	52,340	(748,401)
Total net position	<u>\$ (560,006)</u>	<u>\$ 182,036</u>	<u>\$ (377,970)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, CHICO
Statement of Revenues, Expenses, and Changes in Net Position
Year ended June 30, 2021
(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$61,903)	\$ 75,874	\$ —	\$ —	\$ 75,874
Grants and contracts, noncapital:				
Federal	—	28,002	—	28,002
State	9	7,930	—	7,939
Local	—	1,421	—	1,421
Nongovernmental	—	2,211	—	2,211
Sales and services of educational activities	10	2,282	—	2,292
Sales and services of auxiliary enterprises (net of scholarship allowances of \$360)	1,552	5,536	—	7,088
Other operating revenues	5,888	10,008	—	15,896
Total operating revenues	<u>83,333</u>	<u>57,390</u>	<u>—</u>	<u>140,723</u>
Expenses:				
Operating expenses:				
Instruction	107,097	2,518	—	109,615
Research	1,084	3,186	(20)	4,250
Public service	954	25,364	(34)	26,284
Academic support	38,912	2,726	(474)	41,164
Student services	51,844	6,925	(629)	58,140
Institutional support	33,211	8,184	(1,270)	40,125
Operation and maintenance of plant	38,455	3,584	(17)	42,022
Student grants and scholarships	48,958	4,155	(1,818)	51,295
Auxiliary enterprise expenses	13,567	4,663	—	18,230
Depreciation and amortization	18,366	1,903	—	20,269
Total operating expenses	<u>352,448</u>	<u>63,208</u>	<u>(4,262)</u>	<u>411,394</u>
Operating loss	<u>(269,115)</u>	<u>(5,818)</u>	<u>4,262</u>	<u>(270,671)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	148,613	—	—	148,613
Federal financial aid grants, noncapital	36,231	—	—	36,231
State financial aid grants, noncapital	28,018	—	—	28,018
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	4,417	—	(2,264)	2,153
Other federal nonoperating grants, noncapital	43,803	—	—	43,803
Gifts, noncapital	1,045	8,963	(1,045)	8,963
Investment income, net	11,577	7,491	—	19,068
Endowment income, net	—	21,343	—	21,343
Interest expense	(4,788)	(73)	—	(4,861)
Other nonoperating revenues	21,558	2,141	—	23,699
Net nonoperating income	<u>290,474</u>	<u>39,865</u>	<u>(3,309)</u>	<u>327,030</u>
Income before other revenues	21,359	34,047	953	56,359
State appropriations, capital	—	—	—	—
Grants and gifts, capital	959	420	(953)	426
Additions to permanent endowments	—	5,704	—	5,704
Increase in net position	<u>22,318</u>	<u>40,171</u>	<u>—</u>	<u>62,489</u>
Net position:				
Net position at beginning of year	(582,324)	141,865	—	(440,459)
Net position at end of year	<u>\$ (560,006)</u>	<u>182,036</u>	<u>—</u>	<u>(377,970)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, CHICO

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 77,533
Federal grants and contracts	—
State grants and contracts	2
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(63,127)
Payments to employees	(122,426)
Payments for benefits	(66,510)
Payments to students	(49,747)
Collections of student loans	179
Sales and services of educational activities	10
Sales and services of auxiliary enterprises	1,340
Other receipts	6,072
Net cash used in operating activities	<u>(216,674)</u>
Cash flows from noncapital financing activities:	
State appropriations	132,717
Federal financial aid grants	36,231
State financial aid grants	28,159
Nongovernmental and other financial aid grants	4,417
Other federal nonoperating grants	42,877
Gifts and grants received for other than capital purposes	957
Federal loan program receipts	40,811
Federal loan program disbursements	(40,857)
Monies received on behalf of others	2,767
Monies disbursed on behalf of others	(2,768)
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	—
Issuance of capital leases receivable	—
Principal collections on capital leases	—
Interest collections on capital leases	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	27,175
Net cash provided by noncapital financing activities	<u>272,486</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	—
State appropriations	2,145
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	1,738
Proceeds from sale of capital assets	23
Acquisition of capital assets	(26,267)
Transfers to escrow agent	—
Principal paid on capital debt and leases	(5,259)
Interest paid on capital debt and leases	(6,153)
Principal collection on capital leases	—
Interest collection on capital leases	—
Net cash used in capital and related financing activities	<u>(33,773)</u>

CALIFORNIA STATE UNIVERSITY, CHICO

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 409,643
Purchases of investments	(435,694)
Investment income proceeds	4,010
Net cash used in investing activities	(22,041)
Net decrease in cash and cash equivalents	(2)
Cash and cash equivalents at beginning of year	8
Cash and cash equivalents at end of year	<u>\$ 6</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 6
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 6</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (269,115)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	18,366
Change in assets and liabilities:	
Accounts receivable, net	(804)
Student loans receivable, net	4
Pledges receivable, net	—
Prepaid expenses and other current assets	304
Other assets	26
Deferred outflows of resources	2,925
Accounts payable	880
Accrued salaries and benefits	(335)
Accrued compensated absences	497
Unearned revenues	3,066
Depository accounts	—
Total other postemployment benefits liability	37,280
Net pension liability	677
Other liabilities	(601)
Deferred inflows of resources	(9,844)
Net cash used in operating activities	<u>\$ (216,674)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 15,896
Other assets paid through long-term debt	—
Amortization of net bond premium	836
Change in accrued capital asset purchases	4,412

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, CHICO

Transactions with Related Entities

Year ended June 30, 2021

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 2,455
Payments from discretely presented component units for other than salaries	5,191
Payments to discretely presented component units for services, space, and programs	15,088
Gifts in kind from discretely presented component units	752
Gifts (cash or assets) from discretely presented component units	1,247
Accounts receivable from discretely presented component units	280
Other amounts receivable from discretely presented component units	220
Accounts payable to discretely presented component units	(267)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	102
Payments to the Office of the Chancellor for state pro rata charges	43
Accounts receivable from the Office of the Chancellor	4,610
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	1,617
Other interagency payments (receipts) for services, space, and programs	112

See accompanying independent auditors' report.



NATION'S LARGEST

four-year public
university



CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS

Statement of Net Position

June 30, 2021

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 3	4,365	4,368
Short-term investments	91,893	876	92,769
Accounts receivable, net	16,388	7,187	23,575
Capital lease receivable, current portion	—	—	—
Notes receivable, current portion	—	122	122
Pledges receivable, net	—	—	—
Prepaid expenses and other current assets	418	467	885
Total current assets	<u>108,702</u>	<u>13,017</u>	<u>121,719</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	6,333	6,333
Accounts receivable, net	—	352	352
Capital lease receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	1,378	1,378
Student loans receivable, net	552	—	552
Pledges receivable, net	—	—	—
Endowment investments	—	18,286	18,286
Other long-term investments	9,444	5,960	15,404
Capital assets, net	356,759	1,640	358,399
Other assets	17	104	121
Total noncurrent assets	<u>366,772</u>	<u>34,053</u>	<u>400,825</u>
Total assets	<u>475,474</u>	<u>47,070</u>	<u>522,544</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>88,182</u>	<u>1,070</u>	<u>89,252</u>
Liabilities			
Current liabilities:			
Accounts payable	16,302	808	17,110
Accrued salaries and benefits	12,527	670	13,197
Accrued compensated absences, current portion	2,860	407	3,267
Unearned revenues	8,906	291	9,197
Capital lease obligations, current portion	945	—	945
Long-term debt obligations, current portion	1,405	1,166	2,571
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	508	—	508
Other liabilities	4,157	250	4,407
Total current liabilities	<u>47,610</u>	<u>3,592</u>	<u>51,202</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	7,152	38	7,190
Unearned revenues	—	—	—
Grants refundable	403	—	403
Capital lease obligations, net of current portion	2,354	—	2,354
Long-term debt obligations, net of current portion	69,498	1,412	70,910
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	419,521	2,321	421,842
Net pension liability	248,173	647	248,820
Other liabilities	—	—	—
Total noncurrent liabilities	<u>747,101</u>	<u>4,418</u>	<u>751,519</u>
Total liabilities	<u>794,711</u>	<u>8,010</u>	<u>802,721</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>60,576</u>	<u>643</u>	<u>61,219</u>
Net Position			
Net position:			
Net investment in capital assets	284,028	1,640	285,668
Restricted for:			
Nonexpendable – endowments	—	18,223	18,223
Expendable:			
Scholarships and fellowships	85	7,649	7,734
Research	—	—	—
Loans	427	—	427
Capital projects	1,134	—	1,134
Debt service	11	—	11
Others	0	352	352
Unrestricted	(577,316)	11,623	(565,693)
Total net position	<u>\$ (291,631)</u>	<u>39,487</u>	<u>(252,144)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2021

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$76,971)	\$ 57,727	—	—	57,727
Grants and contracts, noncapital:				
Federal	—	11,228	—	11,228
State	—	617	—	617
Local	—	—	—	—
Nongovernmental	—	134	—	134
Sales and services of educational activities	83	—	—	83
Sales and services of auxiliary enterprises (net of scholarship allowances of \$403)	1,070	1,529	—	2,599
Other operating revenues	4,848	6,857	—	11,705
Total operating revenues	<u>63,728</u>	<u>20,365</u>	<u>—</u>	<u>84,093</u>
Expenses:				
Operating expenses:				
Instruction	125,213	3,625	—	128,838
Research	34	3,515	—	3,549
Public service	2,383	—	—	2,383
Academic support	36,548	2,285	—	38,833
Student services	35,161	3,951	(444)	38,668
Institutional support	34,305	2,149	—	36,454
Operation and maintenance of plant	26,316	85	(200)	26,201
Student grants and scholarships	54,279	747	(995)	54,031
Auxiliary enterprise expenses	6,328	8,712	(1,500)	13,540
Depreciation and amortization	13,255	447	—	13,702
Total operating expenses	<u>333,822</u>	<u>25,516</u>	<u>(3,139)</u>	<u>356,199</u>
Operating loss	<u>(270,094)</u>	<u>(5,151)</u>	<u>3,139</u>	<u>(272,106)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	121,757	—	—	121,757
Federal financial aid grants, noncapital	51,481	—	—	51,481
State financial aid grants, noncapital	36,896	—	—	36,896
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	24,183	—	—	24,183
Gifts, noncapital	1,439	3,748	(1,439)	3,748
Investment income, net	6,930	1,317	—	8,247
Endowment income, net	—	3,368	—	3,368
Interest expense	(2,688)	(27)	—	(2,715)
Other nonoperating revenues	33,049	51	—	33,100
Net nonoperating income	<u>273,047</u>	<u>8,457</u>	<u>(1,439)</u>	<u>280,065</u>
Income before other revenues	2,953	3,306	1,700	7,959
State appropriations, capital	—	—	—	—
Grants and gifts, capital	1,700	—	(1,700)	—
Additions (reductions) to permanent endowments	—	—	—	—
Increase in net position	<u>4,653</u>	<u>3,306</u>	<u>—</u>	<u>7,959</u>
Net position:				
Net position at beginning of year	(296,284)	36,181	—	(260,103)
Net position at end of year	<u>(291,631)</u>	<u>39,487</u>	<u>—</u>	<u>(252,144)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 57,671
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(29,974)
Payments to employees	(119,034)
Payments for benefits	(58,198)
Payments to students	(54,261)
Collections of student loans	4
Sales and services of educational activities	83
Sales and services of auxiliary enterprises	954
Other receipts	10,798
Net cash used in operating activities	<u>(191,957)</u>
Cash flows from noncapital financing activities:	
State appropriations	111,968
Federal financial aid grants	51,802
State financial aid grants	35,054
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	24,183
Gifts and grants received for other than capital purposes	1,439
Federal loan program receipts	39,361
Federal loan program disbursements	(39,147)
Monies received on behalf of others	2,151
Monies disbursed on behalf of others	(1,796)
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	—
Issuance of capital leases receivable	—
Principal collections on capital leases	—
Interest collections on capital leases	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	32,535
Net cash provided by noncapital financing activities	<u>257,550</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	—
State appropriations	—
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	1,700
Proceeds from sale of capital assets	—
Acquisition of capital assets	(48,339)
Transfers to escrow agent	—
Principal paid on capital debt and leases	(2,584)
Interest paid on capital debt and leases	(4,885)
Principal collection on capital leases	—
Interest collection on capital leases	—
Net cash used in capital and related financing activities	<u>(54,108)</u>

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 356,123
Purchases of investments	(372,819)
Investment income proceeds	3,136
Net cash used in investing activities	(13,560)
Net decrease in cash and cash equivalents	(2,075)
Cash and cash equivalents at beginning of year	2,078
Cash and cash equivalents at end of year	<u>\$ 3</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 3
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 3</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (270,094)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	13,255
Change in assets and liabilities:	
Accounts receivable, net	(980)
Student loans receivable, net	(50)
Pledges receivable, net	—
Prepaid expenses and other current assets	49
Other assets	33
Deferred outflows of resources	11,395
Accounts payable	6,182
Accrued salaries and benefits	408
Accrued compensated absences	1,134
Unearned revenues	1,299
Depository accounts	—
Total other postemployment benefits liability	33,155
Net pension liability	16,450
Other liabilities	811
Deferred inflows of resources	(5,004)
Net cash used in operating activities	<u>\$ (191,957)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 9,790
Other assets paid through long-term debt	—
Amortization of net bond premium	501
Change in accrued capital asset purchases	979

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS

Transactions with Related Entities

Year ended June 30, 2021

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 1,816
Payments from discretely presented component units for other than salaries	4,292
Payments to discretely presented component units for services, space, and programs	4,669
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	—
Accounts receivable from discretely presented component units	138
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(5,073)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	137
Payments to the Office of the Chancellor for state pro rata charges	98
Accounts receivable from the Office of the Chancellor	5,081
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	1,391
Other interagency payments (receipts) for services, space, and programs	81

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, EAST BAY

Statement of Net Position

June 30, 2021

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 18	1,738	1,756
Short-term investments	136,002	30,527	166,529
Accounts receivable, net	17,358	3,899	21,257
Capital lease receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	396	396
Prepaid expenses and other current assets	813	0	813
Total current assets	<u>154,191</u>	<u>36,560</u>	<u>190,751</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	—	—
Accounts receivable, net	—	—	—
Capital lease receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	834	—	834
Pledges receivable, net	—	426	426
Endowment investments	—	14,647	14,647
Other long-term investments	7,667	—	7,667
Capital assets, net	249,612	3,963	253,575
Other assets	20	—	20
Total noncurrent assets	<u>258,133</u>	<u>19,036</u>	<u>277,169</u>
Total assets	<u>412,324</u>	<u>55,596</u>	<u>467,920</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>104,286</u>	<u>1,594</u>	<u>105,880</u>
Liabilities			
Current liabilities:			
Accounts payable	12,965	2,361	15,326
Accrued salaries and benefits	14,363	29	14,392
Accrued compensated absences, current portion	4,838	64	4,902
Unearned revenues	11,117	2,932	14,049
Capital lease obligations, current portion	—	—	—
Long-term debt obligations, current portion	3,195	265	3,460
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	49	—	49
Other liabilities	2,039	10	2,049
Total current liabilities	<u>48,566</u>	<u>5,661</u>	<u>54,227</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	4,534	—	4,534
Unearned revenues	—	—	—
Grants refundable	951	—	951
Capital lease obligations, net of current portion	—	—	—
Long-term debt obligations, net of current portion	86,312	998	87,310
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	549,576	2,825	552,401
Net pension liability	272,545	7,029	279,574
Other liabilities	—	—	—
Total noncurrent liabilities	<u>913,918</u>	<u>10,852</u>	<u>924,770</u>
Total liabilities	<u>962,484</u>	<u>16,513</u>	<u>978,997</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>78,841</u>	<u>618</u>	<u>79,459</u>
Net Position			
Net position:			
Net investment in capital assets	163,048	2,691	165,739
Restricted for:			
Nonexpendable – endowments	—	14,647	14,647
Expendable:			
Scholarships and fellowships	1,724	3,839	5,563
Research	—	—	—
Loans	577	—	577
Capital projects	322	364	686
Debt service	6	—	6
Others	3,419	3,462	6,881
Unrestricted	(693,811)	15,056	(678,755)
Total net position	<u>\$ (524,715)</u>	<u>40,059</u>	<u>(484,656)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, EAST BAY

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2021

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$57,539)	\$ 83,481	—	—	83,481
Grants and contracts, noncapital:				
Federal	—	12,255	—	12,255
State	—	1,193	—	1,193
Local	70	—	—	70
Nongovernmental	—	1,419	—	1,419
Sales and services of educational activities	9	—	—	9
Sales and services of auxiliary enterprises (net of scholarship allowances of \$1,231)	2,408	—	—	2,408
Other operating revenues	7,898	2,093	—	9,991
Total operating revenues	<u>93,866</u>	<u>16,960</u>	<u>—</u>	<u>110,826</u>
Expenses:				
Operating expenses:				
Instruction	104,906	1,282	—	106,188
Research	1,777	4,348	—	6,125
Public service	2,614	7,360	—	9,974
Academic support	54,048	1,014	—	55,062
Student services	22,643	863	—	23,506
Institutional support	20,848	—	—	20,848
Operation and maintenance of plant	27,221	—	—	27,221
Student grants and scholarships	34,850	308	—	35,158
Auxiliary enterprise expenses	9,812	6,066	(3,370)	12,508
Depreciation and amortization	13,728	190	—	13,918
Total operating expenses	<u>292,447</u>	<u>21,431</u>	<u>(3,370)</u>	<u>310,508</u>
Operating loss	<u>(198,581)</u>	<u>(4,471)</u>	<u>3,370</u>	<u>(199,682)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	114,297	—	—	114,297
Federal financial aid grants, noncapital	31,460	—	—	31,460
State financial aid grants, noncapital	23,207	—	—	23,207
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	870	—	—	870
Other federal nonoperating grants, noncapital	25,698	—	—	25,698
Gifts, noncapital	2,239	2,141	(3,116)	1,264
Investment income, net	9,441	7,628	—	17,069
Endowment income, net	—	118	—	118
Interest expense	(3,775)	(27)	—	(3,802)
Other nonoperating revenues	40,909	277	—	41,186
Net nonoperating revenues	<u>244,346</u>	<u>10,137</u>	<u>(3,116)</u>	<u>251,367</u>
Income before other revenues	<u>45,765</u>	<u>5,666</u>	<u>254</u>	<u>51,685</u>
State appropriations, capital	—	—	—	—
Grants and gifts, capital	254	48	(254)	48
Additions to permanent endowments	—	693	—	693
Increase in net position	<u>46,019</u>	<u>6,407</u>	<u>—</u>	<u>52,426</u>
Net position:				
Net position at beginning of year	(570,734)	33,652	—	(537,082)
Net position at end of year	<u>\$ (524,715)</u>	<u>40,059</u>	<u>—</u>	<u>(484,656)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, EAST BAY

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 79,797
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	57
Nongovernmental grants and contracts	—
Payments to suppliers	(55,276)
Payments to employees	(117,682)
Payments for benefits	(59,306)
Payments to students	(34,838)
Collections of student loans	13
Sales and services of educational activities	9
Sales and services of auxiliary enterprises	1,981
Other receipts	7,472
Net cash used in operating activities	<u>(177,773)</u>
Cash flows from noncapital financing activities:	
State appropriations	102,376
Federal financial aid grants	31,342
State financial aid grants	23,207
Nongovernmental and other financial aid grants	870
Other federal nonoperating grants	25,698
Gifts and grants received for other than capital purposes	2,239
Federal loan program receipts	43,649
Federal loan program disbursements	(43,770)
Monies received on behalf of others	316
Monies disbursed on behalf of others	(314)
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	—
Issuance of capital leases receivable	—
Principal collections on capital leases	—
Interest collections on capital leases	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	47,004
Net cash provided by noncapital financing activities	<u>232,617</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	—
State appropriations	—
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	254
Proceeds from sale of capital assets	3
Acquisition of capital assets	(42,567)
Transfers to escrow agent	—
Principal paid on capital debt and leases	(3,824)
Interest paid on capital debt and leases	(4,234)
Principal collection on capital leases	—
Interest collection on capital leases	—
Net cash used in capital and related financing activities	<u>(50,368)</u>

CALIFORNIA STATE UNIVERSITY, EAST BAY

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 397,370
Purchases of investments	(405,762)
Investment income proceeds	3,916
Net cash used in investing activities	(4,476)
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>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 18
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 18</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (198,581)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	13,728
Change in assets and liabilities:	
Accounts receivable, net	(3,644)
Student loans receivable, net	(40)
Pledges receivable, net	—
Prepaid expenses and other current assets	233
Other assets	31
Deferred outflows of resources	(5,625)
Accounts payable	(1,801)
Accrued salaries and benefits	294
Accrued compensated absences	619
Unearned revenues	(105)
Depository accounts	—
Total other postemployment benefits liability	24,601
Net pension liability	2,039
Other liabilities	(481)
Deferred inflows of resources	(9,041)
Net cash used in operating activities	<u>\$ (177,773)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 11,921
Other assets paid through long-term debt	—
Amortization of net bond premium	601
Change in accrued capital asset purchases	1,481

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, EAST BAY

Transactions with Related Entities

Year ended June 30, 2021

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 4,809
Payments from discretely presented component units for other than salaries	2,115
Payments to discretely presented component units for services, space, and programs	2,044
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	3,370
Accounts receivable from discretely presented component units	3,090
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	—
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	226
Payments to the Office of the Chancellor for state pro rata charges	84
Accounts receivable from the Office of the Chancellor	12,883
Accounts payable to the Office of the Chancellor	—
Accounts receivable from campuses other than the Office of the Chancellor	7
Accounts payable to campuses other than the Office of the Chancellor	(17)
State lottery allocation received	1,363
Other interagency payments (receipts) for services, space, and programs	(194)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, FRESNO

Schedule 8

Statement of Net Position

June 30, 2021

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 10	18,734	18,744
Short-term investments	88,036	97,221	185,257
Accounts receivable, net	22,079	22,760	44,839
Capital lease receivable, current portion	—	—	—
Notes receivable, current portion	298	6	304
Pledges receivable, net	—	7,308	7,308
Prepaid expenses and other current assets	865	1,977	2,842
Total current assets	<u>111,288</u>	<u>148,006</u>	<u>259,294</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	199	199
Accounts receivable, net	1,530	55	1,585
Capital lease receivable, net of current portion	40,857	—	40,857
Notes receivable, net of current portion	2,702	361	3,063
Student loans receivable, net	1,456	—	1,456
Pledges receivable, net	—	14,415	14,415
Endowment investments	654	204,533	205,187
Other long-term investments	59,460	17,195	76,655
Capital assets, net	234,637	68,779	303,416
Other assets	60	455	515
Total noncurrent assets	<u>341,356</u>	<u>305,992</u>	<u>647,348</u>
Total assets	<u>452,644</u>	<u>453,998</u>	<u>906,642</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>142,421</u>	<u>1,384</u>	<u>143,805</u>
Liabilities			
Current liabilities:			
Accounts payable	8,780	12,661	21,441
Accrued salaries and benefits	22,056	2,167	24,223
Accrued compensated absences, current portion	4,392	196	4,588
Unearned revenues	5,078	7,467	12,545
Capital lease obligations, current portion	2,211	0	2,211
Long-term debt obligations, current portion	3,030	2,422	5,452
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	267	128	395
Other liabilities	14,130	83	14,213
Total current liabilities	<u>59,944</u>	<u>25,124</u>	<u>85,068</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	7,733	518	8,251
Unearned revenues	—	611	611
Grants refundable	1,258	—	1,258
Capital lease obligations, net of current portion	26,326	46,079	72,405
Long-term debt obligations, net of current portion	105,520	7,625	113,145
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	3,811	3,811
Total other postemployment benefits liability	747,631	10,557	758,188
Net pension liability	389,492	3,176	392,668
Other liabilities	2,702	2,578	5,280
Total noncurrent liabilities	<u>1,280,662</u>	<u>74,955</u>	<u>1,355,617</u>
Total liabilities	<u>1,340,606</u>	<u>100,079</u>	<u>1,440,685</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>107,421</u>	<u>2,596</u>	<u>110,017</u>
Net Position			
Net position:			
Net investment in capital assets	162,301	17,702	180,003
Restricted for:			
Nonexpendable – endowments	654	201,780	202,434
Expendable:			
Scholarships and fellowships	160	8,142	8,302
Research	—	—	—
Loans	804	1,995	2,799
Capital projects	691	73	764
Debt service	789	—	789
Others	175	66,222	66,397
Unrestricted	(1,018,536)	56,793	(961,743)
Total net position	<u>\$ (852,962)</u>	<u>352,707</u>	<u>(500,255)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, FRESNO

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2021

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$114,804)	\$ 74,396	—	—	74,396
Grants and contracts, noncapital:				
Federal	61	20,968	—	21,029
State	292	10,505	—	10,797
Local	—	—	—	—
Nongovernmental	—	4,253	—	4,253
Sales and services of educational activities	199	—	—	199
Sales and services of auxiliary enterprises (net of scholarship allowances of \$868)	1,875	29,139	—	31,014
Other operating revenues	9,965	7,572	—	17,537
Total operating revenues	<u>86,788</u>	<u>72,437</u>	<u>—</u>	<u>159,225</u>
Expenses:				
Operating expenses:				
Instruction	160,421	12,457	—	172,878
Research	3,906	8,523	—	12,429
Public service	3,168	17,289	—	20,457
Academic support	44,853	934	(260)	45,527
Student services	62,648	185	—	62,833
Institutional support	49,896	459	—	50,355
Operation and maintenance of plant	41,402	995	—	42,397
Student grants and scholarships	97,750	11,912	(4,798)	104,864
Auxiliary enterprise expenses	5,321	50,577	(1,685)	54,213
Depreciation and amortization	15,153	5,159	—	20,312
Total operating expenses	<u>484,518</u>	<u>108,490</u>	<u>(6,743)</u>	<u>586,265</u>
Operating loss	<u>(397,730)</u>	<u>(36,053)</u>	<u>6,743</u>	<u>(427,040)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	188,590	—	—	188,590
Federal financial aid grants, noncapital	70,763	—	—	70,763
State financial aid grants, noncapital	61,074	—	—	61,074
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	331	—	(331)	—
Other federal nonoperating grants, noncapital	62,969	—	—	62,969
Gifts, noncapital	5,787	20,276	(5,786)	20,277
Investment income, net	10,942	13,430	—	24,372
Endowment income, net	20	45,580	—	45,600
Interest expense	(5,706)	(87)	—	(5,793)
Other nonoperating revenues	4,117	762	—	4,879
Net nonoperating revenues	<u>398,887</u>	<u>79,961</u>	<u>(6,117)</u>	<u>472,731</u>
Income before other revenues	<u>1,157</u>	<u>43,908</u>	<u>626</u>	<u>45,691</u>
State appropriations, capital	—	—	—	—
Grants and gifts, capital	666	48	(626)	88
Additions to permanent endowments	—	12,262	—	12,262
Increase in net position	<u>1,823</u>	<u>56,218</u>	<u>—</u>	<u>58,041</u>
Net position:				
Net position at beginning of year	(854,785)	296,489	—	(558,296)
Net position at end of year	<u>\$ (852,962)</u>	<u>352,707</u>	<u>—</u>	<u>(500,255)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, FRESNO

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 69,585
Federal grants and contracts	61
State grants and contracts	457
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(69,676)
Payments to employees	(171,817)
Payments for benefits	(83,438)
Payments to students	(97,351)
Collections of student loans	45
Sales and services of educational activities	199
Sales and services of auxiliary enterprises	1,865
Other receipts	8,780
Net cash used in operating activities	<u>(341,290)</u>
Cash flows from noncapital financing activities:	
State appropriations	171,015
Federal financial aid grants	70,966
State financial aid grants	61,074
Nongovernmental and other financial aid grants	331
Other federal nonoperating grants	50,980
Gifts and grants received for other than capital purposes	5,787
Federal loan program receipts	42,952
Federal loan program disbursements	(43,135)
Monies received on behalf of others	139
Monies disbursed on behalf of others	(135)
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	(3,000)
Issuance of capital leases receivable	—
Principal collections on capital leases	—
Interest collections on capital leases	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	5,592
Net cash provided by noncapital financing activities	<u>362,566</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	64,507
State appropriations	—
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	666
Proceeds from sale of capital assets	10
Acquisition of capital assets	(22,031)
Transfers to escrow agent	—
Principal paid on capital debt and leases	(22,788)
Interest paid on capital debt and leases	(5,815)
Principal collection on capital leases	2,333
Interest collection on capital leases	4,967
Net cash provided by capital and related financing activities	<u>21,849</u>

CALIFORNIA STATE UNIVERSITY, FRESNO

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 666,270
Purchases of investments	(712,865)
Investment income proceeds	3,411
Net cash used in investing activities	(43,184)
Net decrease in cash and cash equivalents	(59)
Cash and cash equivalents at beginning of year	69
Cash and cash equivalents at end of year	<u>\$ 10</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 10
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 10</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (397,730)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	15,153
Change in assets and liabilities:	
Accounts receivable, net	(3,142)
Student loans receivable, net	(96)
Pledges receivable, net	—
Prepaid expenses and other current assets	(44)
Other assets	136
Deferred outflows of resources	15,850
Accounts payable	(2,264)
Accrued salaries and benefits	(11)
Accrued compensated absences	191
Unearned revenues	2,553
Depository accounts	37
Total other postemployment benefits liability	34,838
Net pension liability	4,613
Other liabilities	1,019
Deferred inflows of resources	(12,393)
Net cash used in operating activities	<u>\$ (341,290)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 17,575
Other assets paid through long-term debt	—
Amortization of net bond premium	310
Change in accrued capital asset purchases	8

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, FRESNO

Transactions with Related Entities

Year ended June 30, 2021

(In thousands)

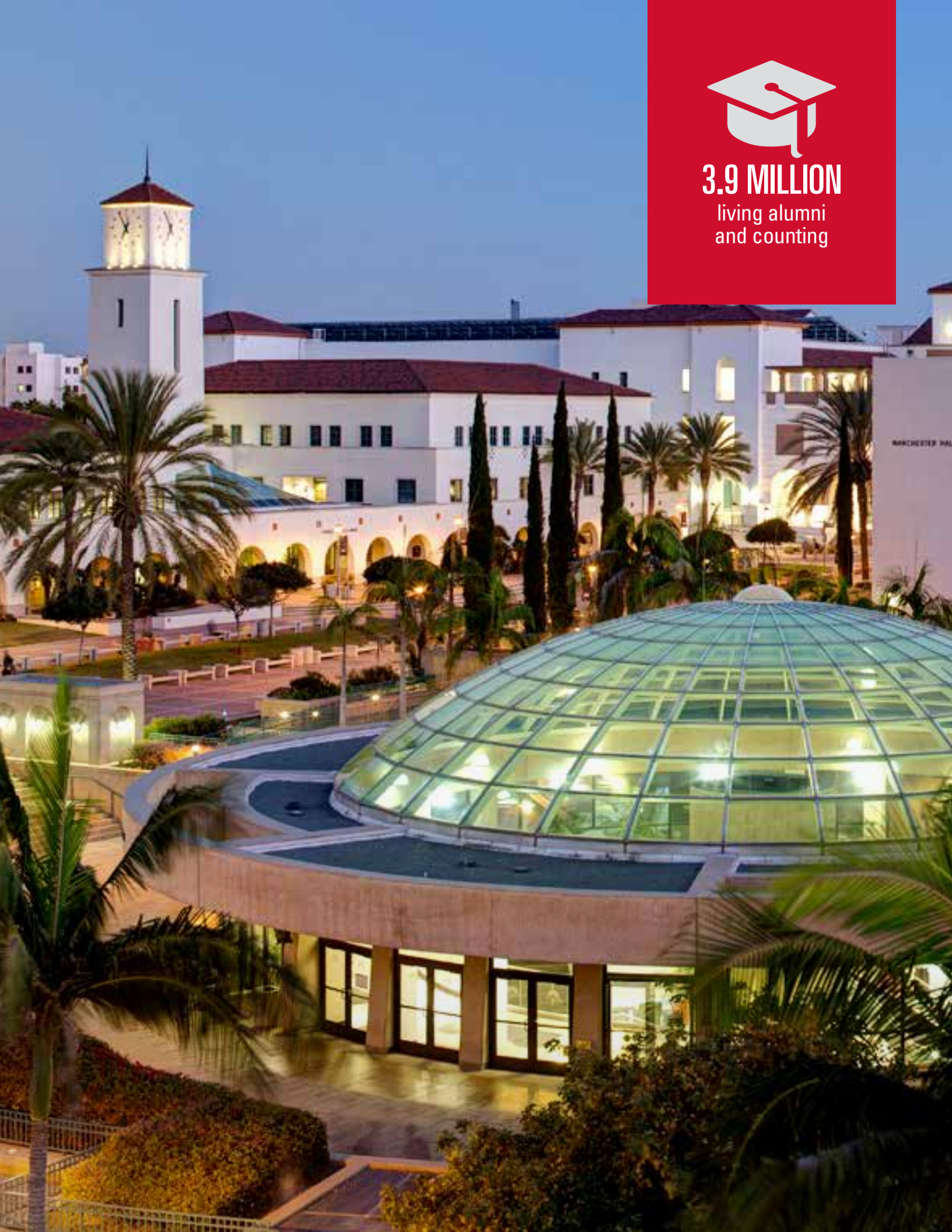
	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 2,550
Payments from discretely presented component units for other than salaries	625
Payments to discretely presented component units for services, space, and programs	11,353
Gifts in kind from discretely presented component units	360
Gifts (cash or assets) from discretely presented component units	3
Accounts receivable from discretely presented component units	2,936
Other amounts receivable from discretely presented component units	4,530
Accounts payable to discretely presented component units	(1,577)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	103
Payments to the Office of the Chancellor for state pro rata charges	47
Accounts receivable from the Office of the Chancellor	640
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	2,534
Other interagency payments (receipts) for services, space, and programs	56

See accompanying independent auditors' report.



3.9 MILLION

living alumni
and counting



CALIFORNIA STATE UNIVERSITY, FULLERTON

Schedule 8

Statement of Net Position

June 30, 2021

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 10	86,225	86,235
Short-term investments	256,711	33,252	289,963
Accounts receivable, net	31,133	12,378	43,511
Capital lease receivable, current portion	155	1,843	1,998
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	2,199	2,199
Prepaid expenses and other current assets	7,256	2,599	9,855
Total current assets	<u>295,265</u>	<u>138,496</u>	<u>433,761</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	4,808	4,808
Accounts receivable, net	107	—	107
Capital lease receivable, net of current portion	4,220	19,455	23,675
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	1,925	—	1,925
Pledges receivable, net	—	3,868	3,868
Endowment investments	—	102,349	102,349
Other long-term investments	132,797	2,000	134,797
Capital assets, net	531,636	41,737	573,373
Other assets	4,671	272	4,943
Total noncurrent assets	<u>675,356</u>	<u>174,489</u>	<u>849,845</u>
Total assets	<u>970,621</u>	<u>312,985</u>	<u>1,283,606</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>208,902</u>	<u>—</u>	<u>208,902</u>
Liabilities			
Current liabilities:			
Accounts payable	30,584	6,409	36,993
Accrued salaries and benefits	34,594	226	34,820
Accrued compensated absences, current portion	6,206	906	7,112
Unearned revenues	12,808	940	13,748
Capital lease obligations, current portion	1,125	155	1,280
Long-term debt obligations, current portion	8,400	1,200	9,600
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	24	4,103	4,127
Other liabilities	9,316	2,814	12,130
Total current liabilities	<u>103,057</u>	<u>16,753</u>	<u>119,810</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	12,046	427	12,473
Unearned revenues	—	7,495	7,495
Grants refundable	3,187	—	3,187
Capital lease obligations, net of current portion	15,215	4,220	19,435
Long-term debt obligations, net of current portion	353,619	24,715	378,334
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	993,249	2,261	995,510
Net pension liability	562,136	8,862	570,998
Other liabilities	67	759	826
Total noncurrent liabilities	<u>1,939,519</u>	<u>48,739</u>	<u>1,988,258</u>
Total liabilities	<u>2,042,576</u>	<u>65,492</u>	<u>2,108,068</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>144,481</u>	<u>—</u>	<u>144,481</u>
Net Position			
Net position:			
Net investment in capital assets	232,998	32,746	265,744
Restricted for:			
Nonexpendable – endowments	—	66,023	66,023
Expendable:			
Scholarships and fellowships	—	10,959	10,959
Research	—	—	—
Loans	903	—	903
Capital projects	47	—	47
Debt service	5,159	—	5,159
Others	323	65,182	65,505
Unrestricted	(1,246,964)	72,583	(1,174,381)
Total net position	<u>\$ (1,007,534)</u>	<u>247,493</u>	<u>(760,041)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, FULLERTON

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2021

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$139,682)	\$ 188,465	—	—	188,465
Grants and contracts, noncapital:				
Federal	207	19,494	—	19,701
State	—	6,576	—	6,576
Local	—	1,710	—	1,710
Nongovernmental	—	1,091	—	1,091
Sales and services of educational activities	412	—	—	412
Sales and services of auxiliary enterprises (net of scholarship allowances of \$618)	7,048	21,143	—	28,191
Other operating revenues	6,439	35,449	—	41,888
Total operating revenues	<u>202,571</u>	<u>85,463</u>	<u>—</u>	<u>288,034</u>
Expenses:				
Operating expenses:				
Instruction	236,013	4,742	—	240,755
Research	684	4,809	—	5,493
Public service	2,429	11,149	—	13,578
Academic support	55,207	649	—	55,856
Student services	75,747	23,495	—	99,242
Institutional support	78,607	2,162	—	80,769
Operation and maintenance of plant	58,426	8,848	—	67,274
Student grants and scholarships	110,411	9,347	—	119,758
Auxiliary enterprise expenses	15,580	24,260	(368)	39,472
Depreciation and amortization	33,052	2,879	—	35,931
Total operating expenses	<u>666,156</u>	<u>92,340</u>	<u>(368)</u>	<u>758,128</u>
Operating loss	<u>(463,585)</u>	<u>(6,877)</u>	<u>368</u>	<u>(470,094)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	231,656	—	—	231,656
Federal financial aid grants, noncapital	92,130	—	—	92,130
State financial aid grants, noncapital	73,237	—	—	73,237
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	69,751	—	—	69,751
Gifts, noncapital	1,011	54,819	(309)	55,521
Investment income, net	19,804	22,753	—	42,557
Endowment income, net	—	575	—	575
Interest expense	(10,120)	(1,805)	—	(11,925)
Other nonoperating revenues	23,974	21,208	—	45,182
Net nonoperating income	<u>501,443</u>	<u>97,550</u>	<u>(309)</u>	<u>598,684</u>
Income before other revenues	<u>37,858</u>	<u>90,673</u>	<u>59</u>	<u>128,590</u>
State appropriations, capital	—	—	—	—
Grants and gifts, capital	483	—	(59)	424
Additions to permanent endowments	—	3,840	—	3,840
Increase in net position	<u>38,341</u>	<u>94,513</u>	<u>—</u>	<u>132,854</u>
Net position:				
Net position at beginning of year	(1,045,875)	152,980	—	(892,895)
Net position at end of year	<u>\$ (1,007,534)</u>	<u>247,493</u>	<u>—</u>	<u>(760,041)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, FULLERTON

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 187,744
Federal grants and contracts	197
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(95,623)
Payments to employees	(247,462)
Payments for benefits	(127,056)
Payments to students	(110,761)
Collections of student loans	57
Sales and services of educational activities	412
Sales and services of auxiliary enterprises	7,028
Other receipts	7,872
Net cash used in operating activities	<u>(377,592)</u>
Cash flows from noncapital financing activities:	
State appropriations	209,567
Federal financial aid grants	92,055
State financial aid grants	73,318
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	49,305
Gifts and grants received for other than capital purposes	27
Federal loan program receipts	73,457
Federal loan program disbursements	(73,223)
Monies received on behalf of others	3,886
Monies disbursed on behalf of others	(3,880)
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	—
Issuance of capital leases receivable	—
Principal collections on capital leases	—
Interest collections on capital leases	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	18,706
Net cash provided by noncapital financing activities	<u>443,218</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	130,859
State appropriations	62
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	—
Proceeds from sale of capital assets	—
Acquisition of capital assets	(55,771)
Transfers to escrow agent	(21,007)
Principal paid on capital debt and leases	(9,080)
Interest paid on capital debt and leases	(14,931)
Principal collection on capital leases	—
Interest collection on capital leases	1
Net cash provided by capital and related financing activities	<u>30,133</u>

CALIFORNIA STATE UNIVERSITY, FULLERTON

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 965,064
Purchases of investments	(1,068,840)
Investment income proceeds	8,017
Net cash used in investing activities	(95,759)
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>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 10
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 10</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (463,585)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	33,052
Change in assets and liabilities:	
Accounts receivable, net	325
Student loans receivable, net	(11)
Pledges receivable, net	—
Prepaid expenses and other current assets	7,948
Other assets	283
Deferred outflows of resources	2,928
Accounts payable	(18)
Accrued salaries and benefits	(431)
Accrued compensated absences	1,726
Unearned revenues	1,821
Depository accounts	—
Total other postemployment benefits liability	43,593
Net pension liability	11,825
Other liabilities	204
Deferred inflows of resources	(17,252)
Net cash used in operating activities	<u>\$ (377,592)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 22,088
Other assets paid through long-term debt	—
Amortization of net bond premium	1,565
Change in accrued capital asset purchases	6,921

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, FULLERTON

Transactions with Related Entities

Year ended June 30, 2021

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 3,292
Payments from discretely presented component units for other than salaries	8,596
Payments to discretely presented component units for services, space, and programs	23,597
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	1,482
Accounts receivable from discretely presented component units	1,891
Other amounts receivable from discretely presented component units	954
Accounts payable to discretely presented component units	(4,251)
Other amounts payable to discretely presented component units	(1)
Payments to the Office of the Chancellor for administrative activities	1,314
Payments to the Office of the Chancellor for state pro rata charges	151
Accounts receivable from the Office of the Chancellor	4,473
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	3,063
Other interagency payments (receipts) for services, space, and programs	(161)

See accompanying independent auditors' report.

CALIFORNIA STATE POLYTECHNIC UNIVERSITY, HUMBOLDT

Statement of Net Position

June 30, 2021

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 14	3,770	3,784
Short-term investments	88,130	7,965	96,095
Accounts receivable, net	2,963	14,074	17,037
Capital lease receivable, current portion	—	28	28
Notes receivable, current portion	—	—	—
Pledges receivable, net	2,000	834	2,834
Prepaid expenses and other current assets	1,333	283	1,616
Total current assets	<u>94,440</u>	<u>26,954</u>	<u>121,394</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	—	—
Accounts receivable, net	173	—	173
Capital lease receivable, net of current portion	—	388	388
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	1,585	—	1,585
Pledges receivable, net	—	322	322
Endowment investments	995	35,340	36,335
Other long-term investments	487	8,396	8,883
Capital assets, net	194,746	10,437	205,183
Other assets	120	858	978
Total noncurrent assets	<u>198,106</u>	<u>55,741</u>	<u>253,847</u>
Total assets	<u>292,546</u>	<u>82,695</u>	<u>375,241</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>77,163</u>	<u>1,525</u>	<u>78,688</u>
Liabilities			
Current liabilities:			
Accounts payable	3,351	2,579	5,930
Accrued salaries and benefits	8,888	733	9,621
Accrued compensated absences, current portion	3,579	221	3,800
Unearned revenues	2,449	3,132	5,581
Capital lease obligations, current portion	28	28	56
Long-term debt obligations, current portion	3,382	—	3,382
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	112	2	114
Other liabilities	1,121	2,196	3,317
Total current liabilities	<u>22,910</u>	<u>8,891</u>	<u>31,801</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	2,543	176	2,719
Unearned revenues	—	336	336
Grants refundable	2,067	—	2,067
Capital lease obligations, net of current portion	386	388	774
Long-term debt obligations, net of current portion	45,581	—	45,581
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	444,045	—	444,045
Net pension liability	182,280	2,246	184,526
Other liabilities	—	—	—
Total noncurrent liabilities	<u>676,902</u>	<u>3,146</u>	<u>680,048</u>
Total liabilities	<u>699,812</u>	<u>12,037</u>	<u>711,849</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>63,285</u>	<u>1,487</u>	<u>64,772</u>
Net Position			
Net position:			
Net investment in capital assets	151,534	10,437	161,971
Restricted for:			
Nonexpendable – endowments	995	30,249	31,244
Expendable:			
Scholarships and fellowships	2,087	—	2,087
Research	—	—	—
Loans	1,039	—	1,039
Capital projects	929	—	929
Debt service	5	—	5
Others	727	11,974	12,701
Unrestricted	(550,704)	18,036	(532,668)
Total net position	<u>\$ (393,388)</u>	<u>70,696</u>	<u>(322,692)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE POLYTECHNIC UNIVERSITY, HUMBOLDT

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2021

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$29,934)	\$ 23,690	—	—	23,690
Grants and contracts, noncapital:				
Federal	647	16,207	—	16,854
State	614	12,521	—	13,135
Local	—	1,486	—	1,486
Nongovernmental	—	4,163	—	4,163
Sales and services of educational activities	24	10	—	34
Sales and services of auxiliary enterprises (net of scholarship allowances of \$3,966)	2,585	2,010	—	4,595
Other operating revenues	12,639	5,492	—	18,131
Total operating revenues	<u>40,199</u>	<u>41,889</u>	<u>—</u>	<u>82,088</u>
Expenses:				
Operating expenses:				
Instruction	63,423	205	—	63,628
Research	301	11,525	—	11,826
Public service	(909)	22,910	—	22,001
Academic support	17,063	680	—	17,743
Student services	26,130	667	—	26,797
Institutional support	29,358	104	—	29,462
Operation and maintenance of plant	24,438	37	—	24,475
Student grants and scholarships	17,168	501	(501)	17,168
Auxiliary enterprise expenses	11,369	9,344	—	20,713
Depreciation and amortization	9,664	355	—	10,019
Total operating expenses	<u>198,005</u>	<u>46,328</u>	<u>(501)</u>	<u>243,832</u>
Operating loss	<u>(157,806)</u>	<u>(4,439)</u>	<u>501</u>	<u>(161,744)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	95,436	—	—	95,436
Federal financial aid grants, noncapital	16,677	—	—	16,677
State financial aid grants, noncapital	11,985	—	—	11,985
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	6	—	—	6
Other federal nonoperating grants, noncapital	13,785	—	—	13,785
Gifts, noncapital	1,321	3,646	(1,307)	3,660
Investment income, net	6,535	214	—	6,749
Endowment income, net	18	9,414	—	9,432
Interest expense	(1,828)	(13)	—	(1,841)
Other nonoperating revenues (expenses)	10,052	(718)	2,012	11,346
Net nonoperating income	<u>153,987</u>	<u>12,543</u>	<u>705</u>	<u>167,235</u>
Income (loss) before other revenues	<u>(3,819)</u>	<u>8,104</u>	<u>1,206</u>	<u>5,491</u>
State appropriations, capital	—	—	—	—
Grants and gifts, capital	1,205	2,015	(1,206)	2,014
Additions to permanent endowments	—	554	—	554
Increase (decrease) in net position	<u>(2,614)</u>	<u>10,673</u>	<u>—</u>	<u>8,059</u>
Net position:				
Net position at beginning of year	<u>(390,774)</u>	<u>60,023</u>	<u>—</u>	<u>(330,751)</u>
Net position at end of year	<u>\$ (393,388)</u>	<u>70,696</u>	<u>—</u>	<u>(322,692)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE POLYTECHNIC UNIVERSITY, HUMBOLDT

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 25,586
Federal grants and contracts	609
State grants and contracts	614
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(35,796)
Payments to employees	(80,322)
Payments for benefits	(40,709)
Payments to students	(17,202)
Collections of student loans	6
Sales and services of educational activities	24
Sales and services of auxiliary enterprises	2,883
Other receipts	12,468
Net cash used in operating activities	<u>(131,839)</u>
Cash flows from noncapital financing activities:	
State appropriations	85,200
Federal financial aid grants	16,677
State financial aid grants	11,985
Nongovernmental and other financial aid grants	6
Other federal nonoperating grants	13,127
Gifts and grants received for other than capital purposes	1,321
Federal loan program receipts	9,522
Federal loan program disbursements	(9,486)
Monies received on behalf of others	3,793
Monies disbursed on behalf of others	(4,023)
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	—
Issuance of capital leases receivable	—
Principal collections on capital leases	—
Interest collections on capital leases	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	9,638
Net cash provided by noncapital financing activities	<u>137,760</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	4,045
State appropriations	—
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	1,205
Proceeds from sale of capital assets	2,220
Acquisition of capital assets	(13,922)
Transfers to escrow agent	(4,030)
Principal paid on capital debt and leases	(1,842)
Interest paid on capital debt and leases	(1,833)
Principal collection on capital leases	—
Interest collection on capital leases	—
Net cash used in capital and related financing activities	<u>(14,157)</u>

CALIFORNIA STATE POLYTECHNIC UNIVERSITY, HUMBOLDT

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 226,008
Purchases of investments	(221,072)
Investment income proceeds	3,302
Net cash provided by investing activities	8,238
Net increase in cash and cash equivalents	2
Cash and cash equivalents at beginning of year	12
Cash and cash equivalents at end of year	<u>\$ 14</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 14
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 14</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (157,806)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	9,664
Change in assets and liabilities:	
Accounts receivable, net	1,327
Student loans receivable, net	(51)
Pledges receivable, net	—
Prepaid expenses and other current assets	(83)
Other assets	24
Deferred outflows of resources	(3,348)
Accounts payable	(637)
Accrued salaries and benefits	253
Accrued compensated absences	518
Unearned revenues	655
Depository accounts	—
Total other postemployment benefits liability	21,449
Net pension liability	2,140
Other liabilities	632
Deferred inflows of resources	(6,576)
Net cash used in operating activities	<u>\$ (131,839)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 10,235
Other assets paid through long-term debt	—
Amortization of net bond premium	292
Change in accrued capital asset purchases	1,060

See accompanying independent auditors' report.

CALIFORNIA STATE POLYTECHNIC UNIVERSITY, HUMBOLDT

Transactions with Related Entities

Year ended June 30, 2021

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 1,387
Payments from discretely presented component units for other than salaries	4,714
Payments to discretely presented component units for services, space, and programs	3,091
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	3,185
Accounts receivable from discretely presented component units	113
Other amounts receivable from discretely presented component units	2,000
Accounts payable to discretely presented component units	(440)
Other amounts payable to discretely presented component units	(8,000)
Payments to the Office of the Chancellor for administrative activities	83
Payments to the Office of the Chancellor for state pro rata charges	41
Accounts receivable from the Office of the Chancellor	835
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	885
Other interagency payments (receipts) for services, space, and programs	(68)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, LONG BEACH

Statement of Net Position

June 30, 2021

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 677	9,352	10,029
Short-term investments	204,800	89,440	294,240
Accounts receivable, net	31,244	10,083	41,327
Capital lease receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	3,841	3,841
Prepaid expenses and other current assets	4,056	1,299	5,355
Total current assets	<u>240,777</u>	<u>114,015</u>	<u>354,792</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	—	—
Accounts receivable, net	1,342	16,439	17,781
Capital lease receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	3,639	—	3,639
Pledges receivable, net	—	3,998	3,998
Endowment investments	—	109,667	109,667
Other long-term investments	93,282	17,270	110,552
Capital assets, net	594,257	50,430	644,687
Other assets	219	13	232
Total noncurrent assets	<u>692,739</u>	<u>197,817</u>	<u>890,556</u>
Total assets	<u>933,516</u>	<u>311,832</u>	<u>1,245,348</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>223,394</u>	<u>3,572</u>	<u>226,966</u>
Liabilities			
Current liabilities:			
Accounts payable	25,860	3,788	29,648
Accrued salaries and benefits	35,523	3,001	38,524
Accrued compensated absences, current portion	7,117	2,176	9,293
Unearned revenues	21,413	3,363	24,776
Capital lease obligations, current portion	—	—	—
Long-term debt obligations, current portion	4,250	1,295	5,545
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	69	1,399	1,468
Other liabilities	5,116	3,131	8,247
Total current liabilities	<u>99,348</u>	<u>18,153</u>	<u>117,501</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	12,973	—	12,973
Unearned revenues	43	—	43
Grants refundable	4,002	—	4,002
Capital lease obligations, net of current portion	—	—	—
Long-term debt obligations, net of current portion	247,562	28,384	275,946
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	1,062,736	7,615	1,070,351
Net pension liability	601,727	10,391	612,118
Other liabilities	—	6,868	6,868
Total noncurrent liabilities	<u>1,929,043</u>	<u>53,258</u>	<u>1,982,301</u>
Total liabilities	<u>2,028,391</u>	<u>71,411</u>	<u>2,099,802</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>153,220</u>	<u>21,454</u>	<u>174,674</u>
Net Position			
Net position:			
Net investment in capital assets	379,848	22,751	402,599
Restricted for:			
Nonexpendable – endowments	—	81,902	81,902
Expendable:			
Scholarships and fellowships	520	16,433	16,953
Research	—	4,656	4,656
Loans	654	—	654
Capital projects	3,419	896	4,315
Debt service	1,481	—	1,481
Others	—	58,922	58,922
Unrestricted	(1,410,623)	36,979	(1,373,644)
Total net position	<u>\$ (1,024,701)</u>	<u>222,539</u>	<u>(802,162)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, LONG BEACH

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2021

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$149,794)	\$ 160,560	—	—	160,560
Grants and contracts, noncapital:				
Federal	—	23,677	—	23,677
State	—	8,639	—	8,639
Local	—	323	—	323
Nongovernmental	—	1,792	—	1,792
Sales and services of educational activities	1,411	17	—	1,428
Sales and services of auxiliary enterprises (net of scholarship allowances of \$1,304)	3,143	16,379	—	19,522
Other operating revenues	12,224	19,062	(347)	30,939
Total operating revenues	<u>177,338</u>	<u>69,889</u>	<u>(347)</u>	<u>246,880</u>
Expenses:				
Operating expenses:				
Instruction	276,689	8,350	—	285,039
Research	2,884	12,423	—	15,307
Public service	2,682	4,625	—	7,307
Academic support	65,361	5,048	—	70,409
Student services	82,471	12,771	(221)	95,021
Institutional support	63,837	13,407	(2,655)	74,589
Operation and maintenance of plant	45,991	583	—	46,574
Student grants and scholarships	108,900	7,002	(7,205)	108,697
Auxiliary enterprise expenses	26,689	17,051	(109)	43,631
Depreciation and amortization	33,927	2,793	—	36,720
Total operating expenses	<u>709,431</u>	<u>84,053</u>	<u>(10,190)</u>	<u>783,294</u>
Operating loss	<u>(532,093)</u>	<u>(14,164)</u>	<u>9,843</u>	<u>(536,414)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	248,961	—	—	248,961
Federal financial aid grants, noncapital	91,066	—	—	91,066
State financial aid grants, noncapital	76,416	—	—	76,416
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	6,938	—	(6,938)	—
Other federal nonoperating grants, noncapital	76,208	2,000	—	78,208
Gifts, noncapital	388	11,897	(251)	12,034
Investment income, net	16,429	15,906	—	32,335
Endowment income, net	—	22,299	—	22,299
Interest expense	(6,478)	(990)	—	(7,468)
Other nonoperating revenues (expenses)	14,982	(353)	—	14,629
Net nonoperating income	<u>524,910</u>	<u>50,759</u>	<u>(7,189)</u>	<u>568,480</u>
Income (loss) before other revenues	<u>(7,183)</u>	<u>36,595</u>	<u>2,654</u>	<u>32,066</u>
State appropriations, capital	—	—	—	—
Grants and gifts, capital	7,655	—	(2,654)	5,001
Additions to permanent endowments	—	5,703	—	5,703
Increase in net position	<u>472</u>	<u>42,298</u>	<u>—</u>	<u>42,770</u>
Net position:				
Net position at beginning of year	(1,025,173)	180,241	—	(844,932)
Net position at end of year	<u>\$ (1,024,701)</u>	<u>222,539</u>	<u>—</u>	<u>(802,162)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, LONG BEACH

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 160,334
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(101,947)
Payments to employees	(275,200)
Payments for benefits	(136,678)
Payments to students	(109,054)
Collections of student loans	27
Sales and services of educational activities	1,411
Sales and services of auxiliary enterprises	1,165
Other receipts	16,257
Net cash used in operating activities	<u>(443,685)</u>
Cash flows from noncapital financing activities:	
State appropriations	225,442
Federal financial aid grants	90,886
State financial aid grants	76,416
Nongovernmental and other financial aid grants	6,970
Other federal nonoperating grants	57,905
Gifts and grants received for other than capital purposes	251
Federal loan program receipts	84,987
Federal loan program disbursements	(85,062)
Monies received on behalf of others	7,988
Monies disbursed on behalf of others	(7,015)
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	—
Issuance of capital leases receivable	—
Principal collections on capital leases	—
Interest collections on capital leases	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	10,790
Net cash provided by noncapital financing activities	<u>469,558</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	140,320
State appropriations	—
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	7,344
Proceeds from sale of capital assets	39
Acquisition of capital assets	(94,221)
Transfers to escrow agent	—
Principal paid on capital debt and leases	(47,899)
Interest paid on capital debt and leases	(7,042)
Principal collection on capital leases	—
Interest collection on capital leases	—
Net cash used in capital and related financing activities	<u>(1,459)</u>

CALIFORNIA STATE UNIVERSITY, LONG BEACH

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 1,169,481
Purchases of investments	(1,201,996)
Investment income proceeds	7,657
Net cash used in investing activities	(24,858)
Net decrease in cash and cash equivalents	(444)
Cash and cash equivalents at beginning of year	1,121
Cash and cash equivalents at end of year	<u>\$ 677</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 677
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 677</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (532,093)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	33,927
Change in assets and liabilities:	
Accounts receivable, net	(1,392)
Student loans receivable, net	(127)
Pledges receivable, net	—
Prepaid expenses and other current assets	(515)
Other assets	136
Deferred outflows of resources	12,528
Accounts payable	3,571
Accrued salaries and benefits	1,201
Accrued compensated absences	2,312
Unearned revenues	1,327
Depository accounts	—
Total other postemployment benefits liability	43,519
Net pension liability	10,102
Other liabilities	886
Deferred inflows of resources	(19,067)
Net cash used in operating activities	<u>\$ (443,685)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 23,810
Other assets paid through long-term debt	137
Amortization of net bond premium	1,248
Change in accrued capital asset purchases	9,184

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, LONG BEACH

Transactions with Related Entities

Year ended June 30, 2021

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 5,224
Payments from discretely presented component units for other than salaries	16,797
Payments to discretely presented component units for services, space, and programs	20,997
Gifts in kind from discretely presented component units	373
Gifts (cash or assets) from discretely presented component units	14,771
Accounts receivable from discretely presented component units	4,560
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(1,665)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	674
Payments to the Office of the Chancellor for state pro rata charges	152
Accounts receivable from the Office of the Chancellor	4,797
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	3,115
Other interagency payments (receipts) for services, space, and programs	985

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, 2021

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 9	8,552	8,561
Short-term investments	156,621	23,423	180,044
Accounts receivable, net	26,400	6,264	32,664
Capital lease receivable, current portion	1,030	—	1,030
Notes receivable, current portion	—	21	21
Pledges receivable, net	—	1,469	1,469
Prepaid expenses and other current assets	907	387	1,294
Total current assets	<u>184,967</u>	<u>40,116</u>	<u>225,083</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	8,783	8,783
Accounts receivable, net	40	—	40
Capital lease receivable, net of current portion	14,795	—	14,795
Notes receivable, net of current portion	—	42	42
Student loans receivable, net	865	—	865
Pledges receivable, net	—	4,701	4,701
Endowment investments	—	59,735	59,735
Other long-term investments	136,713	—	136,713
Capital assets, net	583,619	34,014	617,633
Other assets	254	207	461
Total noncurrent assets	<u>736,286</u>	<u>107,482</u>	<u>843,768</u>
Total assets	<u>921,253</u>	<u>147,598</u>	<u>1,068,851</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>141,018</u>	<u>285</u>	<u>141,303</u>
Liabilities			
Current liabilities:			
Accounts payable	27,143	1,551	28,694
Accrued salaries and benefits	22,027	2,985	25,012
Accrued compensated absences, current portion	6,557	442	6,999
Unearned revenues	21,810	8,406	30,216
Capital lease obligations, current portion	—	1,030	1,030
Long-term debt obligations, current portion	7,560	216	7,776
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	0	—	0
Other liabilities	4,558	1,548	6,106
Total current liabilities	<u>89,655</u>	<u>16,178</u>	<u>105,833</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	6,704	114	6,818
Unearned revenues	—	—	—
Grants refundable	377	—	377
Capital lease obligations, net of current portion	—	16,313	16,313
Long-term debt obligations, net of current portion	320,077	5,542	325,619
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	16	—	16
Total other postemployment benefits liability	693,008	945	693,953
Net pension liability	393,920	—	393,920
Other liabilities	—	—	—
Total noncurrent liabilities	<u>1,414,102</u>	<u>22,914</u>	<u>1,437,016</u>
Total liabilities	<u>1,503,757</u>	<u>39,092</u>	<u>1,542,849</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>99,956</u>	<u>2,234</u>	<u>102,190</u>
Net Position			
Net position:			
Net investment in capital assets	299,005	8,680	307,685
Restricted for:			
Nonexpendable – endowments	—	42,817	42,817
Expendable:			
Scholarships and fellowships	1,396	33,188	34,584
Research	—	—	—
Loans	1,045	—	1,045
Capital projects	77	—	77
Debt service	175	—	175
Others	2,203	—	2,203
Unrestricted	(845,343)	21,872	(823,471)
Total net position	<u>\$ (541,442)</u>	<u>106,557</u>	<u>(434,885)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, LOS ANGELES

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2021

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$119,970)	\$ 76,610	—	—	76,610
Grants and contracts, noncapital:				
Federal	—	18,018	—	18,018
State	—	672	—	672
Local	—	1,578	—	1,578
Nongovernmental	—	2,744	—	2,744
Sales and services of educational activities	12	3,549	—	3,561
Sales and services of auxiliary enterprises (net of scholarship allowances of \$217)	2,646	3,014	—	5,660
Other operating revenues	13,266	12,238	(4,652)	20,852
Total operating revenues	<u>92,534</u>	<u>41,813</u>	<u>(4,652)</u>	<u>129,695</u>
Expenses:				
Operating expenses:				
Instruction	167,754	11,443	—	179,197
Research	1,343	—	—	1,343
Public service	1,904	404	—	2,308
Academic support	45,313	5,502	—	50,815
Student services	42,539	5,501	—	48,040
Institutional support	61,049	975	—	62,024
Operation and maintenance of plant	36,671	2,653	(4,652)	34,672
Student grants and scholarships	103,653	5,521	—	109,174
Auxiliary enterprise expenses	7,349	2,636	—	9,985
Depreciation and amortization	19,512	1,476	—	20,988
Total operating expenses	<u>487,087</u>	<u>36,111</u>	<u>(4,652)</u>	<u>518,546</u>
Operating income (loss)	<u>(394,553)</u>	<u>5,702</u>	<u>—</u>	<u>(388,851)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	196,116	—	—	196,116
Federal financial aid grants, noncapital	82,272	—	—	82,272
State financial aid grants, noncapital	67,273	—	—	67,273
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	29	—	—	29
Other federal nonoperating grants, noncapital	48,373	1,288	—	49,661
Gifts, noncapital	—	1,654	—	1,654
Investment income, net	16,867	1,163	—	18,030
Endowment income, net	—	12,529	—	12,529
Interest expense	(12,970)	(725)	—	(13,695)
Other nonoperating revenues (expenses)	43,424	(1,993)	1,574	43,005
Net nonoperating income	<u>441,384</u>	<u>13,916</u>	<u>1,574</u>	<u>456,874</u>
Income before other revenues	46,831	19,618	1,574	68,023
State appropriations, capital	10,812	—	—	10,812
Grants and gifts, capital	1,661	—	(1,574)	87
Additions to permanent endowments	—	3,718	—	3,718
Increase in net position	<u>59,304</u>	<u>23,336</u>	<u>—</u>	<u>82,640</u>
Net position:				
Net position at beginning of year	(600,746)	83,221	—	(517,525)
Net position at end of year	<u>\$ (541,442)</u>	<u>106,557</u>	<u>—</u>	<u>(434,885)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, LOS ANGELES

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 68,521
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(61,150)
Payments to employees	(179,952)
Payments for benefits	(88,411)
Payments to students	(103,712)
Collections of student loans	11
Sales and services of educational activities	12
Sales and services of auxiliary enterprises	2,081
Other receipts	14,777
Net cash used in operating activities	<u>(347,823)</u>
Cash flows from noncapital financing activities:	
State appropriations	180,297
Federal financial aid grants	81,417
State financial aid grants	67,273
Nongovernmental and other financial aid grants	29
Other federal nonoperating grants	48,373
Gifts and grants received for other than capital purposes	—
Federal loan program receipts	52,013
Federal loan program disbursements	(52,021)
Monies received on behalf of others	7,588
Monies disbursed on behalf of others	(7,600)
Transfers to escrow agent	—
Proceeds from long-term debt	—
Principal paid on long-term debt	(1,060)
Interest paid on long-term debt	—
Issuance of notes receivable	—
Issuance of capital leases receivable	—
Principal collections on capital leases	—
Interest collections on capital leases	34
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	44,354
Net cash provided by noncapital financing activities	<u>420,697</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	4,895
State appropriations	10,812
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	86
Proceeds from sale of capital assets	1,939
Acquisition of capital assets	(120,526)
Transfers to escrow agent	(4,883)
Principal paid on capital debt and leases	(2,685)
Interest paid on capital debt and leases	(13,699)
Principal collection on capital leases	985
Interest collection on capital leases	—
Net cash used in capital and related financing activities	<u>(123,076)</u>

CALIFORNIA STATE UNIVERSITY, LOS ANGELES

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 735,141
Purchases of investments	(692,063)
Investment income proceeds	6,717
Net cash provided by investing activities	49,795
Net decrease in cash and cash equivalents	(407)
Cash and cash equivalents at beginning of year	416
Cash and cash equivalents at end of year	<u>\$ 9</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 9
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 9</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (394,553)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	19,512
Change in assets and liabilities:	
Accounts receivable, net	(6,322)
Student loans receivable, net	(143)
Pledges receivable, net	—
Prepaid expenses and other current assets	(85)
Other assets	52
Deferred outflows of resources	19,053
Accounts payable	6,467
Accrued salaries and benefits	389
Accrued compensated absences	771
Unearned revenues	56
Depository accounts	—
Total other postemployment benefits liability	17,851
Net pension liability	2,574
Other liabilities	711
Deferred inflows of resources	(14,156)
Net cash used in operating activities	<u>\$ (347,823)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 15,819
Other assets paid through long-term debt	—
Amortization of net bond premium	804
Change in accrued capital asset purchases	882

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, LOS ANGELES

Transactions with Related Entities

Year ended June 30, 2021

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 2,552
Payments from discretely presented component units for other than salaries	7,116
Payments to discretely presented component units for services, space, and programs	1,971
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	—
Accounts receivable from discretely presented component units	20
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(106)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	169
Payments to the Office of the Chancellor for state pro rata charges	76
Accounts receivable from the Office of the Chancellor	10,979
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	2,734
Other interagency payments (receipts) for services, space, and programs	187

See accompanying independent auditors' report.

CALIFORNIA MARITIME ACADEMY

Schedule 8

Statement of Net Position

June 30, 2021

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 154	3,421	3,575
Short-term investments	17,410	1,846	19,256
Accounts receivable, net	1,554	70	1,624
Capital lease receivable, current portion	—	533	533
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	70	70
Prepaid expenses and other current assets	430	—	430
Total current assets	<u>19,548</u>	<u>5,940</u>	<u>25,488</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	772	772
Accounts receivable, net	—	—	—
Capital lease receivable, net of current portion	—	1,056	1,056
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	287	—	287
Pledges receivable, net	—	90	90
Endowment investments	—	10,822	10,822
Other long-term investments	284	—	284
Capital assets, net	118,596	1,920	120,516
Other assets	10	8,900	8,910
Total noncurrent assets	<u>119,177</u>	<u>23,560</u>	<u>142,737</u>
Total assets	<u>138,725</u>	<u>29,500</u>	<u>168,225</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>22,824</u>	<u>—</u>	<u>22,824</u>
Liabilities			
Current liabilities:			
Accounts payable	2,191	63	2,254
Accrued salaries and benefits	1,788	—	1,788
Accrued compensated absences, current portion	647	—	647
Unearned revenues	1,908	19	1,927
Capital lease obligations, current portion	84	—	84
Long-term debt obligations, current portion	795	—	795
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	10	882	892
Other liabilities	626	19	645
Total current liabilities	<u>8,049</u>	<u>983</u>	<u>9,032</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	2,021	—	2,021
Unearned revenues	—	—	—
Grants refundable	556	—	556
Capital lease obligations, net of current portion	288	—	288
Long-term debt obligations, net of current portion	33,574	—	33,574
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	102,372	—	102,372
Net pension liability	63,550	—	63,550
Other liabilities	—	—	—
Total noncurrent liabilities	<u>202,361</u>	<u>—</u>	<u>202,361</u>
Total liabilities	<u>210,410</u>	<u>983</u>	<u>211,393</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>14,931</u>	<u>34</u>	<u>14,965</u>
Net Position			
Net position:			
Net investment in capital assets	85,352	1,920	87,272
Restricted for:			
Nonexpendable – endowments	—	10,819	10,819
Expendable:			
Scholarships and fellowships	30	—	30
Research	—	—	—
Loans	33	—	33
Capital projects	2	—	2
Debt service	2	—	2
Others	10,923	3,127	14,050
Unrestricted	(160,134)	12,617	(147,517)
Total net position	<u>\$ (63,792)</u>	<u>28,483</u>	<u>(35,309)</u>

See accompanying independent auditors' report.

CALIFORNIA MARITIME ACADEMY

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2021

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$4,173)	\$ 6,875	—	—	6,875
Grants and contracts, noncapital:				
Federal	398	—	—	398
State	175	—	—	175
Local	—	—	—	—
Nongovernmental	3,462	—	—	3,462
Sales and services of educational activities	—	—	—	—
Sales and services of auxiliary enterprises (net of scholarship allowances of \$609)	5,997	—	—	5,997
Other operating revenues	604	537	—	1,141
Total operating revenues	<u>17,511</u>	<u>537</u>	<u>—</u>	<u>18,048</u>
Expenses:				
Operating expenses:				
Instruction	16,751	—	—	16,751
Research	3,010	—	—	3,010
Public service	24	—	—	24
Academic support	3,516	—	—	3,516
Student services	13,616	132	—	13,748
Institutional support	14,376	—	—	14,376
Operation and maintenance of plant	5,810	—	—	5,810
Student grants and scholarships	1,515	519	—	2,034
Auxiliary enterprise expenses	7,446	2,089	—	9,535
Depreciation and amortization	6,466	19	—	6,485
Total operating expenses	<u>72,530</u>	<u>2,759</u>	<u>—</u>	<u>75,289</u>
Operating loss	<u>(55,019)</u>	<u>(2,222)</u>	<u>—</u>	<u>(57,241)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	38,120	—	—	38,120
Federal financial aid grants, noncapital	1,402	—	—	1,402
State financial aid grants, noncapital	1,119	—	—	1,119
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	519	—	—	519
Other federal nonoperating grants, noncapital	496	—	—	496
Gifts, noncapital	—	2,596	—	2,596
Investment income, net	2,830	108	—	2,938
Endowment income, net	—	2,134	—	2,134
Interest expense	(1,246)	—	—	(1,246)
Other nonoperating revenues (expenses)	4,382	(624)	—	3,758
Net nonoperating income	<u>47,622</u>	<u>4,214</u>	<u>—</u>	<u>51,836</u>
Income (loss) before other revenues	<u>(7,397)</u>	<u>1,992</u>	<u>—</u>	<u>(5,405)</u>
State appropriations, capital	—	—	—	—
Grants and gifts, capital	909	9,420	—	10,329
Additions (reductions) to permanent endowments	—	—	—	—
Increase (decrease) in net position	<u>(6,488)</u>	<u>11,412</u>	<u>—</u>	<u>4,924</u>
Net position:				
Net position at beginning of year	(57,304)	17,071	—	(40,233)
Net position at end of year	<u>\$ (63,792)</u>	<u>28,483</u>	<u>—</u>	<u>(35,309)</u>

See accompanying independent auditors' report.

CALIFORNIA MARITIME ACADEMY

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 7,597
Federal grants and contracts	374
State grants and contracts	144
Local grants and contracts	—
Nongovernmental grants and contracts	3,648
Payments to suppliers	(15,008)
Payments to employees	(26,978)
Payments for benefits	(13,517)
Payments to students	(1,666)
Collections of student loans	—
Sales and services of educational activities	—
Sales and services of auxiliary enterprises	5,556
Other receipts	1,211
Net cash used in operating activities	<u>(38,639)</u>
Cash flows from noncapital financing activities:	
State appropriations	35,842
Federal financial aid grants	1,402
State financial aid grants	1,119
Nongovernmental and other financial aid grants	519
Other federal nonoperating grants	496
Gifts and grants received for other than capital purposes	—
Federal loan program receipts	4,572
Federal loan program disbursements	(4,947)
Monies received on behalf of others	—
Monies disbursed on behalf of others	(231)
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	—
Issuance of capital leases receivable	—
Principal collections on capital leases	—
Interest collections on capital leases	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	4,242
Net cash provided by noncapital financing activities	<u>43,014</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	13,930
State appropriations	—
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	909
Proceeds from sale of capital assets	65
Acquisition of capital assets	(10,848)
Transfers to escrow agent	(13,884)
Principal paid on capital debt and leases	(804)
Interest paid on capital debt and leases	(848)
Principal collection on capital leases	—
Interest collection on capital leases	—
Net cash used in capital and related financing activities	<u>(11,480)</u>

CALIFORNIA MARITIME ACADEMY

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 88,783
Purchases of investments	(83,914)
Investment income proceeds	2,247
Net cash provided by investing activities	7,116
Net increase in cash and cash equivalents	11
Cash and cash equivalents at beginning of year	143
Cash and cash equivalents at end of year	<u>\$ 154</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 154
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 154</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (55,019)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	6,466
Change in assets and liabilities:	
Accounts receivable, net	(450)
Student loans receivable, net	382
Pledges receivable, net	—
Prepaid expenses and other current assets	59
Other assets	2
Deferred outflows of resources	3,617
Accounts payable	(434)
Accrued salaries and benefits	(111)
Accrued compensated absences	187
Unearned revenues	1,620
Depository accounts	—
Total other postemployment benefits liability	5,121
Net pension liability	1,853
Other liabilities	(186)
Deferred inflows of resources	(1,746)
Net cash used in operating activities	<u>\$ (38,639)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 2,278
Other assets paid through long-term debt	—
Amortization of net bond premium	71
Change in accrued capital asset purchases	—

See accompanying independent auditors' report.

CALIFORNIA MARITIME ACADEMY

Transactions with Related Entities

Year ended June 30, 2021

(In thousands)

	Campus
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	113
Payments to discretely presented component units for services, space, and programs	—
Gifts in kind from discretely presented component units	753
Gifts (cash or assets) from discretely presented component units	610
Accounts receivable from discretely presented component units	59
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(15)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	23
Payments to the Office of the Chancellor for state pro rata charges	15
Accounts receivable from the Office of the Chancellor	661
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	235
Other interagency payments (receipts) for services, space, and programs	132

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, MONTEREY BAY

Statement of Net Position

June 30, 2021

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 6	15,682	15,688
Short-term investments	54,810	161	54,971
Accounts receivable, net	3,881	17,747	21,628
Capital lease receivable, current portion	2,595	—	2,595
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	299	299
Prepaid expenses and other current assets	1,417	2,425	3,842
Total current assets	<u>62,709</u>	<u>36,314</u>	<u>99,023</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	689	689
Accounts receivable, net	210	39	249
Capital lease receivable, net of current portion	42,855	—	42,855
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	69	—	69
Pledges receivable, net	—	89	89
Endowment investments	—	34,631	34,631
Other long-term investments	17,680	38,658	56,338
Capital assets, net	317,158	128,287	445,445
Other assets	193	40	233
Total noncurrent assets	<u>378,165</u>	<u>202,433</u>	<u>580,598</u>
Total assets	<u>440,874</u>	<u>238,747</u>	<u>679,621</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>57,151</u>	<u>1,309</u>	<u>58,460</u>
Liabilities			
Current liabilities:			
Accounts payable	11,270	5,094	16,364
Accrued salaries and benefits	6,951	720	7,671
Accrued compensated absences, current portion	2,307	615	2,922
Unearned revenues	4,787	2,230	7,017
Capital lease obligations, current portion	0	2,595	2,595
Long-term debt obligations, current portion	3,370	1,090	4,460
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	10	—	10
Other liabilities	2,134	63	2,197
Total current liabilities	<u>30,829</u>	<u>12,407</u>	<u>43,236</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	3,839	—	3,839
Unearned revenues	—	—	—
Grants refundable	1	—	1
Capital lease obligations, net of current portion	—	44,625	44,625
Long-term debt obligations, net of current portion	91,422	75,449	166,871
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	348	348
Total other postemployment benefits liability	258,624	—	258,624
Net pension liability	169,609	—	169,609
Other liabilities	1,858	—	1,858
Total noncurrent liabilities	<u>525,353</u>	<u>120,422</u>	<u>645,775</u>
Total liabilities	<u>556,182</u>	<u>132,829</u>	<u>689,011</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>37,517</u>	<u>—</u>	<u>37,517</u>
Net Position			
Net position:			
Net investment in capital assets	269,357	5,836	275,193
Restricted for:			
Nonexpendable – endowments	—	15,763	15,763
Expendable:			
Scholarships and fellowships	390	13,163	13,553
Research	—	45	45
Loans	100	—	100
Capital projects	214	—	214
Debt service	6	—	6
Others	4	15,520	15,524
Unrestricted	(365,745)	56,900	(308,845)
Total net position	<u>\$ (95,674)</u>	<u>107,227</u>	<u>11,553</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, MONTEREY BAY

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2021

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$25,345)	\$ 38,636	—	—	38,636
Grants and contracts, noncapital:				
Federal	—	12,945	—	12,945
State	—	2,153	—	2,153
Local	—	73	—	73
Nongovernmental	—	1,432	—	1,432
Sales and services of educational activities	—	—	—	—
Sales and services of auxiliary enterprises (net of scholarship allowances of \$-)	231	16,954	—	17,185
Other operating revenues	6,475	10,557	—	17,032
Total operating revenues	<u>45,342</u>	<u>44,114</u>	<u>—</u>	<u>89,456</u>
Expenses:				
Operating expenses:				
Instruction	69,904	120	—	70,024
Research	818	4,889	—	5,707
Public service	1,016	6,977	—	7,993
Academic support	20,729	4,549	—	25,278
Student services	26,225	621	—	26,846
Institutional support	21,958	5,909	(129)	27,738
Operation and maintenance of plant	24,789	20	—	24,809
Student grants and scholarships	19,249	2,725	—	21,974
Auxiliary enterprise expenses	14,109	18,661	(627)	32,143
Depreciation and amortization	18,571	8,194	—	26,765
Total operating expenses	<u>217,368</u>	<u>52,665</u>	<u>(756)</u>	<u>269,277</u>
Operating loss	<u>(172,026)</u>	<u>(8,551)</u>	<u>756</u>	<u>(179,821)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	88,052	—	—	88,052
Federal financial aid grants, noncapital	15,207	—	—	15,207
State financial aid grants, noncapital	12,691	—	—	12,691
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	15,891	—	—	15,891
Gifts, noncapital	1,366	3,495	(647)	4,214
Investment income, net	6,047	6,831	—	12,878
Endowment income, net	—	7,844	—	7,844
Interest expense	(2,855)	(3,782)	—	(6,637)
Other nonoperating revenues (expenses)	6,349	(51)	—	6,298
Net nonoperating income	<u>142,748</u>	<u>14,337</u>	<u>(647)</u>	<u>156,438</u>
Income (loss) before other revenues	<u>(29,278)</u>	<u>5,786</u>	<u>109</u>	<u>(23,383)</u>
State appropriations, capital	—	—	—	—
Grants and gifts, capital	3,030	(3,164)	(109)	(243)
Additions to permanent endowments	—	613	—	613
Increase (Decrease) in net position	<u>(26,248)</u>	<u>3,235</u>	<u>—</u>	<u>(23,013)</u>
Net position:				
Net position at beginning of year	(69,426)	103,992	—	34,566
Net position at end of year	<u>\$ (95,674)</u>	<u>107,227</u>	<u>—</u>	<u>11,553</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, MONTEREY BAY

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 41,315
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(47,697)
Payments to employees	(73,141)
Payments for benefits	(36,767)
Payments to students	(19,248)
Collections of student loans	6
Sales and services of educational activities	—
Sales and services of auxiliary enterprises	231
Other receipts	11,160
Net cash used in operating activities	<u>(124,141)</u>
Cash flows from noncapital financing activities:	
State appropriations	82,295
Federal financial aid grants	15,207
State financial aid grants	12,691
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	17,602
Gifts and grants received for other than capital purposes	1,366
Federal loan program receipts	19,901
Federal loan program disbursements	(19,791)
Monies received on behalf of others	1,928
Monies disbursed on behalf of others	(70)
Transfers to escrow agent	(30,537)
Proceeds from long-term debt	30,625
Principal paid on long-term debt	(3,195)
Interest paid on long-term debt	(1,027)
Issuance of notes receivable	—
Issuance of capital leases receivable	(30,360)
Principal collections on capital leases	30,160
Interest collections on capital leases	1,027
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	10,151
Net cash provided by noncapital financing activities	<u>137,973</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	—
State appropriations	—
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	—
Proceeds from sale of capital assets	9
Acquisition of capital assets	(12,641)
Transfers to escrow agent	—
Principal paid on capital debt and leases	(4,025)
Interest paid on capital debt and leases	(2,645)
Principal collection on capital leases	—
Interest collection on capital leases	—
Net cash used in capital and related financing activities	<u>(19,302)</u>

CALIFORNIA STATE UNIVERSITY, MONTEREY BAY

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 266,963
Purchases of investments	(264,306)
Investment income proceeds	2,813
Net cash provided by investing activities	5,470
Net increase (decrease) in cash and cash equivalents	—
Cash and cash equivalents at beginning of year	6
Cash and cash equivalents at end of year	<u>\$ 6</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 6
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 6</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (172,026)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	18,571
Change in assets and liabilities:	
Accounts receivable, net	909
Student loans receivable, net	4
Pledges receivable, net	—
Prepaid expenses and other current assets	55
Other assets	2
Deferred outflows of resources	5,986
Accounts payable	2,337
Accrued salaries and benefits	(203)
Accrued compensated absences	437
Unearned revenues	570
Depository accounts	—
Total other postemployment benefits liability	16,865
Net pension liability	6,023
Other liabilities	232
Deferred inflows of resources	(3,903)
Net cash used in operating activities	<u>\$ (124,141)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 5,757
Other assets paid through long-term debt	—
Amortization of net bond premium	1,862
Change in accrued capital asset purchases	877

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, MONTEREY BAY

Transactions with Related Entities

Year ended June 30, 2021

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 2,772
Payments from discretely presented component units for other than salaries	2,970
Payments to discretely presented component units for services, space, and programs	—
Gifts in kind from discretely presented component units	757
Gifts (cash or assets) from discretely presented component units	6,773
Accounts receivable from discretely presented component units	1,771
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(6,323)
Other amounts payable to discretely presented component units	(1,858)
Payments to the Office of the Chancellor for administrative activities	66
Payments to the Office of the Chancellor for state pro rata charges	56
Accounts receivable from the Office of the Chancellor	210
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	717
Other interagency payments (receipts) for services, space, and programs	147

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, 2021

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 14	64,221	64,235
Short-term investments	389,318	95,599	484,917
Accounts receivable, net	6,382	8,303	14,685
Capital lease receivable, current portion	455	—	455
Notes receivable, current portion	—	4	4
Pledges receivable, net	—	19,873	19,873
Prepaid expenses and other current assets	4,636	609	5,245
Total current assets	<u>400,805</u>	<u>188,609</u>	<u>589,414</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	1,315	1,315
Accounts receivable, net	—	2,434	2,434
Capital lease receivable, net of current portion	5,180	—	5,180
Notes receivable, net of current portion	—	33	33
Student loans receivable, net	1,089	—	1,089
Pledges receivable, net	—	—	—
Endowment investments	—	146,313	146,313
Other long-term investments	13,720	33,426	47,146
Capital assets, net	475,667	32,423	508,090
Other assets	81	481	562
Total noncurrent assets	<u>495,737</u>	<u>216,425</u>	<u>712,162</u>
Total assets	<u>896,542</u>	<u>405,034</u>	<u>1,301,576</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>205,246</u>	<u>—</u>	<u>205,246</u>
Liabilities			
Current liabilities:			
Accounts payable	10,543	2,788	13,331
Accrued salaries and benefits	28,132	2,473	30,605
Accrued compensated absences, current portion	7,055	1,085	8,140
Unearned revenues	37,763	4,067	41,830
Capital lease obligations, current portion	—	455	455
Long-term debt obligations, current portion	7,545	240	7,785
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	49	3,896	3,945
Other liabilities	3,940	311	4,251
Total current liabilities	<u>95,027</u>	<u>15,315</u>	<u>110,342</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	12,720	292	13,012
Unearned revenues	—	—	—
Grants refundable	1,277	—	1,277
Capital lease obligations, net of current portion	—	5,362	5,362
Long-term debt obligations, net of current portion	140,412	3,978	144,390
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	1,021,304	6,358	1,027,662
Net pension liability	572,546	—	572,546
Other liabilities	—	—	—
Total noncurrent liabilities	<u>1,748,259</u>	<u>15,990</u>	<u>1,764,249</u>
Total liabilities	<u>1,843,286</u>	<u>31,305</u>	<u>1,874,591</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>147,590</u>	<u>—</u>	<u>147,590</u>
Net Position			
Net position:			
Net investment in capital assets	335,911	18,477	354,388
Restricted for:			
Nonexpendable – endowments	—	112,987	112,987
Expendable:			
Scholarships and fellowships	2,007	33,704	35,711
Research	—	—	—
Loans	1,154	422	1,576
Capital projects	—	3,279	3,279
Debt service	16	—	16
Others	—	65,374	65,374
Unrestricted	(1,228,176)	139,486	(1,088,690)
Total net position	<u>\$ (889,088)</u>	<u>373,729</u>	<u>(515,359)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, NORTHRIDGE

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2021

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$167,744)	\$ 144,210	—	—	144,210
Grants and contracts, noncapital:				
Federal	—	24,678	—	24,678
State	—	2,172	—	2,172
Local	—	832	—	832
Nongovernmental	—	2,314	—	2,314
Sales and services of educational activities	592	—	—	592
Sales and services of auxiliary enterprises (net of scholarship allowances of \$1,142)	3,234	6,196	—	9,430
Other operating revenues	12,177	25,996	—	38,173
Total operating revenues	<u>160,213</u>	<u>62,188</u>	<u>—</u>	<u>222,401</u>
Expenses:				
Operating expenses:				
Instruction	215,961	—	—	215,961
Research	3,304	25,466	—	28,770
Public service	448	1,179	—	1,627
Academic support	72,216	3,332	—	75,548
Student services	96,296	18,729	—	115,025
Institutional support	54,558	2,876	(503)	56,931
Operation and maintenance of plant	64,309	938	—	65,247
Student grants and scholarships	135,050	2,998	—	138,048
Auxiliary enterprise expenses	20,475	8,758	—	29,233
Depreciation and amortization	31,301	2,263	—	33,564
Total operating expenses	<u>693,918</u>	<u>66,539</u>	<u>(503)</u>	<u>759,954</u>
Operating loss	<u>(533,705)</u>	<u>(4,351)</u>	<u>503</u>	<u>(537,553)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	254,518	—	—	254,518
Federal financial aid grants, noncapital	104,383	—	—	104,383
State financial aid grants, noncapital	85,943	—	—	85,943
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	3,391	—	—	3,391
Other federal nonoperating grants, noncapital	80,704	—	—	80,704
Gifts, noncapital	474	52,120	(474)	52,120
Investment income, net	25,482	21,482	—	46,964
Endowment income, net	—	24,663	—	24,663
Interest expense	(6,020)	—	—	(6,020)
Other nonoperating revenues	9,535	2,181	—	11,716
Net nonoperating income	<u>558,410</u>	<u>100,446</u>	<u>(474)</u>	<u>658,382</u>
Income before other revenues	<u>24,705</u>	<u>96,095</u>	<u>29</u>	<u>120,829</u>
State appropriations, capital	—	—	—	—
Grants and gifts, capital	29	—	(29)	—
Additions to permanent endowments	—	13,084	—	13,084
Increase in net position	<u>24,734</u>	<u>109,179</u>	<u>—</u>	<u>133,913</u>
Net position:				
Net position at beginning of year	(913,822)	264,550	—	(649,272)
Net position at end of year	<u>\$ (889,088)</u>	<u>373,729</u>	<u>—</u>	<u>(515,359)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, NORTHRIDGE

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 155,963
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(93,794)
Payments to employees	(258,500)
Payments for benefits	(126,726)
Payments to students	(134,904)
Collections of student loans	—
Sales and services of educational activities	592
Sales and services of auxiliary enterprises	3,196
Other receipts	16,217
Net cash used in operating activities	<u>(437,956)</u>
Cash flows from noncapital financing activities:	
State appropriations	231,713
Federal financial aid grants	104,383
State financial aid grants	85,943
Nongovernmental and other financial aid grants	3,391
Other federal nonoperating grants	80,704
Gifts and grants received for other than capital purposes	474
Federal loan program receipts	92,408
Federal loan program disbursements	(92,425)
Monies received on behalf of others	—
Monies disbursed on behalf of others	(72)
Transfers to escrow agent	(4,105)
Proceeds from long-term debt	—
Principal paid on long-term debt	(440)
Interest paid on long-term debt	—
Issuance of notes receivable	—
Issuance of capital leases receivable	—
Principal collections on capital leases	55
Interest collections on capital leases	22
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	4,624
Net cash provided by noncapital financing activities	<u>506,675</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	17,865
State appropriations	1,700
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	29
Proceeds from sale of capital assets	—
Acquisition of capital assets	(13,536)
Transfers to escrow agent	(13,713)
Principal paid on capital debt and leases	(6,735)
Interest paid on capital debt and leases	(6,658)
Principal collection on capital leases	—
Interest collection on capital leases	—
Net cash used in capital and related financing activities	<u>(21,048)</u>

CALIFORNIA STATE UNIVERSITY, NORTHRIDGE

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 881,933
Purchases of investments	(939,406)
Investment income proceeds	9,189
Net cash used in investing activities	(48,284)
Net decrease in cash and cash equivalents	(613)
Cash and cash equivalents at beginning of year	627
Cash and cash equivalents at end of year	<u>\$ 14</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 14
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 14</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (533,705)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	31,301
Change in assets and liabilities:	
Accounts receivable, net	1,165
Student loans receivable, net	(112)
Pledges receivable, net	—
Prepaid expenses and other current assets	(383)
Other assets	363
Deferred outflows of resources	14,882
Accounts payable	3,638
Accrued salaries and benefits	1,374
Accrued compensated absences	1,118
Unearned revenues	13,637
Depository accounts	—
Total other postemployment benefits liability	41,440
Net pension liability	4,701
Other liabilities	1,088
Deferred inflows of resources	(18,463)
Net cash used in operating activities	<u>\$ (437,956)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 22,805
Other assets paid through long-term debt	—
Amortization of net bond premium	640
Change in accrued capital asset purchases	366

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, NORTHRIDGE

Transactions with Related Entities

Year ended June 30, 2021

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 6,204
Payments from discretely presented component units for other than salaries	5,912
Payments to discretely presented component units for services, space, and programs	14,031
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	504
Accounts receivable from discretely presented component units	22
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(1,511)
Other amounts payable to discretely presented component units	(39)
Payments to the Office of the Chancellor for administrative activities	838
Payments to the Office of the Chancellor for state pro rata charges	174
Accounts receivable from the Office of the Chancellor	568
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	3,077
Other interagency payments (receipts) for services, space, and programs	165

See accompanying independent auditors' report.

CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

Statement of Net Position

June 30, 2021

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 63	4,772	4,835
Short-term investments	252,230	112,949	365,179
Accounts receivable, net	10,152	6,666	16,818
Capital lease receivable, current portion	1,460	—	1,460
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	1,573	1,573
Prepaid expenses and other current assets	4,453	1,935	6,388
Total current assets	<u>268,358</u>	<u>127,895</u>	<u>396,253</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	3,396	3,396
Accounts receivable, net	639	3,324	3,963
Capital lease receivable, net of current portion	37,435	—	37,435
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	3,019	—	3,019
Pledges receivable, net	—	2,751	2,751
Endowment investments	—	163,491	163,491
Other long-term investments	86,781	1,645	88,426
Capital assets, net	650,692	70,236	720,928
Other assets	31	—	31
Total noncurrent assets	<u>778,597</u>	<u>244,843</u>	<u>1,023,440</u>
Total assets	<u>1,046,955</u>	<u>372,738</u>	<u>1,419,693</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>154,885</u>	<u>3,736</u>	<u>158,621</u>
Liabilities			
Current liabilities:			
Accounts payable	9,519	5,777	15,296
Accrued salaries and benefits	26,296	1,305	27,601
Accrued compensated absences, current portion	4,919	704	5,623
Unearned revenues	8,973	782	9,755
Capital lease obligations, current portion	1,499	1,460	2,959
Long-term debt obligations, current portion	10,380	—	10,380
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	19	66	85
Other liabilities	8,518	2,222	10,740
Total current liabilities	<u>70,123</u>	<u>12,316</u>	<u>82,439</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	6,856	520	7,376
Unearned revenues	—	—	—
Grants refundable	3,278	—	3,278
Capital lease obligations, net of current portion	6,238	39,461	45,699
Long-term debt obligations, net of current portion	358,751	3,795	362,546
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	751,161	9,819	760,980
Net pension liability	410,474	12,910	423,384
Other liabilities	—	1,204	1,204
Total noncurrent liabilities	<u>1,536,758</u>	<u>67,709</u>	<u>1,604,467</u>
Total liabilities	<u>1,606,881</u>	<u>80,025</u>	<u>1,686,906</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>108,586</u>	<u>3,460</u>	<u>112,046</u>
Net Position			
Net position:			
Net investment in capital assets	302,598	29,513	332,111
Restricted for:			
Nonexpendable – endowments	—	94,768	94,768
Expendable:			
Scholarships and fellowships	52	6,598	6,650
Research	—	—	—
Loans	1,200	—	1,200
Capital projects	90	—	90
Debt service	27	—	27
Others	—	70,354	70,354
Unrestricted	(817,594)	91,756	(725,838)
Total net position	<u>\$ (513,627)</u>	<u>292,989</u>	<u>(220,638)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2021

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$131,392)	\$ 111,388	—	—	111,388
Grants and contracts, noncapital:				
Federal	—	11,013	—	11,013
State	—	2,110	—	2,110
Local	—	—	—	—
Nongovernmental	—	805	—	805
Sales and services of educational activities	—	4,818	—	4,818
Sales and services of auxiliary enterprises (net of scholarship allowances of \$845)	2,574	14,949	—	17,523
Other operating revenues	8,219	25,444	—	33,663
Total operating revenues	<u>122,181</u>	<u>59,139</u>	<u>—</u>	<u>181,320</u>
Expenses:				
Operating expenses:				
Instruction	192,215	9,311	—	201,526
Research	1,346	6,670	—	8,016
Public service	191	206	—	397
Academic support	52,650	5,924	—	58,574
Student services	67,512	11,234	—	78,746
Institutional support	54,506	1,061	—	55,567
Operation and maintenance of plant	52,010	63	—	52,073
Student grants and scholarships	69,435	1,642	(3,246)	67,831
Auxiliary enterprise expenses	15,036	25,727	—	40,763
Depreciation and amortization	33,886	4,050	—	37,936
Total operating expenses	<u>538,787</u>	<u>65,888</u>	<u>(3,246)</u>	<u>601,429</u>
Operating loss	<u>(416,606)</u>	<u>(6,749)</u>	<u>3,246</u>	<u>(420,109)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	176,475	—	—	176,475
Federal financial aid grants, noncapital	72,219	—	—	72,219
State financial aid grants, noncapital	55,415	—	—	55,415
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	1,760	—	—	1,760
Other federal nonoperating grants, noncapital	53,548	—	—	53,548
Gifts, noncapital	5,247	49,304	(3,367)	51,184
Investment income, net	21,395	9,209	—	30,604
Endowment income, net	—	31,382	—	31,382
Interest expense	(14,209)	(1,833)	—	(16,042)
Other nonoperating revenues	16,797	343	491	17,631
Net nonoperating income	<u>388,647</u>	<u>88,405</u>	<u>(2,876)</u>	<u>474,176</u>
Income (loss) before other revenues	<u>(27,959)</u>	<u>81,656</u>	<u>370</u>	<u>54,067</u>
State appropriations, capital	—	—	—	—
Grants and gifts, capital	396	—	(370)	26
Additions (reductions) to permanent endowments	—	—	—	—
Increase (decrease) in net position	<u>(27,563)</u>	<u>81,656</u>	<u>—</u>	<u>54,093</u>
Net position:				
Net position at beginning of year	(486,064)	211,333	—	(274,731)
Net position at end of year	<u>\$ (513,627)</u>	<u>292,989</u>	<u>—</u>	<u>(220,638)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 111,998
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(69,414)
Payments to employees	(190,172)
Payments for benefits	(95,157)
Payments to students	(69,717)
Collections of student loans	—
Sales and services of educational activities	—
Sales and services of auxiliary enterprises	1,994
Other receipts	8,141
Net cash used in operating activities	<u>(302,327)</u>
Cash flows from noncapital financing activities:	
State appropriations	158,951
Federal financial aid grants	72,134
State financial aid grants	55,587
Nongovernmental and other financial aid grants	1,760
Other federal nonoperating grants	53,548
Gifts and grants received for other than capital purposes	5,031
Federal loan program receipts	56,921
Federal loan program disbursements	(56,954)
Monies received on behalf of others	10,739
Monies disbursed on behalf of others	(10,679)
Transfers to escrow agent	—
Proceeds from long-term debt	—
Principal paid on long-term debt	(1,040)
Interest paid on long-term debt	—
Issuance of notes receivable	—
Issuance of capital leases receivable	—
Principal collections on capital leases	1,380
Interest collections on capital leases	1,979
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	12,006
Net cash provided by noncapital financing activities	<u>361,363</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	67,300
State appropriations	2,274
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	—
Proceeds from sale of capital assets	—
Acquisition of capital assets	(16,543)
Transfers to escrow agent	(67,076)
Principal paid on capital debt and leases	(10,327)
Interest paid on capital debt and leases	(16,956)
Principal collection on capital leases	—
Interest collection on capital leases	—
Net cash used in capital and related financing activities	<u>(41,328)</u>

CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 733,607
Purchases of investments	(757,881)
Investment income proceeds	6,618
Net cash used in investing activities	(17,656)
Net increase in cash and cash equivalents	52
Cash and cash equivalents at beginning of year	11
Cash and cash equivalents at end of year	<u>\$ 63</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 63
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 63</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (416,606)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	33,886
Change in assets and liabilities:	
Accounts receivable, net	(51)
Student loans receivable, net	(70)
Pledges receivable, net	—
Prepaid expenses and other current assets	(438)
Other assets	215
Deferred outflows of resources	13,329
Accounts payable	(146)
Accrued salaries and benefits	(5,288)
Accrued compensated absences	692
Unearned revenues	1,367
Depository accounts	—
Total other postemployment benefits liability	57,305
Net pension liability	21,782
Other liabilities	667
Deferred inflows of resources	(8,971)
Net cash used in operating activities	<u>\$ (302,327)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 17,524
Other assets paid through long-term debt	215
Amortization of net bond premium	1,439
Change in accrued capital asset purchases	3,173

See accompanying independent auditors' report.

CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

Transactions with Related Entities

Year ended June 30, 2021

	<u>Campus</u>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 1,368
Payments from discretely presented component units for other than salaries	13,479
Payments to discretely presented component units for services, space, and programs	28,525
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	491
Accounts receivable from discretely presented component units	5,236
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(714)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	505
Payments to the Office of the Chancellor for state pro rata charges	95
Accounts receivable from the Office of the Chancellor	896
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	2,229
Other interagency payments (receipts) for services, space, and programs	(39)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SACRAMENTO

Schedule 8

Statement of Net Position

June 30, 2021

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 2,465	12,645	15,110
Short-term investments	172,575	60,103	232,678
Accounts receivable, net	30,851	33,199	64,050
Capital lease receivable, current portion	864	925	1,789
Notes receivable, current portion	—	321	321
Pledges receivable, net	—	678	678
Prepaid expenses and other current assets	3,981	1,837	5,818
Total current assets	<u>210,736</u>	<u>109,708</u>	<u>320,444</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	3,712	3,712
Accounts receivable, net	—	—	—
Capital lease receivable, net of current portion	16,163	38,125	54,288
Notes receivable, net of current portion	—	1,319	1,319
Student loans receivable, net	2,526	—	2,526
Pledges receivable, net	—	636	636
Endowment investments	14	73,695	73,709
Other long-term investments	38,477	32,258	70,735
Capital assets, net	534,497	65,291	599,788
Other assets	61	589	650
Total noncurrent assets	<u>591,738</u>	<u>215,625</u>	<u>807,363</u>
Total assets	<u>802,474</u>	<u>325,333</u>	<u>1,127,807</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>185,557</u>	<u>6,144</u>	<u>191,701</u>
Liabilities			
Current liabilities:			
Accounts payable	16,707	5,836	22,543
Accrued salaries and benefits	24,742	4,146	28,888
Accrued compensated absences, current portion	8,591	1,738	10,329
Unearned revenues	23,440	2,521	25,961
Capital lease obligations, current portion	1,582	729	2,311
Long-term debt obligations, current portion	8,863	5,687	14,550
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	277	1,149	1,426
Other liabilities	3,162	1,856	5,018
Total current liabilities	<u>87,364</u>	<u>23,662</u>	<u>111,026</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	6,521	350	6,871
Unearned revenues	—	7,586	7,586
Grants refundable	3,880	4,638	8,518
Capital lease obligations, net of current portion	31,326	14,311	45,637
Long-term debt obligations, net of current portion	251,320	49,428	300,748
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	952,189	6,855	959,044
Net pension liability	475,810	20,100	495,910
Other liabilities	33	511	544
Total noncurrent liabilities	<u>1,721,079</u>	<u>103,779</u>	<u>1,824,858</u>
Total liabilities	<u>1,808,443</u>	<u>127,441</u>	<u>1,935,884</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>136,612</u>	<u>6,056</u>	<u>142,668</u>
Net Position			
Net position:			
Net investment in capital assets	269,650	34,366	304,016
Restricted for:			
Nonexpendable – endowments	14	55,980	55,994
Expendable:			
Scholarships and fellowships	359	10,472	10,831
Research	—	—	—
Loans	1,363	—	1,363
Capital projects	25	3,863	3,888
Debt service	362	3,315	3,677
Others	21	35,242	35,263
Unrestricted	(1,228,818)	54,742	(1,174,076)
Total net position	<u>\$ (957,024)</u>	<u>197,980</u>	<u>(759,044)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SACRAMENTO

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2021

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$128,765)	\$ 150,445	—	—	150,445
Grants and contracts, noncapital:				
Federal	588	16,016	—	16,604
State	332	31,675	—	32,007
Local	391	2,286	—	2,677
Nongovernmental	51	5,091	—	5,142
Sales and services of educational activities	1,729	12,904	—	14,633
Sales and services of auxiliary enterprises (net of scholarship allowances of \$1,520)	4,809	23,521	(3,256)	25,074
Other operating revenues	14,690	35,809	(14)	50,485
Total operating revenues	<u>173,035</u>	<u>127,302</u>	<u>(3,270)</u>	<u>297,067</u>
Expenses:				
Operating expenses:				
Instruction	237,746	7,149	—	244,895
Research	2,529	21,050	—	23,579
Public service	73	39,316	—	39,389
Academic support	58,393	4,289	—	62,682
Student services	84,680	9,794	(50)	94,424
Institutional support	63,823	29,296	(3,641)	89,478
Operation and maintenance of plant	47,797	4,821	—	52,618
Student grants and scholarships	109,165	2,515	—	111,680
Auxiliary enterprise expenses	33,020	4,668	—	37,688
Depreciation and amortization	36,995	4,062	—	41,057
Total operating expenses	<u>674,221</u>	<u>126,960</u>	<u>(3,691)</u>	<u>797,490</u>
Operating income (loss)	<u>(501,186)</u>	<u>342</u>	<u>421</u>	<u>(500,423)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	211,354	—	—	211,354
Federal financial aid grants, noncapital	78,265	—	—	78,265
State financial aid grants, noncapital	66,898	—	—	66,898
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	62,799	—	—	62,799
Gifts, noncapital	941	12,194	(404)	12,731
Investment income, net	15,199	9,146	—	24,345
Endowment income, net	1	16,758	—	16,759
Interest expense	(11,679)	(2,642)	—	(14,321)
Other nonoperating revenues	3,611	6,585	—	10,196
Net nonoperating income	<u>427,389</u>	<u>42,041</u>	<u>(404)</u>	<u>469,026</u>
Income (loss) before other revenues	<u>(73,797)</u>	<u>42,383</u>	<u>17</u>	<u>(31,397)</u>
State appropriations, capital	—	—	—	—
Grants and gifts, capital	1,092	—	(17)	1,075
Additions to permanent endowments	—	4,473	—	4,473
Increase (decrease) in net position	<u>(72,705)</u>	<u>46,856</u>	<u>—</u>	<u>(25,849)</u>
Net position:				
Net position at beginning of year	(884,319)	151,124	—	(733,195)
Net position at end of year	<u>\$ (957,024)</u>	<u>197,980</u>	<u>—</u>	<u>(759,044)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SACRAMENTO

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 149,677
Federal grants and contracts	600
State grants and contracts	3,407
Local grants and contracts	197
Nongovernmental grants and contracts	16
Payments to suppliers	(99,382)
Payments to employees	(226,313)
Payments for benefits	(112,287)
Payments to students	(109,202)
Collections of student loans	19
Sales and services of educational activities	1,816
Sales and services of auxiliary enterprises	5,040
Other receipts	22,325
Net cash used in operating activities	<u>(364,087)</u>
Cash flows from noncapital financing activities:	
State appropriations	188,917
Federal financial aid grants	79,245
State financial aid grants	66,898
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	46,053
Gifts and grants received for other than capital purposes	941
Federal loan program receipts	75,040
Federal loan program disbursements	(74,888)
Monies received on behalf of others	4,284
Monies disbursed on behalf of others	(4,721)
Transfers to escrow agent	(2,482)
Proceeds from long-term debt	—
Principal paid on long-term debt	(655)
Interest paid on long-term debt	—
Issuance of notes receivable	—
Issuance of capital leases receivable	(210)
Principal collections on capital leases	173
Interest collections on capital leases	41
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	2,514
Net cash provided by noncapital financing activities	<u>381,150</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	4,265
State appropriations	—
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	1,152
Proceeds from sale of capital assets	153
Acquisition of capital assets	(40,156)
Transfers to escrow agent	(1,767)
Principal paid on capital debt and leases	(9,383)
Interest paid on capital debt and leases	(13,502)
Principal collection on capital leases	655
Interest collection on capital leases	679
Net cash used in capital and related financing activities	<u>(57,904)</u>

CALIFORNIA STATE UNIVERSITY, SACRAMENTO

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 791,515
Purchases of investments	(762,340)
Investment income proceeds	7,593
Net cash provided by investing activities	36,768
Net decrease in cash and cash equivalents	(4,073)
Cash and cash equivalents at beginning of year	6,538
Cash and cash equivalents at end of year	<u>\$ 2,465</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 2,465
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 2,465</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (501,186)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	36,995
Change in assets and liabilities:	
Accounts receivable, net	2,594
Student loans receivable, net	(60)
Pledges receivable, net	—
Prepaid expenses and other current assets	(687)
Other assets	121
Deferred outflows of resources	20,162
Accounts payable	8,090
Accrued salaries and benefits	479
Accrued compensated absences	936
Unearned revenues	2,139
Depository accounts	—
Total other postemployment benefits liability	64,515
Net pension liability	14,152
Other liabilities	96
Deferred inflows of resources	(12,433)
Net cash used in operating activities	<u>\$ (364,087)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 22,437
Other assets paid through long-term debt	—
Amortization of net bond premium	1,602
Change in accrued capital asset purchases	3,316

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SACRAMENTO

Transactions with Related Entities

Year ended June 30, 2021

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 5,022
Payments from discretely presented component units for other than salaries	8,345
Payments to discretely presented component units for services, space, and programs	16,950
Gifts in kind from discretely presented component units	28
Gifts (cash or assets) from discretely presented component units	162
Accounts receivable from discretely presented component units	2,585
Other amounts receivable from discretely presented component units	390
Accounts payable to discretely presented component units	(7,229)
Other amounts payable to discretely presented component units	(710)
Payments to the Office of the Chancellor for administrative activities	587
Payments to the Office of the Chancellor for state pro rata charges	180
Accounts receivable from the Office of the Chancellor	149
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	2,456
Other interagency payments (receipts) for services, space, and programs	136

See accompanying independent auditors' report.



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CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

Schedule 8

Statement of Net Position
June 30, 2021
(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 20	6,621	6,641
Short-term investments	90,781	25,790	116,571
Accounts receivable, net	14,215	11,128	25,343
Capital lease receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	645	645
Prepaid expenses and other current assets	1,526	134	1,660
Total current assets	<u>106,542</u>	<u>44,318</u>	<u>150,860</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	—	—
Accounts receivable, net	—	—	—
Capital lease receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	1,462	—	1,462
Pledges receivable, net	—	—	—
Endowment investments	—	55,592	55,592
Other long-term investments	32,689	1,559	34,248
Capital assets, net	529,052	5,007	534,059
Other assets	26	259	285
Total noncurrent assets	<u>563,229</u>	<u>62,417</u>	<u>625,646</u>
Total assets	<u>669,771</u>	<u>106,735</u>	<u>776,506</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>111,512</u>	<u>2,487</u>	<u>113,999</u>
Liabilities			
Current liabilities:			
Accounts payable	10,740	5,463	16,203
Accrued salaries and benefits	14,426	829	15,255
Accrued compensated absences, current portion	4,312	509	4,821
Unearned revenues	5,186	7,155	12,341
Capital lease obligations, current portion	309	—	309
Long-term debt obligations, current portion	6,605	—	6,605
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	849	—	849
Other liabilities	11,443	1,332	12,775
Total current liabilities	<u>53,870</u>	<u>15,288</u>	<u>69,158</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	8,378	423	8,801
Unearned revenues	—	—	—
Grants refundable	1,175	—	1,175
Capital lease obligations, net of current portion	117	—	117
Long-term debt obligations, net of current portion	304,476	—	304,476
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	535,270	1,811	537,081
Net pension liability	315,183	6,215	321,398
Other liabilities	154	—	154
Total noncurrent liabilities	<u>1,164,753</u>	<u>8,449</u>	<u>1,173,202</u>
Total liabilities	<u>1,218,623</u>	<u>23,737</u>	<u>1,242,360</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>77,370</u>	<u>2,069</u>	<u>79,439</u>
Net Position			
Net position:			
Net investment in capital assets	230,315	4,962	235,277
Restricted for:			
Nonexpendable – endowments	—	55,847	55,847
Expendable:			
Scholarships and fellowships	—	—	—
Research	—	—	—
Loans	1,264	—	1,264
Capital projects	2,004	—	2,004
Debt service	2,449	—	2,449
Others	—	11,590	11,590
Unrestricted	(750,742)	11,017	(739,725)
Total net position	<u>\$ (514,710)</u>	<u>83,416</u>	<u>(431,294)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2021

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$101,866)	\$ 56,397	—	—	56,397
Grants and contracts, noncapital:				
Federal	—	18,389	—	18,389
State	—	9,746	—	9,746
Local	—	2,181	—	2,181
Nongovernmental	—	937	—	937
Sales and services of educational activities	70	—	—	70
Sales and services of auxiliary enterprises (net of scholarship allowances of \$846)	764	278	—	1,042
Other operating revenues	7,862	8,622	(49)	16,435
Total operating revenues	<u>65,093</u>	<u>40,153</u>	<u>(49)</u>	<u>105,197</u>
Expenses:				
Operating expenses:				
Instruction	138,818	81	—	138,899
Research	580	14,140	—	14,720
Public service	941	7,078	—	8,019
Academic support	24,765	74	—	24,839
Student services	39,814	13,038	(49)	52,803
Institutional support	54,668	5,019	(462)	59,225
Operation and maintenance of plant	27,060	—	—	27,060
Student grants and scholarships	55,297	1,835	(1,593)	55,539
Auxiliary enterprise expenses	8,478	1,086	—	9,564
Depreciation and amortization	25,730	856	—	26,586
Total operating expenses	<u>376,151</u>	<u>43,207</u>	<u>(2,104)</u>	<u>417,254</u>
Operating loss	<u>(311,058)</u>	<u>(3,054)</u>	<u>2,055</u>	<u>(312,057)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	145,908	—	—	145,908
Federal financial aid grants, noncapital	57,496	—	—	57,496
State financial aid grants, noncapital	48,729	—	—	48,729
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	916	—	(784)	132
Other federal nonoperating grants, noncapital	32,292	—	—	32,292
Gifts, noncapital	1,059	2,532	(809)	2,782
Investment income, net	7,848	284	—	8,132
Endowment income, net	—	12,123	—	12,123
Interest expense	(7,849)	(1)	—	(7,850)
Other nonoperating revenues	7,620	1,871	—	9,491
Net nonoperating income	<u>294,019</u>	<u>16,809</u>	<u>(1,593)</u>	<u>309,235</u>
Income (loss) before other revenues	<u>(17,039)</u>	<u>13,755</u>	<u>462</u>	<u>(2,822)</u>
State appropriations, capital	0	—	—	0
Grants and gifts, capital	2,068	—	(462)	1,606
Additions to permanent endowments	—	571	—	571
Increase (decrease) in net position	<u>(14,971)</u>	<u>14,326</u>	<u>—</u>	<u>(645)</u>
Net position:				
Net position at beginning of year	(499,739)	69,090	—	(430,649)
Net position at end of year	<u>\$ (514,710)</u>	<u>83,416</u>	<u>—</u>	<u>(431,294)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 58,616
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(41,385)
Payments to employees	(144,109)
Payments for benefits	(73,472)
Payments to students	(55,709)
Collections of student loans	13
Sales and services of educational activities	—
Sales and services of auxiliary enterprises	1
Other receipts	11,369
Net cash used in operating activities	<u>(244,676)</u>
Cash flows from noncapital financing activities:	
State appropriations	133,812
Federal financial aid grants	55,364
State financial aid grants	48,769
Nongovernmental and other financial aid grants	916
Other federal nonoperating grants	32,292
Gifts and grants received for other than capital purposes	1,059
Federal loan program receipts	45,469
Federal loan program disbursements	(45,397)
Monies received on behalf of others	3,224
Monies disbursed on behalf of others	(3,718)
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 capital leases	—
Interest collections on capital leases	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	7,405
Net cash provided by noncapital financing activities	<u>279,195</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	8,930
State appropriations	—
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	40
Proceeds from sale of capital assets	46,785
Acquisition of capital assets	(101,969)
Transfers to escrow agent	(8,907)
Principal paid on capital debt and leases	(6,428)
Interest paid on capital debt and leases	(13,086)
Principal collection on capital leases	—
Interest collection on capital leases	—
Net cash used in capital and related financing activities	<u>(74,635)</u>

CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 530,604
Purchases of investments	(494,133)
Investment income proceeds	3,644
Net cash provided by investing activities	40,115
Net decrease in cash and cash equivalents	(1)
Cash and cash equivalents at beginning of year	21
Cash and cash equivalents at end of year	<u>\$ 20</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 20
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 20</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (311,058)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	25,730
Change in assets and liabilities:	
Accounts receivable, net	12,883
Student loans receivable, net	(119)
Pledges receivable, net	—
Prepaid expenses and other current assets	362
Other assets	76
Deferred outflows of resources	7,498
Accounts payable	(65)
Accrued salaries and benefits	1,020
Accrued compensated absences	1,192
Unearned revenues	(13,425)
Depository accounts	—
Total other postemployment benefits liability	26,796
Net pension liability	8,992
Other liabilities	4,395
Deferred inflows of resources	(8,953)
Net cash used in operating activities	<u>\$ (244,676)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 12,096
Other assets paid through long-term debt	—
Amortization of net bond premium	1,772
Change in accrued capital asset purchases	640

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

Transactions with Related Entities

Year ended June 30, 2021

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 3,010
Payments from discretely presented component units for other than salaries	8,834
Payments to discretely presented component units for services, space, and programs	4,532
Gifts in kind from discretely presented component units	462
Gifts (cash or assets) from discretely presented component units	—
Accounts receivable from discretely presented component units	4,249
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(1,629)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	137
Payments to the Office of the Chancellor for state pro rata charges	65
Accounts receivable from the Office of the Chancellor	762
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	1,808
Other interagency payments (receipts) for services, space, and programs	(32)

See accompanying independent auditors' report.

SAN DIEGO STATE UNIVERSITY

Schedule 8

Statement of Net Position

June 30, 2021

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 2,297	13,177	15,474
Short-term investments	393,699	85,751	479,450
Accounts receivable, net	28,387	49,127	77,514
Capital lease receivable, current portion	243	—	243
Notes receivable, current portion	—	946	946
Pledges receivable, net	—	16,459	16,459
Prepaid expenses and other current assets	2,769	4,592	7,361
Total current assets	<u>427,395</u>	<u>170,052</u>	<u>597,447</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	871	871
Accounts receivable, net	5,703	—	5,703
Capital lease receivable, net of current portion	1,753	—	1,753
Notes receivable, net of current portion	—	11,439	11,439
Student loans receivable, net	3,155	—	3,155
Pledges receivable, net	—	43,098	43,098
Endowment investments	—	418,056	418,056
Other long-term investments	405,871	72,293	478,164
Capital assets, net	1,270,688	124,713	1,395,401
Other assets	9,319	16,175	25,494
Total noncurrent assets	<u>1,696,489</u>	<u>686,645</u>	<u>2,383,134</u>
Total assets	<u>2,123,884</u>	<u>856,697</u>	<u>2,980,581</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>232,280</u>	<u>1,179</u>	<u>233,459</u>
Liabilities			
Current liabilities:			
Accounts payable	51,947	14,490	66,437
Accrued salaries and benefits	30,302	6,419	36,721
Accrued compensated absences, current portion	5,426	1,529	6,955
Unearned revenues	62,405	28,017	90,422
Capital lease obligations, current portion	1,682	243	1,925
Long-term debt obligations, current portion	16,875	5,664	22,539
Claims liability for losses and loss adjustment expenses, current portion	—	1,385	1,385
Depository accounts	—	—	—
Other liabilities	10,061	46,394	56,455
Total current liabilities	<u>178,698</u>	<u>104,141</u>	<u>282,839</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	17,330	3,302	20,632
Unearned revenues	1,055	3,953	5,008
Grants refundable	3,242	—	3,242
Capital lease obligations, net of current portion	20,192	1,772	21,964
Long-term debt obligations, net of current portion	1,059,288	88,050	1,147,338
Claims liability for losses and loss adjustment expenses, net of current portion	—	2,839	2,839
Depository accounts	—	—	—
Total other postemployment benefits liability	1,269,152	16,844	1,285,996
Net pension liability	618,706	2,837	621,543
Other liabilities	1,119	9,673	10,792
Total noncurrent liabilities	<u>2,990,084</u>	<u>129,270</u>	<u>3,119,354</u>
Total liabilities	<u>3,168,782</u>	<u>233,411</u>	<u>3,402,193</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>187,301</u>	<u>2,951</u>	<u>190,252</u>
Net Position			
Net position:			
Net investment in capital assets	390,984	31,203	422,187
Restricted for:			
Nonexpendable – endowments	—	277,125	277,125
Expendable:			
Scholarships and fellowships	175	22,518	22,693
Research	—	11,755	11,755
Loans	546	—	546
Capital projects	7,049	25,507	32,556
Debt service	12,210	—	12,210
Others	45	169,045	169,090
Unrestricted	(1,410,928)	84,361	(1,326,567)
Total net position	<u>\$ (999,919)</u>	<u>621,514</u>	<u>(378,405)</u>

See accompanying independent auditors' report.

SAN DIEGO STATE UNIVERSITY

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2021

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$136,859)	\$ 228,458	—	—	228,458
Grants and contracts, noncapital:				
Federal	100	92,840	—	92,940
State	—	10,620	—	10,620
Local	3,367	1,034	—	4,401
Nongovernmental	2,271	19,819	—	22,090
Sales and services of educational activities	10,102	5,914	—	16,016
Sales and services of auxiliary enterprises (net of scholarship allowances of \$8,120)	33,436	37,628	—	71,064
Other operating revenues	15,486	43,358	—	58,844
Total operating revenues	293,220	211,213	—	504,433
Expenses:				
Operating expenses:				
Instruction	274,983	30,434	—	305,417
Research	4,986	45,800	—	50,786
Public service	6,938	52,826	—	59,764
Academic support	69,089	13,920	(813)	82,196
Student services	97,047	802	(1,976)	95,873
Institutional support	99,625	21,429	—	121,054
Operation and maintenance of plant	79,068	6,097	—	85,165
Student grants and scholarships	53,335	5,370	(5,224)	53,481
Auxiliary enterprise expenses	68,380	55,528	—	123,908
Depreciation and amortization	53,947	10,111	—	64,058
Total operating expenses	807,398	242,317	(8,013)	1,041,702
Operating loss	(514,178)	(31,104)	8,013	(537,269)
Nonoperating revenues (expenses):				
State appropriations, noncapital	230,946	—	—	230,946
Federal financial aid grants, noncapital	58,019	—	—	58,019
State financial aid grants, noncapital	45,129	—	—	45,129
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	6,904	—	(5,224)	1,680
Other federal nonoperating grants, noncapital	36,399	—	—	36,399
Gifts, noncapital	10,588	70,732	(10,423)	70,897
Investment income, net	31,984	2,278	—	34,262
Endowment income, net	—	56,117	—	56,117
Interest expense	(21,867)	(3,438)	—	(25,305)
Other nonoperating revenues (expenses)	8,644	(68,054)	36,090	(23,320)
Net nonoperating income	406,746	57,635	20,443	484,824
Income (loss) before other revenues	(107,432)	26,531	28,456	(52,445)
State appropriations, capital	—	—	—	—
Grants and gifts, capital	28,495	9,102	(28,456)	9,141
Additions to permanent endowments	—	50,308	—	50,308
Increase (decrease) in net position	(78,937)	85,941	—	7,004
Net position:				
Net position at beginning of year	(920,982)	535,573	—	(385,409)
Net position at end of year	\$ (999,919)	621,514	—	(378,405)

See accompanying independent auditors' report.

SAN DIEGO STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	Campus
Cash flows from operating activities:	
Student tuition and fees	\$ 236,538
Federal grants and contracts	100
State grants and contracts	—
Local grants and contracts	2,502
Nongovernmental grants and contracts	2,271
Payments to suppliers	(161,144)
Payments to employees	(281,841)
Payments for benefits	(134,984)
Payments to students	(53,265)
Collections of student loans	88
Sales and services of educational activities	9,557
Sales and services of auxiliary enterprises	31,118
Other receipts	7,591
Net cash used in operating activities	<u>(341,469)</u>
Cash flows from noncapital financing activities:	
State appropriations	200,603
Federal financial aid grants	57,568
State financial aid grants	45,129
Nongovernmental and other financial aid grants	6,904
Other federal nonoperating grants	36,399
Gifts and grants received for other than capital purposes	10,588
Federal loan program receipts	88,479
Federal loan program disbursements	(87,873)
Monies received on behalf of others	881
Monies disbursed on behalf of others	(1,809)
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	—
Issuance of capital leases receivable	—
Principal collections on capital leases	—
Interest collections on capital leases	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	6,481
Net cash provided by noncapital financing activities	<u>363,350</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	649,278
State appropriations	4,282
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	28,495
Proceeds from sale of capital assets	—
Acquisition of capital assets	(304,083)
Transfers to escrow agent	(3,593)
Principal paid on capital debt and leases	(167,867)
Interest paid on capital debt and leases	(22,386)
Principal collection on capital leases	235
Interest collection on capital leases	—
Net cash provided by capital and related financing activities	<u>184,361</u>

SAN DIEGO STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 1,387,298
Purchases of investments	(1,604,183)
Investment income proceeds	12,781
Net cash used in investing activities	(204,104)
Net increase in cash and cash equivalents	2,138
Cash and cash equivalents at beginning of year	159
Cash and cash equivalents at end of year	<u>\$ 2,297</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 2,297
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 2,297</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (514,178)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	53,947
Change in assets and liabilities:	
Accounts receivable, net	(12,583)
Student loans receivable, net	(6)
Pledges receivable, net	—
Prepaid expenses and other current assets	1
Other assets	(16)
Deferred outflows of resources	13,331
Accounts payable	(605)
Accrued salaries and benefits	(1,205)
Accrued compensated absences	744
Unearned revenues	6,883
Depository accounts	—
Total other postemployment benefits liability	91,563
Net pension liability	29,575
Other liabilities	1,203
Deferred inflows of resources	(10,123)
Net cash used in operating activities	<u>\$ (341,469)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 30,343
Other assets paid through long-term debt	—
Amortization of net bond premium	2,961
Change in accrued capital asset purchases	26,814

See accompanying independent auditors' report.

SAN DIEGO STATE UNIVERSITY

Transactions with Related Entities

Year ended June 30, 2021

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 7,749
Payments from discretely presented component units for other than salaries	5,293
Payments to discretely presented component units for services, space, and programs	32,702
Gifts in kind from discretely presented component units	3,577
Gifts (cash or assets) from discretely presented component units	42,554
Accounts receivable from discretely presented component units	20,340
Other amounts receivable from discretely presented component units	1,996
Accounts payable to discretely presented component units	(2,650)
Other amounts payable to discretely presented component units	(754)
Payments to the Office of the Chancellor for administrative activities	2,585
Payments to the Office of the Chancellor for state pro rata charges	116
Accounts receivable from the Office of the Chancellor	1,066
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	2,891
Other interagency payments (receipts) for services, space, and programs	(265)

See accompanying independent auditors' report.

SAN FRANCISCO STATE UNIVERSITY

Schedule 8

Statement of Net Position

June 30, 2021

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 5	4,404	4,409
Short-term investments	172,606	74,656	247,262
Accounts receivable, net	21,644	1,477	23,121
Capital lease receivable, current portion	—	—	—
Notes receivable, current portion	—	8	8
Pledges receivable, net	—	526	526
Prepaid expenses and other current assets	5,788	95	5,883
Total current assets	<u>200,043</u>	<u>81,166</u>	<u>281,209</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	—	—
Accounts receivable, net	2,785	—	2,785
Capital lease receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	2,101	—	2,101
Pledges receivable, net	—	7,535	7,535
Endowment investments	—	152,778	152,778
Other long-term investments	10,685	12,679	23,364
Capital assets, net	579,870	2,436	582,306
Other assets	12	878	890
Total noncurrent assets	<u>595,453</u>	<u>176,306</u>	<u>771,759</u>
Total assets	<u>795,496</u>	<u>257,472</u>	<u>1,052,968</u>
Deferred Outflows of Resources			
Deferred outflows of resources	193,680	—	193,680
Liabilities			
Current liabilities:			
Accounts payable	16,586	1,978	18,564
Accrued salaries and benefits	28,951	222	29,173
Accrued compensated absences, current portion	8,338	470	8,808
Unearned revenues	16,198	45	16,243
Capital lease obligations, current portion	933	—	933
Long-term debt obligations, current portion	10,305	—	10,305
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	303	—	303
Other liabilities	4,846	63	4,909
Total current liabilities	<u>86,460</u>	<u>2,778</u>	<u>89,238</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	11,281	—	11,281
Unearned revenues	—	—	—
Grants refundable	2,340	—	2,340
Capital lease obligations, net of current portion	18,222	—	18,222
Long-term debt obligations, net of current portion	226,301	—	226,301
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	960,178	4,586	964,764
Net pension liability	541,149	—	541,149
Other liabilities	—	845	845
Total noncurrent liabilities	<u>1,759,471</u>	<u>5,431</u>	<u>1,764,902</u>
Total liabilities	<u>1,845,931</u>	<u>8,209</u>	<u>1,854,140</u>
Deferred Inflows of Resources			
Deferred inflows of resources	138,448	275	138,723
Net Position			
Net position:			
Net investment in capital assets	325,849	2,321	328,170
Restricted for:			
Nonexpendable – endowments	—	98,642	98,642
Expendable:			
Scholarships and fellowships	—	101,063	101,063
Research	—	—	—
Loans	1,500	—	1,500
Capital projects	2,316	2,026	4,342
Debt service	19	—	19
Others	—	—	—
Unrestricted	(1,324,887)	44,936	(1,279,951)
Total net position	<u>\$ (95,203)</u>	<u>248,988</u>	<u>(746,215)</u>

See accompanying independent auditors' report.

SAN FRANCISCO STATE UNIVERSITY

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2021

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$107,598)	\$ 126,896	—	—	126,896
Grants and contracts, noncapital:				
Federal	21,923	216	—	22,139
State	2,155	170	—	2,325
Local	777	345	—	1,122
Nongovernmental	3,707	3,411	—	7,118
Sales and services of educational activities	113	—	—	113
Sales and services of auxiliary enterprises (net of scholarship allowances of \$1,458)	14,365	7,853	—	22,218
Other operating revenues	11,971	10,897	—	22,868
Total operating revenues	<u>181,907</u>	<u>22,892</u>	<u>—</u>	<u>204,799</u>
Expenses:				
Operating expenses:				
Instruction	232,434	2,013	—	234,447
Research	14,604	671	—	15,275
Public service	8,153	557	—	8,710
Academic support	52,435	1,837	—	54,272
Student services	60,021	5,589	—	65,610
Institutional support	51,290	3,791	—	55,081
Operation and maintenance of plant	38,471	975	—	39,446
Student grants and scholarships	61,445	4,617	(2,466)	63,596
Auxiliary enterprise expenses	33,632	5,003	—	38,635
Depreciation and amortization	32,298	563	—	32,861
Total operating expenses	<u>584,783</u>	<u>25,616</u>	<u>(2,466)</u>	<u>607,933</u>
Operating loss	<u>(402,876)</u>	<u>(2,724)</u>	<u>2,466</u>	<u>(403,134)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	201,315	—	—	201,315
Federal financial aid grants, noncapital	57,902	—	—	57,902
State financial aid grants, noncapital	34,330	—	—	34,330
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	33,705	—	—	33,705
Gifts, noncapital	109	4,739	(2,466)	2,382
Investment income, net	12,994	5,738	—	18,732
Endowment income, net	—	37,630	—	37,630
Interest expense	(9,697)	—	—	(9,697)
Other nonoperating revenues (expenses)	52,557	(4,021)	—	48,536
Net nonoperating income	<u>383,215</u>	<u>44,086</u>	<u>(2,466)</u>	<u>424,835</u>
Income (loss) before other revenues	<u>(19,661)</u>	<u>41,362</u>	<u>—</u>	<u>21,701</u>
State appropriations, capital	—	—	—	—
Grants and gifts, capital	2,952	—	—	2,952
Additions to permanent endowments	—	5,490	—	5,490
Increase (decrease) in net position	<u>(16,709)</u>	<u>46,852</u>	<u>—</u>	<u>30,143</u>
Net position:				
Net position at beginning of year	(978,494)	202,136	—	(776,358)
Net position at end of year	<u>\$ (995,203)</u>	<u>248,988</u>	<u>—</u>	<u>(746,215)</u>

See accompanying independent auditors' report.

SAN FRANCISCO STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 128,702
Federal grants and contracts	21,813
State grants and contracts	2,863
Local grants and contracts	1,303
Nongovernmental grants and contracts	3,511
Payments to suppliers	(81,603)
Payments to employees	(228,329)
Payments for benefits	(114,552)
Payments to students	(63,043)
Collections of student loans	84
Sales and services of educational activities	113
Sales and services of auxiliary enterprises	16,931
Other receipts	11,013
Net cash used in operating activities	<u>(301,194)</u>
Cash flows from noncapital financing activities:	
State appropriations	179,361
Federal financial aid grants	57,878
State financial aid grants	35,319
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	33,705
Gifts and grants received for other than capital purposes	46
Federal loan program receipts	75,649
Federal loan program disbursements	(75,564)
Monies received on behalf of others	3,288
Monies disbursed on behalf of others	(3,323)
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	—
Issuance of capital leases receivable	—
Principal collections on capital leases	—
Interest collections on capital leases	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	49,058
Net cash provided by noncapital financing activities	<u>355,417</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	4,020
State appropriations	7
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	2,952
Proceeds from sale of capital assets	—
Acquisition of capital assets	(56,213)
Transfers to escrow agent	(4,001)
Principal paid on capital debt and leases	(10,778)
Interest paid on capital debt and leases	(14,052)
Principal collection on capital leases	—
Interest collection on capital leases	—
Net cash used in capital and related financing activities	<u>(78,065)</u>

SAN FRANCISCO STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 774,743
Purchases of investments	(757,296)
Investment income proceeds	6,379
Net cash provided by investing activities	23,826
Net decrease in cash and cash equivalents	(16)
Cash and cash equivalents at beginning of year	21
Cash and cash equivalents at end of year	<u>\$ 5</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 5
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 5</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (402,876)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	32,298
Change in assets and liabilities:	
Accounts receivable, net	4,323
Student loans receivable, net	5
Pledges receivable, net	—
Prepaid expenses and other current assets	(1,399)
Other assets	26
Deferred outflows of resources	12,002
Accounts payable	6,618
Accrued salaries and benefits	24
Accrued compensated absences	2,032
Unearned revenues	1,847
Depository accounts	—
Total other postemployment benefits liability	46,930
Net pension liability	13,190
Other liabilities	(175)
Deferred inflows of resources	(16,039)
Net cash used in operating activities	<u>\$ (301,194)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 21,954
Other assets paid through long-term debt	—
Amortization of net bond premium	1,858
Change in accrued capital asset purchases	4,598

See accompanying independent auditors' report.

SAN FRANCISCO STATE UNIVERSITY

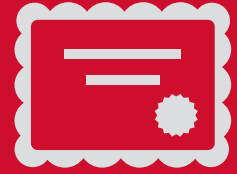
Transactions with Related Entities

Year ended June 30, 2021

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 4,535
Payments from discretely presented component units for other than salaries	4,829
Payments to discretely presented component units for services, space, and programs	10,793
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	5,163
Accounts receivable from discretely presented component units	916
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(176)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	305
Payments to the Office of the Chancellor for state pro rata charges	171
Accounts receivable from the Office of the Chancellor	6,822
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	(3)
State lottery allocation received	2,680
Other interagency payments (receipts) for services, space, and programs	251

See accompanying independent auditors' report.



129,000

degrees conferred
annually



SAN JOSE STATE UNIVERSITY

Schedule 8

Statement of Net Position

June 30, 2021

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 25	42,144	42,169
Short-term investments	230,961	32,227	263,188
Accounts receivable, net	38,220	13,158	51,378
Capital lease receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	4,394	4,394
Prepaid expenses and other current assets	4,077	806	4,883
Total current assets	<u>273,283</u>	<u>92,729</u>	<u>366,012</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	147	147
Accounts receivable, net	—	—	—
Capital lease receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	190	190
Student loans receivable, net	3,107	—	3,107
Pledges receivable, net	—	8,688	8,688
Endowment investments	—	197,031	197,031
Other long-term investments	116,214	21,300	137,514
Capital assets, net	834,425	26,256	860,681
Other assets	4,273	15,317	19,590
Total noncurrent assets	<u>958,019</u>	<u>268,929</u>	<u>1,226,948</u>
Total assets	<u>1,231,302</u>	<u>361,658</u>	<u>1,592,960</u>
Deferred Outflows of Resources			
Deferred outflows of resources	210,721	11,597	222,318
Liabilities			
Current liabilities:			
Accounts payable	24,976	4,918	29,894
Accrued salaries and benefits	31,278	3,378	34,656
Accrued compensated absences, current portion	4,689	2,027	6,716
Unearned revenues	62,060	4,667	66,727
Capital lease obligations, current portion	—	—	—
Long-term debt obligations, current portion	14,555	—	14,555
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	10	—	10
Other liabilities	7,927	2,528	10,455
Total current liabilities	<u>145,495</u>	<u>17,518</u>	<u>163,013</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	14,804	163	14,967
Unearned revenues	4,857	12,244	17,101
Grants refundable	4,233	—	4,233
Capital lease obligations, net of current portion	—	—	—
Long-term debt obligations, net of current portion	502,798	—	502,798
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	273	273
Total other postemployment benefits liability	1,052,889	16,726	1,069,615
Net pension liability	562,518	—	562,518
Other liabilities	6,921	1,962	8,883
Total noncurrent liabilities	<u>2,149,020</u>	<u>31,368</u>	<u>2,180,388</u>
Total liabilities	<u>2,294,515</u>	<u>48,886</u>	<u>2,343,401</u>
Deferred Inflows of Resources			
Deferred inflows of resources	151,653	13,641	165,294
Net Position			
Net position:			
Net investment in capital assets	322,076	19,058	341,134
Restricted for:			
Nonexpendable – endowments	—	128,274	128,274
Expendable:			
Scholarships and fellowships	9,220	3,662	12,882
Research	—	28	28
Loans	6,423	—	6,423
Capital projects	247	—	247
Debt service	55	—	55
Others	—	122,483	122,483
Unrestricted	(1,342,166)	37,223	(1,304,943)
Total net position	<u>\$ (1,004,145)</u>	<u>310,728</u>	<u>(693,417)</u>

See accompanying independent auditors' report.

SAN JOSE STATE UNIVERSITY

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2021

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$109,327)	\$ 215,613	—	—	215,613
Grants and contracts, noncapital:				
Federal	—	27,451	—	27,451
State	—	10,403	—	10,403
Local	—	2,516	—	2,516
Nongovernmental	—	6,285	—	6,285
Sales and services of educational activities	2,109	—	—	2,109
Sales and services of auxiliary enterprises (net of scholarship allowances of \$3,175)	11,099	2,196	(11)	13,284
Other operating revenues	12,997	32,294	(4)	45,287
Total operating revenues	<u>241,818</u>	<u>81,145</u>	<u>(15)</u>	<u>322,948</u>
Expenses:				
Operating expenses:				
Instruction	285,336	6,795	1	292,132
Research	1,615	33,934	—	35,549
Public service	5,430	13	—	5,443
Academic support	53,959	9,260	(58)	63,161
Student services	97,272	13,290	—	110,562
Institutional support	74,072	15,687	(5)	89,754
Operation and maintenance of plant	65,549	589	—	66,138
Student grants and scholarships	55,807	5,783	(3,742)	57,848
Auxiliary enterprise expenses	27,406	9,708	—	37,114
Depreciation and amortization	38,860	4,068	—	42,928
Total operating expenses	<u>705,306</u>	<u>99,127</u>	<u>(3,804)</u>	<u>800,629</u>
Operating loss	<u>(463,488)</u>	<u>(17,982)</u>	<u>3,789</u>	<u>(477,681)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	196,365	—	—	196,365
Federal financial aid grants, noncapital	51,660	660	—	52,320
State financial aid grants, noncapital	49,705	1,281	—	50,986
Local financial aid grants, noncapital	—	36	—	36
Nongovernmental and other financial aid grants, noncapital	—	146	—	146
Other federal nonoperating grants, noncapital	63,166	2,532	—	65,698
Gifts, noncapital	11,231	12,984	(3,556)	20,659
Investment income, net	21,442	9,670	—	31,112
Endowment income, net	—	49,156	—	49,156
Interest expense	(16,388)	—	—	(16,388)
Other nonoperating revenues	34,754	1,549	—	36,303
Net nonoperating income	<u>411,935</u>	<u>78,014</u>	<u>(3,556)</u>	<u>486,393</u>
Income (loss) before other revenues	<u>(51,553)</u>	<u>60,032</u>	<u>233</u>	<u>8,712</u>
State appropriations, capital	—	—	—	—
Grants and gifts, capital	3,518	(133)	(233)	3,152
Additions (reductions) to permanent endowments	—	—	—	—
Increase (decrease) in net position	<u>(48,035)</u>	<u>59,899</u>	<u>—</u>	<u>11,864</u>
Net position:				
Net position at beginning of year	(956,110)	250,829	—	(705,281)
Net position at end of year	<u>\$ (1,004,145)</u>	<u>310,728</u>	<u>—</u>	<u>(693,417)</u>

See accompanying independent auditors' report.

SAN JOSE STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 222,665
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(116,744)
Payments to employees	(262,178)
Payments for benefits	(128,602)
Payments to students	(55,902)
Collections of student loans	45
Sales and services of educational activities	2,109
Sales and services of auxiliary enterprises	15,717
Other receipts	17,497
Net cash used in operating activities	<u>(305,393)</u>
Cash flows from noncapital financing activities:	
State appropriations	172,113
Federal financial aid grants	32,522
State financial aid grants	49,705
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	86,944
Gifts and grants received for other than capital purposes	11,231
Federal loan program receipts	82,700
Federal loan program disbursements	(83,047)
Monies received on behalf of others	3,135
Monies disbursed on behalf of others	(2,004)
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	—
Issuance of capital leases receivable	—
Principal collections on capital leases	—
Interest collections on capital leases	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	38,746
Net cash provided by noncapital financing activities	<u>392,045</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	201,912
State appropriations	423
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	3,518
Proceeds from sale of capital assets	18
Acquisition of capital assets	(76,158)
Transfers to escrow agent	(158,127)
Principal paid on capital debt and leases	(43,693)
Interest paid on capital debt and leases	(18,534)
Principal collection on capital leases	—
Interest collection on capital leases	—
Net cash used in capital and related financing activities	<u>(90,641)</u>

SAN JOSE STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 1,078,056
Purchases of investments	(1,082,431)
Investment income proceeds	8,364
Net cash provided by investing activities	<u>3,989</u>
Net increase (decrease) in cash and cash equivalents	—
Cash and cash equivalents at beginning of year	25
Cash and cash equivalents at end of year	<u>\$ 25</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 25
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 25</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (463,488)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	38,860
Change in assets and liabilities:	
Accounts receivable, net	5,616
Student loans receivable, net	(51)
Pledges receivable, net	—
Prepaid expenses and other current assets	(1,724)
Other assets	316
Deferred outflows of resources	19,703
Accounts payable	1,848
Accrued salaries and benefits	1,427
Accrued compensated absences	1,924
Unearned revenues	8,628
Depository accounts	—
Total other postemployment benefits liability	72,310
Net pension liability	22,806
Other liabilities	285
Deferred inflows of resources	(13,853)
Net cash used in operating activities	<u>\$ (305,393)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 24,252
Other assets paid through long-term debt	—
Amortization of net bond premium	1,303
Change in accrued capital asset purchases	19,987

See accompanying independent auditors' report.

SAN JOSE STATE UNIVERSITY

Transactions with Related Entities

Year ended June 30, 2021

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 2,648
Payments from discretely presented component units for other than salaries	7,802
Payments to discretely presented component units for services, space, and programs	23,484
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	12,446
Accounts receivable from discretely presented component units	3,932
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(1,019)
Other amounts payable to discretely presented component units	(2,923)
Payments to the Office of the Chancellor for administrative activities	323
Payments to the Office of the Chancellor for state pro rata charges	241
Accounts receivable from the Office of the Chancellor	4,813
Accounts payable to the Office of the Chancellor	—
Accounts receivable from campuses other than the Office of the Chancellor	17,034
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery allocation received	2,747
Other interagency payments (receipts) for services, space, and programs	275

See accompanying independent auditors' report.

CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO

Statement of Net Position

June 30, 2021

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 1	33,937	33,938
Short-term investments	229,243	88,515	317,758
Accounts receivable, net	4,836	7,653	12,489
Capital lease receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	20,265	20,265
Prepaid expenses and other current assets	2,747	2,054	4,801
Total current assets	<u>236,827</u>	<u>152,424</u>	<u>389,251</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	606	606
Accounts receivable, net	1,386	15	1,401
Capital lease receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	1,195	1,195
Student loans receivable, net	1,813	—	1,813
Pledges receivable, net	—	31,717	31,717
Endowment investments	—	287,268	287,268
Other long-term investments	55,840	113,248	169,088
Capital assets, net	927,663	79,003	1,006,666
Other assets	209	601	810
Total noncurrent assets	<u>986,911</u>	<u>513,653</u>	<u>1,500,564</u>
Total assets	<u>1,223,738</u>	<u>666,077</u>	<u>1,889,815</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>192,286</u>	<u>5,015</u>	<u>197,301</u>
Liabilities			
Current liabilities:			
Accounts payable	22,310	6,138	28,448
Accrued salaries and benefits	25,172	1,912	27,084
Accrued compensated absences, current portion	6,033	1,170	7,203
Unearned revenues	29,504	11,190	40,694
Capital lease obligations, current portion	189	—	189
Long-term debt obligations, current portion	16,431	470	16,901
Claims liability for losses and loss adjustment expenses, current portion	—	45	45
Depository accounts	356	2,089	2,445
Other liabilities	4,429	216	4,645
Total current liabilities	<u>104,424</u>	<u>23,230</u>	<u>127,654</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	9,785	170	9,955
Unearned revenues	—	—	—
Grants refundable	1,360	—	1,360
Capital lease obligations, net of current portion	626	—	626
Long-term debt obligations, net of current portion	553,451	28,376	581,827
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	4,362	4,362
Total other postemployment benefits liability	938,255	3,594	941,849
Net pension liability	533,739	23,866	557,605
Other liabilities	205	10,290	10,495
Total noncurrent liabilities	<u>2,037,421</u>	<u>70,658</u>	<u>2,108,079</u>
Total liabilities	<u>2,141,845</u>	<u>93,888</u>	<u>2,235,733</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>135,929</u>	<u>22,759</u>	<u>158,688</u>
Net Position			
Net position:			
Net investment in capital assets	365,989	39,342	405,331
Restricted for:			
Nonexpendable – endowments	—	144,732	144,732
Expendable:			
Scholarships and fellowships	5,473	30,642	36,115
Research	—	11,368	11,368
Loans	3,292	—	3,292
Capital projects	861	56,407	57,268
Debt service	41	—	41
Others	119	186,990	187,109
Unrestricted	(1,237,525)	84,964	(1,152,561)
Total net position	<u>\$ (861,750)</u>	<u>554,445</u>	<u>(307,305)</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, 2021

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$53,806)	\$ 224,806	—	—	224,806
Grants and contracts, noncapital:				
Federal	—	13,284	—	13,284
State	—	4,689	—	4,689
Local	—	725	—	725
Nongovernmental	—	4,228	—	4,228
Sales and services of educational activities	1,110	—	—	1,110
Sales and services of auxiliary enterprises (net of scholarship allowances of \$4,018)	42,387	24,034	—	66,421
Other operating revenues	14,090	28,885	(5,518)	37,457
Total operating revenues	<u>282,393</u>	<u>75,845</u>	<u>(5,518)</u>	<u>352,720</u>
Expenses:				
Operating expenses:				
Instruction	219,509	3,166	(2,616)	220,059
Research	3,847	21,033	(471)	24,409
Public service	(267)	12,050	(152)	11,631
Academic support	76,229	7,107	(4,396)	78,940
Student services	92,959	8,121	(3,541)	97,539
Institutional support	26,852	19,709	(3,821)	42,740
Operation and maintenance of plant	45,976	24,814	(19,595)	51,195
Student grants and scholarships	27,705	6,264	(1,139)	32,830
Auxiliary enterprise expenses	43,659	26,173	(28)	69,804
Depreciation and amortization	45,541	3,325	—	48,866
Total operating expenses	<u>582,010</u>	<u>131,762</u>	<u>(35,759)</u>	<u>678,013</u>
Operating loss	<u>(299,617)</u>	<u>(55,917)</u>	<u>30,241</u>	<u>(325,293)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	161,802	—	—	161,802
Federal financial aid grants, noncapital	18,426	—	—	18,426
State financial aid grants, noncapital	21,353	—	—	21,353
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	10,229	—	(2,346)	7,883
Other federal nonoperating grants, noncapital	27,126	—	—	27,126
Gifts, noncapital	8,697	24,959	(8,142)	25,514
Investment income, net	17,144	17,518	—	34,662
Endowment income, net	—	66,370	—	66,370
Interest expense	(23,167)	(1,086)	—	(24,253)
Other nonoperating revenues	35,418	2,752	(23)	38,147
Net nonoperating income	<u>277,028</u>	<u>110,513</u>	<u>(10,511)</u>	<u>377,030</u>
Income (loss) before other revenues	<u>(22,589)</u>	<u>54,596</u>	<u>19,730</u>	<u>51,737</u>
State appropriations, capital	—	—	—	—
Grants and gifts, capital	31,690	5,429	(19,730)	17,389
Additions to permanent endowments	—	7,316	—	7,316
Increase in net position	<u>9,101</u>	<u>67,341</u>	<u>—</u>	<u>76,442</u>
Net position:				
Net position at beginning of year	(870,851)	487,104	—	(383,747)
Net position at end of year	<u>\$ (861,750)</u>	<u>554,445</u>	<u>—</u>	<u>(307,305)</u>

See accompanying independent auditors' report.

CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 224,908
Federal grants and contracts	16,441
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(91,497)
Payments to employees	(226,256)
Payments for benefits	(114,007)
Payments to students	(27,779)
Collections of student loans	454
Sales and services of educational activities	1,110
Sales and services of auxiliary enterprises	41,255
Other receipts	11,674
Net cash used in operating activities	<u>(163,697)</u>
Cash flows from noncapital financing activities:	
State appropriations	140,939
Federal financial aid grants	18,426
State financial aid grants	21,353
Nongovernmental and other financial aid grants	10,229
Other federal nonoperating grants	28,098
Gifts and grants received for other than capital purposes	8,697
Federal loan program receipts	71,243
Federal loan program disbursements	(71,256)
Monies received on behalf of others	9,781
Monies disbursed on behalf of others	(9,669)
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	—
Issuance of capital leases receivable	—
Principal collections on capital leases	—
Interest collections on capital leases	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	34,284
Net cash provided by noncapital financing activities	<u>262,125</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	28,855
State appropriations	1,752
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	31,690
Proceeds from sale of capital assets	2,278
Acquisition of capital assets	(70,826)
Transfers to escrow agent	(28,769)
Principal paid on capital debt and leases	(15,877)
Interest paid on capital debt and leases	(25,026)
Principal collection on capital leases	—
Interest collection on capital leases	—
Net cash used in capital and related financing activities	<u>(75,923)</u>

CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 766,010
Purchases of investments	(794,725)
Investment income proceeds	6,203
Net cash used in investing activities	(22,512)
Net decrease in cash and cash equivalents	(7)
Cash and cash equivalents at beginning of year	8
Cash and cash equivalents at end of year	<u>\$ 1</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 1
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 1</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (299,617)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	45,541
Change in assets and liabilities:	
Accounts receivable, net	1,886
Student loans receivable, net	381
Pledges receivable, net	—
Prepaid expenses and other current assets	(315)
Other assets	109
Deferred outflows of resources	23,676
Accounts payable	6,587
Accrued salaries and benefits	(102)
Accrued compensated absences	596
Unearned revenues	16,998
Depository accounts	—
Total other postemployment benefits liability	40,873
Net pension liability	18,182
Other liabilities	(2,136)
Deferred inflows of resources	(16,356)
Net cash used in operating activities	<u>\$ (163,697)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 20,863
Other assets paid through long-term debt	—
Amortization of net bond premium	2,906
Change in accrued capital asset purchases	1,856

See accompanying independent auditors' report.

CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO

Transactions with Related Entities

Year ended June 30, 2021

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 7,386
Payments from discretely presented component units for other than salaries	33,900
Payments to discretely presented component units for services, space, and programs	7,124
Gifts in kind from discretely presented component units	757
Gifts (cash or assets) from discretely presented component units	16,918
Accounts receivable from discretely presented component units	568
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(585)
Other amounts payable to discretely presented component units	(1,195)
Payments to the Office of the Chancellor for administrative activities	217
Payments to the Office of the Chancellor for state pro rata charges	126
Accounts receivable from the Office of the Chancellor	201
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	1,836
Other interagency payments (receipts) for services, space, and programs	324

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SAN MARCOS

Statement of Net Position

June 30, 2021

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 8	4,245	4,253
Short-term investments	92,183	14,922	107,105
Accounts receivable, net	4,801	6,497	11,298
Capital lease receivable, current portion	955	3,502	4,457
Notes receivable, current portion	29	—	29
Pledges receivable, net	—	1,524	1,524
Prepaid expenses and other current assets	2,585	29	2,614
Total current assets	<u>100,561</u>	<u>30,719</u>	<u>131,280</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	262	262
Accounts receivable, net	700	—	700
Capital lease receivable, net of current portion	13,900	92,465	106,365
Notes receivable, net of current portion	93	—	93
Student loans receivable, net	237	50	287
Pledges receivable, net	—	742	742
Endowment investments	—	35,766	35,766
Other long-term investments	5,481	9,526	15,007
Capital assets, net	279,004	21,969	300,973
Other assets	16	103	119
Total noncurrent assets	<u>299,431</u>	<u>160,883</u>	<u>460,314</u>
Total assets	<u>399,992</u>	<u>191,602</u>	<u>591,594</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>89,860</u>	<u>—</u>	<u>89,860</u>
Liabilities			
Current liabilities:			
Accounts payable	5,190	3,164	8,354
Accrued salaries and benefits	13,819	313	14,132
Accrued compensated absences, current portion	3,748	819	4,567
Unearned revenues	8,753	3,735	12,488
Capital lease obligations, current portion	1,928	1,080	3,008
Long-term debt obligations, current portion	3,820	976	4,796
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	79	—	79
Other liabilities	3,822	—	3,822
Total current liabilities	<u>41,159</u>	<u>10,087</u>	<u>51,246</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	5,108	—	5,108
Unearned revenues	—	36,378	36,378
Grants refundable	100	—	100
Capital lease obligations, net of current portion	60,143	14,683	74,826
Long-term debt obligations, net of current portion	89,172	62,154	151,326
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	375,673	1,511	377,184
Net pension liability	260,458	—	260,458
Other liabilities	—	—	—
Total noncurrent liabilities	<u>790,654</u>	<u>114,726</u>	<u>905,380</u>
Total liabilities	<u>831,813</u>	<u>124,813</u>	<u>956,626</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>55,807</u>	<u>128</u>	<u>55,935</u>
Net Position			
Net position:			
Net investment in capital assets	140,397	1,750	142,147
Restricted for:			
Nonexpendable – endowments	—	23,024	23,024
Expendable:			
Scholarships and fellowships	—	6,602	6,602
Research	—	—	—
Loans	281	—	281
Capital projects	370	34	404
Debt service	11	—	11
Others	—	5,637	5,637
Unrestricted	(538,827)	29,614	(509,213)
Total net position	<u>\$ (397,768)</u>	<u>66,661</u>	<u>(331,107)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SAN MARCOS

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2021

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$65,039)	\$ 81,073	—	—	81,073
Grants and contracts, noncapital:				
Federal	—	11,196	—	11,196
State	—	1,775	—	1,775
Local	—	17	—	17
Nongovernmental	—	588	—	588
Sales and services of educational activities	12	2,180	—	2,192
Sales and services of auxiliary enterprises (net of scholarship allowances of \$551)	2,943	7,515	—	10,458
Other operating revenues	5,995	2,373	—	8,368
Total operating revenues	<u>90,023</u>	<u>25,644</u>	<u>—</u>	<u>115,667</u>
Expenses:				
Operating expenses:				
Instruction	104,990	3,350	(56)	108,284
Research	1,941	8,333	—	10,274
Public service	285	486	(18)	753
Academic support	36,015	974	(7)	36,982
Student services	32,833	5,537	(1,058)	37,312
Institutional support	37,336	1,442	(107)	38,671
Operation and maintenance of plant	28,295	—	(363)	27,932
Student grants and scholarships	37,163	2,417	(2,205)	37,375
Auxiliary enterprise expenses	8,197	3,296	—	11,493
Depreciation and amortization	15,575	1,704	—	17,279
Total operating expenses	<u>302,630</u>	<u>27,539</u>	<u>(3,814)</u>	<u>326,355</u>
Operating loss	<u>(212,607)</u>	<u>(1,895)</u>	<u>3,814</u>	<u>(210,688)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	107,837	—	—	107,837
Federal financial aid grants, noncapital	35,070	—	—	35,070
State financial aid grants, noncapital	29,646	—	—	29,646
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	20,029	—	—	20,029
Gifts, noncapital	2,613	2,624	(2,613)	2,624
Investment income, net	7,705	4,459	—	12,164
Endowment income, net	—	7,813	—	7,813
Interest expense	(5,732)	(2,900)	—	(8,632)
Other nonoperating revenues	1,814	77	—	1,891
Net nonoperating income	<u>198,982</u>	<u>12,073</u>	<u>(2,613)</u>	<u>208,442</u>
Income (loss) before other revenues	<u>(13,625)</u>	<u>10,178</u>	<u>1,201</u>	<u>(2,246)</u>
State appropriations, capital	—	—	—	—
Grants and gifts, capital	1,201	—	(1,201)	—
Additions to permanent endowments	—	425	—	425
Increase (decrease) in net position	<u>(12,424)</u>	<u>10,603</u>	<u>—</u>	<u>(1,821)</u>
Net position:				
Net position at beginning of year	<u>(385,344)</u>	<u>56,058</u>	<u>—</u>	<u>(329,286)</u>
Net position at end of year	<u>\$ (397,768)</u>	<u>66,661</u>	<u>—</u>	<u>(331,107)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SAN MARCOS

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 82,442
Federal grants and contracts	2
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(39,692)
Payments to employees	(118,337)
Payments for benefits	(60,059)
Payments to students	(37,198)
Collections of student loans	36
Sales and services of educational activities	12
Sales and services of auxiliary enterprises	2,998
Other receipts	5,489
Net cash used in operating activities	<u>(164,307)</u>
Cash flows from noncapital financing activities:	
State appropriations	99,964
Federal financial aid grants	35,172
State financial aid grants	29,814
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	20,029
Gifts and grants received for other than capital purposes	2,613
Federal loan program receipts	45,402
Federal loan program disbursements	(45,284)
Monies received on behalf of others	1,496
Monies disbursed on behalf of others	(1,512)
Transfers to escrow agent	—
Proceeds from long-term debt	—
Principal paid on long-term debt	(905)
Interest paid on long-term debt	(758)
Issuance of notes receivable	—
Issuance of capital leases receivable	—
Principal collections on capital leases	905
Interest collections on capital leases	—
Principal collections on notes receivable	28
Interest collections on notes receivable	—
Other noncapital financing activities	1,279
Net cash provided by noncapital financing activities	<u>188,243</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	3,200
State appropriations	581
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	—
Proceeds from sale of capital assets	—
Acquisition of capital assets	(1,428)
Transfers to escrow agent	(3,189)
Principal paid on capital debt and leases	(4,486)
Interest paid on capital debt and leases	(5,236)
Principal collection on capital leases	—
Interest collection on capital leases	—
Net cash used in capital and related financing activities	<u>(10,558)</u>

CALIFORNIA STATE UNIVERSITY, SAN MARCOS

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 429,476
Purchases of investments	(446,760)
Investment income proceeds	3,906
Net cash used in investing activities	<u>(13,378)</u>
Net increase (decrease) in cash and cash equivalents	—
Cash and cash equivalents at beginning of year	8
Cash and cash equivalents at end of year	<u>\$ 8</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 8
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 8</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (212,607)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	15,575
Change in assets and liabilities:	
Accounts receivable, net	(578)
Student loans receivable, net	1
Pledges receivable, net	—
Prepaid expenses and other current assets	(393)
Other assets	36
Deferred outflows of resources	12,414
Accounts payable	(61)
Accrued salaries and benefits	807
Accrued compensated absences	705
Unearned revenues	2,584
Depository accounts	(1,897)
Total other postemployment benefits liability	18,018
Net pension liability	6,049
Other liabilities	2,040
Deferred inflows of resources	(7,000)
Net cash used in operating activities	<u>\$ (164,307)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 7,874
Other assets paid through long-term debt	—
Amortization of net bond premium	398
Change in accrued capital asset purchases	523

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SAN MARCOS

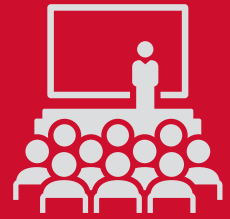
Transactions with Related Entities

Year ended June 30, 2021

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 460
Payments from discretely presented component units for other than salaries	5,412
Payments to discretely presented component units for services, space, and programs	9,967
Gifts in kind from discretely presented component units	27
Gifts (cash or assets) from discretely presented component units	3,786
Accounts receivable from discretely presented component units	886
Other amounts receivable from discretely presented component units	224
Accounts payable to discretely presented component units	(1,138)
Other amounts payable to discretely presented component units	(98,183)
Payments to the Office of the Chancellor for administrative activities	146
Payments to the Office of the Chancellor for state pro rata charges	159
Accounts receivable from the Office of the Chancellor	777
Accounts payable to the Office of the Chancellor	(1,083)
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	1,212
Other interagency payments (receipts) for services, space, and programs	187

See accompanying independent auditors' report.



NEARLY 56,000
faculty and staff are
employed by the CSU



SONOMA STATE UNIVERSITY

Schedule 8

Statement of Net Position

June 30, 2021

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 269	1,770	2,039
Short-term investments	90,698	5,994	96,692
Accounts receivable, net	8,877	174	9,051
Capital lease receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	1,252	1,252
Prepaid expenses and other current assets	880	50	930
Total current assets	<u>100,724</u>	<u>9,240</u>	<u>109,964</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	23	23
Accounts receivable, net	—	—	—
Capital lease receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	879	—	879
Pledges receivable, net	—	876	876
Endowment investments	—	44,826	44,826
Other long-term investments	6,544	20,631	27,175
Capital assets, net	387,636	560	388,196
Other assets	—	1,170	1,170
Total noncurrent assets	<u>395,059</u>	<u>68,086</u>	<u>463,145</u>
Total assets	<u>495,783</u>	<u>77,326</u>	<u>573,109</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>82,991</u>	<u>—</u>	<u>82,991</u>
Liabilities			
Current liabilities:			
Accounts payable	8,206	658	8,864
Accrued salaries and benefits	8,719	7	8,726
Accrued compensated absences, current portion	3,286	11	3,297
Unearned revenues	7,649	161	7,810
Capital lease obligations, current portion	145	—	145
Long-term debt obligations, current portion	7,305	—	7,305
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	—	—	—
Other liabilities	1,206	1,433	2,639
Total current liabilities	<u>36,516</u>	<u>2,270</u>	<u>38,786</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	4,118	13	4,131
Unearned revenues	25	—	25
Grants refundable	848	—	848
Capital lease obligations, net of current portion	35	—	35
Long-term debt obligations, net of current portion	201,035	—	201,035
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	428,067	—	428,067
Net pension liability	216,627	—	216,627
Other liabilities	—	—	—
Total noncurrent liabilities	<u>850,755</u>	<u>13</u>	<u>850,768</u>
Total liabilities	<u>887,271</u>	<u>2,283</u>	<u>889,554</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>61,846</u>	<u>—</u>	<u>61,846</u>
Net Position			
Net position:			
Net investment in capital assets	183,230	560	183,790
Restricted for:			
Nonexpendable – endowments	—	45,936	45,936
Expendable:			
Scholarships and fellowships	2,188	1,321	3,509
Research	—	—	—
Loans	244	—	244
Capital projects	2,886	—	2,886
Debt service	17	—	17
Others	6,774	18,733	25,507
Unrestricted	(565,682)	8,493	(557,189)
Total net position	<u>\$ (370,343)</u>	<u>75,043</u>	<u>(295,300)</u>

See accompanying independent auditors' report.

SONOMA STATE UNIVERSITY

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2021

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$25,731)	\$ 43,171	—	—	43,171
Grants and contracts, noncapital:				
Federal	8,750	33	—	8,783
State	1,393	184	—	1,577
Local	148	—	—	148
Nongovernmental	1,116	—	—	1,116
Sales and services of educational activities	18	2	—	20
Sales and services of auxiliary enterprises (net of scholarship allowances of \$763)	4,811	314	—	5,125
Other operating revenues	8,309	3,176	—	11,485
Total operating revenues	67,716	3,709	—	71,425
Expenses:				
Operating expenses:				
Instruction	66,708	—	—	66,708
Research	2,465	—	—	2,465
Public service	10,168	—	—	10,168
Academic support	20,822	—	—	20,822
Student services	24,828	1,934	—	26,762
Institutional support	31,530	187	—	31,717
Operation and maintenance of plant	16,692	—	—	16,692
Student grants and scholarships	28,328	—	—	28,328
Auxiliary enterprise expenses	19,941	4,588	—	24,529
Depreciation and amortization	19,963	88	—	20,051
Total operating expenses	241,445	6,797	—	248,242
Operating loss	(173,729)	(3,088)	—	(176,817)
Nonoperating revenues (expenses):				
State appropriations, noncapital	82,297	—	—	82,297
Federal financial aid grants, noncapital	12,902	—	—	12,902
State financial aid grants, noncapital	12,506	—	—	12,506
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	28,840	—	—	28,840
Gifts, noncapital	5,182	(2,067)	25	3,140
Investment income, net	6,479	(1,519)	—	4,960
Endowment income, net	—	12,509	—	12,509
Interest expense	(7,008)	—	—	(7,008)
Other nonoperating revenues	20,993	4,061	—	25,054
Net nonoperating income	162,191	12,984	25	175,200
Income (loss) before other revenues	(11,538)	9,896	25	(1,617)
State appropriations, capital	—	—	—	—
Grants and gifts, capital	552	—	(25)	527
Additions to permanent endowments	—	1,582	—	1,582
Increase (decrease) in net position	(10,986)	11,478	—	492
Net position:				
Net position at beginning of year	(359,357)	63,565	—	(295,792)
Net position at end of year	\$ (370,343)	75,043	—	(295,300)

See accompanying independent auditors' report.

SONOMA STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 41,642
Federal grants and contracts	8,065
State grants and contracts	1,386
Local grants and contracts	251
Nongovernmental grants and contracts	1,329
Payments to suppliers	(36,901)
Payments to employees	(81,439)
Payments for benefits	(45,522)
Payments to students	(28,329)
Collections of student loans	36
Sales and services of educational activities	21
Sales and services of auxiliary enterprises	7,478
Other receipts	8,506
Net cash used in operating activities	<u>(123,477)</u>
Cash flows from noncapital financing activities:	
State appropriations	72,662
Federal financial aid grants	12,902
State financial aid grants	12,506
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	28,840
Gifts and grants received for other than capital purposes	5,182
Federal loan program receipts	22,080
Federal loan program disbursements	(22,120)
Monies received on behalf of others	47
Monies disbursed on behalf of others	(18)
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	—
Issuance of capital leases receivable	—
Principal collections on capital leases	—
Interest collections on capital leases	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	20,986
Net cash provided by noncapital financing activities	<u>153,067</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	84,050
State appropriations	—
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	552
Proceeds from sale of capital assets	3
Acquisition of capital assets	(21,083)
Transfers to escrow agent	(83,784)
Principal paid on capital debt and leases	(7,130)
Interest paid on capital debt and leases	(6,301)
Principal collection on capital leases	—
Interest collection on capital leases	—
Net cash used in capital and related financing activities	<u>(33,693)</u>

SONOMA STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 403,512
Purchases of investments	(401,721)
Investment income proceeds	2,533
Net cash provided by investing activities	4,324
Net increase in cash and cash equivalents	221
Cash and cash equivalents at beginning of year	48
Cash and cash equivalents at end of year	<u>\$ 269</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 269
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 269</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (173,729)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	19,963
Change in assets and liabilities:	
Accounts receivable, net	302
Student loans receivable, net	36
Pledges receivable, net	—
Prepaid expenses and other current assets	146
Other assets	—
Deferred outflows of resources	5,924
Accounts payable	1,288
Accrued salaries and benefits	(550)
Accrued compensated absences	202
Unearned revenues	973
Depository accounts	—
Total other postemployment benefits liability	22,541
Net pension liability	6,049
Other liabilities	(36)
Deferred inflows of resources	(6,586)
Net cash used in operating activities	<u>\$ (123,477)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 9,635
Other assets paid through long-term debt	—
Amortization of net bond premium	549
Change in accrued capital asset purchases	2,141

See accompanying independent auditors' report.

SONOMA STATE UNIVERSITY

Transactions with Related Entities

Year ended June 30, 2021

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 3,384
Payments from discretely presented component units for other than salaries	7,419
Payments to discretely presented component units for services, space, and programs	3,341
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	—
Accounts receivable from discretely presented component units	644
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(136)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	1,188
Payments to the Office of the Chancellor for state pro rata charges	153
Accounts receivable from the Office of the Chancellor	4,298
Accounts payable to the Office of the Chancellor	—
Accounts receivable from campuses other than the Office of the Chancellor	15
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery allocation received	982
Other interagency payments (receipts) for services, space, and programs	(49)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, STANISLAUS

Statement of Net Position

Year ended June 30, 2021

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 802	1,619	2,421
Short-term investments	105,980	10,143	116,123
Accounts receivable, net	5,582	1,277	6,859
Capital lease receivable, current portion	125	—	125
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	1,021	1,021
Prepaid expenses and other current assets	1,233	20	1,253
Total current assets	<u>113,722</u>	<u>14,080</u>	<u>127,802</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	356	356
Accounts receivable, net	—	—	—
Capital lease receivable, net of current portion	3,350	—	3,350
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	1,030	—	1,030
Pledges receivable, net	—	1,387	1,387
Endowment investments	—	18,718	18,718
Other long-term investments	29,570	125	29,695
Capital assets, net	205,896	7,051	212,947
Other assets	97	626	723
Total noncurrent assets	<u>239,943</u>	<u>28,263</u>	<u>268,206</u>
Total assets	<u>353,665</u>	<u>42,343</u>	<u>396,008</u>
Deferred Outflows of Resources			
Deferred outflows of resources	69,454	—	69,454
Liabilities			
Current liabilities:			
Accounts payable	3,462	308	3,770
Accrued salaries and benefits	11,427	42	11,469
Accrued compensated absences, current portion	2,411	61	2,472
Unearned revenues	3,834	—	3,834
Capital lease obligations, current portion	78	125	203
Long-term debt obligations, current portion	1,760	310	2,070
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	321	59	380
Other liabilities	1,443	34	1,477
Total current liabilities	<u>24,736</u>	<u>939</u>	<u>25,675</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	4,208	—	4,208
Unearned revenues	—	—	—
Grants refundable	470	—	470
Capital lease obligations, net of current portion	64	3,350	3,414
Long-term debt obligations, net of current portion	78,548	381	78,929
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	337,028	1,751	338,779
Net pension liability	190,046	1,670	191,716
Other liabilities	—	—	—
Total noncurrent liabilities	<u>610,364</u>	<u>7,152</u>	<u>617,516</u>
Total liabilities	<u>635,100</u>	<u>8,091</u>	<u>643,191</u>
Deferred Inflows of Resources			
Deferred inflows of resources	48,577	—	48,577
Net Position			
Net position:			
Net investment in capital assets	135,541	2,869	138,410
Restricted for:			
Nonexpendable – endowments	—	17,136	17,136
Expendable:			
Scholarships and fellowships	—	2,067	2,067
Research	—	—	—
Loans	741	—	741
Capital projects	—	—	—
Debt service	13	—	13
Others	137	4,719	4,856
Unrestricted	(396,990)	7,461	(389,529)
Total net position	<u>\$ (260,558)</u>	<u>34,252</u>	<u>(226,306)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, STANISLAUS

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2021

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$54,530)	\$ 40,631	—	—	40,631
Grants and contracts, noncapital:				
Federal	6,001	—	—	6,001
State	584	—	—	584
Local	727	—	—	727
Nongovernmental	1,029	—	—	1,029
Sales and services of educational activities	27	51	—	78
Sales and services of auxiliary enterprises (net of scholarship allowances of \$402)	1,063	1,120	—	2,183
Other operating revenues	7,400	9,560	(473)	16,487
Total operating revenues	<u>57,462</u>	<u>10,731</u>	<u>(473)</u>	<u>67,720</u>
Expenses:				
Operating expenses:				
Instruction	95,954	184	(121)	96,017
Research	1,241	—	—	1,241
Public service	594	—	—	594
Academic support	19,665	7	(6)	19,666
Student services	33,769	4,762	(345)	38,186
Institutional support	24,805	1,417	(312)	25,910
Operation and maintenance of plant	19,799	318	(16)	20,101
Student grants and scholarships	33,966	570	(570)	33,966
Auxiliary enterprise expenses	3,682	1,140	—	4,822
Depreciation and amortization	7,968	352	—	8,320
Total operating expenses	<u>241,443</u>	<u>8,750</u>	<u>(1,370)</u>	<u>248,823</u>
Operating income (loss)	<u>(183,981)</u>	<u>1,981</u>	<u>897</u>	<u>(181,103)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	84,515	—	—	84,515
Federal financial aid grants, noncapital	30,361	—	—	30,361
State financial aid grants, noncapital	27,869	—	—	27,869
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	572	—	(570)	2
Other federal nonoperating grants, noncapital	24,587	—	—	24,587
Gifts, noncapital	112	53	—	165
Investment income, net	7,869	160	—	8,029
Endowment income, net	—	4,160	—	4,160
Interest expense	(1,080)	(6)	—	(1,086)
Other nonoperating revenues	28,517	6	(327)	28,196
Net nonoperating income	<u>203,322</u>	<u>4,373</u>	<u>(897)</u>	<u>206,798</u>
Income before other revenues	19,341	6,354	—	25,695
State appropriations, capital	—	—	—	—
Grants and gifts, capital	—	—	—	—
Additions (reductions) to permanent endowments	—	—	—	—
Increase in net position	<u>19,341</u>	<u>6,354</u>	<u>—</u>	<u>25,695</u>
Net position:				
Net position at beginning of year	(279,899)	27,898	—	(252,001)
Net position at end of year	<u>\$ (260,558)</u>	<u>34,252</u>	<u>—</u>	<u>(226,306)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, STANISLAUS

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 37,944
Federal grants and contracts	5,118
State grants and contracts	590
Local grants and contracts	637
Nongovernmental grants and contracts	1,138
Payments to suppliers	(32,460)
Payments to employees	(89,106)
Payments for benefits	(45,000)
Payments to students	(34,066)
Collections of student loans	56
Sales and services of educational activities	27
Sales and services of auxiliary enterprises	514
Other receipts	8,206
Net cash used in operating activities	<u>(146,402)</u>
Cash flows from noncapital financing activities:	
State appropriations	76,639
Federal financial aid grants	30,361
State financial aid grants	27,869
Nongovernmental and other financial aid grants	572
Other federal nonoperating grants	24,587
Gifts and grants received for other than capital purposes	112
Federal loan program receipts	23,182
Federal loan program disbursements	(23,195)
Monies received on behalf of others	3,576
Monies disbursed on behalf of others	(3,407)
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	—
Issuance of capital leases receivable	—
Principal collections on capital leases	—
Interest collections on capital leases	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	27,681
Net cash provided by noncapital financing activities	<u>187,945</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	11,135
State appropriations	—
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	—
Proceeds from sale of capital assets	12
Acquisition of capital assets	(36,667)
Transfers to escrow agent	(11,104)
Principal paid on capital debt and leases	(1,805)
Interest paid on capital debt and leases	(1,197)
Principal collection on capital leases	115
Interest collection on capital leases	—
Net cash used in capital and related financing activities	<u>(39,511)</u>

CALIFORNIA STATE UNIVERSITY, STANISLAUS

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 310,547
Purchases of investments	(314,723)
Investment income proceeds	2,946
Net cash used in investing activities	(1,230)
Net increase in cash and cash equivalents	802
Cash and cash equivalents at beginning of year	—
Cash and cash equivalents at end of year	\$ 802
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 802
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	\$ 802
Reconciliation of operating loss to other receipts:	
Operating loss	\$ (183,981)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	7,968
Change in assets and liabilities:	
Accounts receivable, net	(1,957)
Student loans receivable, net	(34)
Pledges receivable, net	—
Prepaid expenses and other current assets	(331)
Other assets	84
Deferred outflows of resources	10,990
Accounts payable	57
Accrued salaries and benefits	(137)
Accrued compensated absences	501
Unearned revenues	(1,683)
Depository accounts	—
Total other postemployment benefits liability	17,792
Net pension liability	9,456
Other liabilities	201
Deferred inflows of resources	(5,328)
Net cash used in operating activities	\$ (146,402)
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 7,876
Other assets paid through long-term debt	—
Amortization of net bond premium	394
Change in accrued capital asset purchases	271

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, STANISLAUS

Transactions with Related Entities

Year ended June 30, 2021

(In thousands)

	Campus
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	5,463
Payments to discretely presented component units for services, space, and programs	9,003
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	—
Accounts receivable from discretely presented component units	222
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(1,170)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	114
Payments to the Office of the Chancellor for state pro rata charges	61
Accounts receivable from the Office of the Chancellor	1,204
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	(30)
State lottery allocation received	1,057
Other interagency payments (receipts) for services, space, and programs	95

See accompanying independent auditors' report.



CSU The California State University

401 Golden Shore, Long Beach, CA 90802

www.calstate.edu

SINGLE AUDIT REPORTS

2020-2021



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INDEPENDENT AUDITORS' REPORT





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 California State University (the University), an agency of the State of California, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated June 15, 2022.

Our report includes a reference to other auditors who audited the financial statements of 90 of the 92 aggregate discretely presented component units, which represent 97% of total assets and 99% of the total net position as of June 30, 2021, and 96% of total revenues for the year then ended of the aggregate discretely presented component units totals, as described in our report on the University's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those 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 opinions 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 University'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
June 15, 2022



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

We have audited the California State University's (the University) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on the University's major federal program for the year ended June 30, 2021. The University's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The University's basic financial statements include the operations of the University's discretely presented component units, which expended federal awards totaling \$387,116,348, which are not included in the schedule of expenditures of federal awards for the year ended June 30, 2021. Our audit, described below, did 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).

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the University's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the University's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the University's compliance.



Opinion on Each Major Federal Program

In our opinion, the California State University complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2021.

Other Matters

The results of our auditing procedures disclosed an instance 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 item 2021-001. Our opinion on the major federal program is not modified with respect to this matter.

The University's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The University is also responsible for preparing a corrective action plan to address the audit finding included in our auditors' report. The University's response and corrective action plan were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response or the corrective action plan.

Report on Internal Control over Compliance

Management of the University is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the University's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over compliance.

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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2021-001, that we consider to be a significant deficiency.



The University's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The University is also responsible for preparing a corrective action plan to address the audit finding included in our auditors' report. The University's response and corrective action plan were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response 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, 2021, and the related notes to the financial statements, which collectively comprise the University's basic financial statements. We have issued our report thereon dated June 15, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. 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 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 auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

KPMG LLP

Los Angeles, California
June 15, 2022

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS



CALIFORNIA STATE UNIVERSITY
Schedule of Expenditures of Federal Awards
Year ended June 30, 2021

Student Financial Assistance Cluster:

Federal Grantor Agency	Assistance Listing Number	Cluster Name	Federal Program Name	Direct Award or Pass-through Entity	Pass-through Entity Identifying Number	Amount Expended	Amounts Provided to Subrecipients
Department of Education	84.007	Student Financial Assistance	Federal Supplemental Educational Opportunity Grants (FSEOG)	Direct Award		\$ 23,853,996	\$ -
	84.033	Student Financial Assistance	Federal Work-Study Program (FWS)	Direct Award		16,761,898	-
	84.038	Student Financial Assistance	Federal Perkins Loan Program (PERKINS LOAN advanced and ACA)	Direct Award		42,491,399	-
	84.063	Student Financial Assistance	Federal Pell Grant Program (PELL)	Direct Award		1,065,880,369	-
	84.268	Student Financial Assistance	Federal Direct Student Loans (DIRECT LOAN)	Direct Award		1,132,930,805	-
	84.379	Student Financial Assistance	Teacher Education Assistance for College and Higher Education Grants (TEACH)	Direct Award		2,167,351	-
	84.408	Student Financial Assistance	Postsecondary Education Scholarships for Veteran's Dependents (VETERANS)	Direct Award		9,560	-
Department of Education Total						2,284,095,378	-
Department of Health and Human Services	93.364	Student Financial Assistance	Nursing Student Loans (NURSING LOAN)	Direct Award		2,640,640	-
Department of Health and Human Services Total						2,640,640	-
Student Financial Assistance Cluster Total						\$ 2,286,736,018	\$ -

Other Programs and Clusters:

Federal Grantor Agency	Assistance Listing Number	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	10.001		Agricultural Research Basic and Applied Research	Direct Award		\$ 61,015	\$ -	
	10.223		Hispanic Serving Institutions Education Grants	Direct Award		922	-	
	10.558		Child and Adult Care Food Program	Pass-through California Department of Education	04346-CACFP-12-HU-CS	28,805	-	
	10.561	SNAP CLUSTER		State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	Pass-through CSU Chico State Enterprises	SUB18-018	24,467	-
						SUB18-043	41,965	-
						SUB18-046	22,794	-
						SUB18-027	69,886	-
SNAP CLUSTER Total						159,112	-	
10.561 Total						159,112	-	
U.S. Department of Agriculture Total						249,854	-	
U.S. Department of Commerce	11.420		Coastal Zone Management Estuarine Research Reserves	Direct Award		95,433	92,458	
	11.429		Marine Sanctuary Program	Direct Award		26,960	-	
	11.999		Marine Debris Program	Direct Award		25,315	-	
U.S. Department of Commerce Total						147,708	92,458	
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	262,439	-	
					0054-SFSU-8-SSC-280-PO10	31,000	-	
					0054-SFSU-8-SSC-280-PO6	17,300	-	
					0054-SFSU-8-SSC-280-PO7	29,300	-	
					0054-SFSU-8-TT-280-PO9	4,532	-	
					BOR21-SFSU-7-CHN-PO1	16,010	-	
	12.550 Total						360,581	-
12.U01		U.S. Department of Defense (not classified elsewhere)	Direct Award		185,417	-		
U.S. Department of Defense Total						545,998	-	
U.S. Department of the Interior	15.904		Historic Preservation Fund Grants-In-Aid	Pass-through Office of Historic Preservation (OHP)	C1910014	11,000	-	
					C8964511	1,000	-	
	15.904 Total						12,000	-
	15.944		Natural Resource Stewardship	Direct Award		89,482	-	
	15.945		Cooperative Research and Training Programs – Resources of the National Park System	Direct Award		27,874	-	
U.S. Department of the Interior Total						129,356	-	
U.S. Department of Justice	16.922		Equitable Sharing Program	Pass-through Orange County Sheriff's Department - Regional Narcotics Suppression Program	RSNP 07252013	28,413	-	
U.S. Department of Justice Total						28,413	-	
U.S. Department of State	19.415		Professional and Cultural Exchange Programs - Citizen Exchanges	Pass-through International Research and Exchange Board (IREX)	FY19/YLAI/San Francisco State University/01	12,500	-	
U.S. Department of State Total						12,500	-	
U.S. Department of Transportation	20.819		Ballast Water Treatment Technologies	Direct Award		3,586	-	
U.S. Department of Transportation Total						3,586	-	
U.S. Department of the Treasury	21.019		COVID-19 Coronavirus Relief Fund	Pass-through County of San Diego	County Contract #562508	3,367,325	3,367,325	
U.S. Department of the Treasury Total						3,367,325	3,367,325	
Office of Personnel Management	27.011		Intergovernmental Personnel Act (IPA) Mobility Program	Direct Award		172,152	-	
Office of Personnel Management Total						172,152	-	

CALIFORNIA STATE UNIVERSITY
Schedule of Expenditures of Federal Awards
Year ended June 30, 2021

Federal Grantor Agency	Assistance Listing Number	Cluster Name	Federal Program Name	Direct Award or Pass-through Entity	Pass-through Entity Identifying Number	Amount Expended	Amounts Provided to Subrecipients
National Aeronautics and Space Administration	43.001		Science	Pass-through Association of Universities for Research in Astronomy, Inc.	STI-509915	28,322	-
	43.008		Office of Stem Engagement (OSTEM)	Direct Award		110	-
National Aeronautics and Space Administration Total						28,432	-
National Endowment for the Arts	45.024		Promotion of the Arts Grants to Organizations and Individuals	Direct Award		18,262	-
				Pass-through County of Sonoma (Non-SCOE)	9.15.2020 AGREEMENT	15,000	-
45.024 Total						33,262	-
	45.025		Promotion of the Arts Partnership Agreements	Pass-through Western States Arts Federation	TW20200116	2,500	-
					TW20200170	500	-
45.025 Total						3,000	-
National Endowment for the Arts Total						36,262	-
National Endowment for the Humanities	45.129		Promotion of the Humanities Federal/State Partnership	Pass-through California Humanities	HFAP19-67	3,247	-
					HFAQ19-156	574	-
45.129 Total						3,821	-
	45.149		Promotion of the Humanities Division of Preservation and Access	Direct Award		5,874	-
	45.169		Promotion of the Humanities Office of Digital Humanities	Direct Award		6,150	-
National Endowment for the Humanities Total						15,845	-
National Science Foundation	47.049		Mathematical and Physical Sciences	Direct Award		9,644	-
	47.050		Geosciences	Pass-through Connecticut	322618	10,554	-
	47.076		Education and Human Resources	Pass-through Missouri State University	16043-007	29,148	-
				Pass-through CSU University Enterprises, Inc. (Sacramento)	533003	2,000	-
47.076 Total						31,148	-
National Science Foundation Total						51,346	-
U.S. Department of Environment Protection Agency	66.461		Regional Wetland Program Development Grants	Direct Award		143,178	-
U.S. Department of Environment Protection Agency Total						143,178	-
U.S. Department of Energy	81.087		Renewable Energy Research and Development	Direct Award		5,334	-
	81.117		Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	Direct Award		198,174	-
U.S. Department of Energy Total						203,508	-
U.S. Department of Education	84.031		Higher Education Institutional Aid	Direct Award		3,685,885	83,041
				Pass-through Ventura County Community College District	P0103046	121,566	-
				Pass-through San Mateo County Community College District	681233	48,808	-
					P031S160245	150,676	-
84.031 Total						4,006,935	83,041
	84.042	TRIO CLUSTER	TRIO Student Support Services	Direct Award		1,645,589	-
	84.044	TRIO CLUSTER	TRIO Talent Search	Direct Award		678,180	-
	84.047	TRIO CLUSTER	TRIO Upward Bound	Direct Award		1,986,647	-
	84.103	TRIO CLUSTER	TRIO Staff Training Program	Direct Award		507,670	-
	84.217	TRIO CLUSTER	TRIO McNair Post-Baccalaureate Achievement	Direct Award		553,278	-
TRIO CLUSTER Total						5,371,364	-
	84.129		Rehabilitation Long-Term Training	Direct Award		498,419	-
	84.325		Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	Direct Award		809,246	-
	84.326		Special Education Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	Direct Award		542,027	-
	84.335		Child Care Access Means Parents in School	Direct Award		640,290	-
	84.365		English Language Acquisition State Grants	Direct Award		375,311	-
	84.367		Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State	Pass-through Regents of the University of California	ESSA18-CMP-STANISLAUS	276	-
					ESSA20-CGEP-STANISLAUS	30,000	-
					ESSA20-CMP-SONOMA	26,018	-
					ESSA20-CWP-STANISLAUS	39,938	-
84.367 Total						96,232	-
	84.382		Strengthening Minority-Serving Institutions	Direct Award		238,360	-
	84.411		Education Innovation and Research (formerly Investing in Innovation (i3) Fund)	Direct Award		775,424	33,370
	84.425E		COVID-19 Higher Education Emergency Relief Fund-Student Aid Portion	Direct Award		292,204,188	-
	84.425F		COVID-19 Higher Education Emergency Relief Fund-Institutional Portion	Direct Award		560,580,175	-
	84.425L		COVID-19 Higher Education Emergency Relief Fund-Minority Serving Institutions	Direct Award		75,719,605	-
U.S. Department of Education Total						941,857,576	116,411

CALIFORNIA STATE UNIVERSITY
Schedule of Expenditures of Federal Awards
Year ended June 30, 2021

Federal Grantor Agency	Assistance Listing Number	Cluster Name	Federal Program Name	Direct Award or Pass-through Entity	Pass-through Entity Identifying Number	Amount Expended	Amounts Provided to Subrecipients
U.S. Department of Health and Human Services	93.157		Centers of Excellence	Pass-through Regents of the University of California, San Francisco	11245sc	30,240	-
	93.575		Child Care and Development Block Grant	Pass-through California Department of Education	CCTR-0045	53,606	-
				Pass-through City & County of San Francisco	P170053	256,690	-
						424,606	-
	93.575 Total					734,902	-
	93.596		Child Care Mandatory and Matching Funds of the Child Care and Development Fund	Pass-through California Department of Education	CCTR-0045	117,450	-
	93.600		Head Start	Pass-through California Department of Education	15291, 15292, 15492	132,230	-
	93.658		Foster Care Title IV-E	Pass-through Regents of the University of California	20-3019	1,126,279	-
				Pass-through Regents of the University of California, Berkeley	9898	37	-
					10507	997,666	-
93.658 Total					2,123,982	-	
	93.732		Mental and Behavioral Health Education and Training Grants	Pass-through Regents of the University of California, Berkeley	9668	88,422	-
	93.859		Biomedical Research and Research Training	Direct Award		246,710	-
U.S. Department of Health and Human Services Total						3,473,936	-
Corporation for National and Community Service	94.006		AmeriCorps	Direct Award		54,713	-
				Pass-through Jumpstart for Young Children, Inc.	94.006-JS-SITE #322	340,323	-
				Pass-through California Volunteers	17AFHY26-PG99	51,997	-
				Pass-through California Volunteers	ACY26-F211	163,528	-
94.006 Total					610,561	-	
	94.013		Volunteers in Service to America	Direct Award		19,926	-
Corporation for National and Community Service Total						630,487	-
U.S. Department of Homeland Security	97.039		Hazard Mitigation Grant	Pass-through California Governor's Office of Emergency Services (CalOES)	4344-194-42F	82,870	-
					4344-PJ0176-008	189,816	-
					DR4353-PL0149	159,700	-
97.039 Total					432,386	-	
U.S. Department of Homeland Security Total						432,386	-
Other Programs and Clusters Total						\$ 951,529,848	\$ 3,576,194

Research and Development (R&D) Cluster:

Federal Grantor Agency	Assistance Listing Number	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 Regents of the University of California, Davis	A20-1464-S001-A01	\$ 37,414	\$ -
	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	748,956	-
	10.664	Research and Development	Cooperative Forestry Assistance	Direct Award		58,466	-
	10.699	Research and Development	Partnership Agreements	Direct Award		8,516	-
U.S. Department of Agriculture Total						853,352	-
U.S. Department of Commerce	11.012	Research and Development	Integrated Ocean Observing System (IOOS)	Pass-through Monterey Bay Aquarium Research Institute	1611290	59,347	-
	11.417	Research and Development	Sea Grant Support	Pass-through Regents of the University of California	A21-1572-S003	16,656	-
				Pass-through Regents of the University of California, San	R/HCE-10	1,360	-
	11.417 Total					18,016	-
	11.420	Research and Development	Coastal Zone Management Estuarine Research Reserves	Direct Award		827,533	-
			Pass-through Merkel & Associates, Inc.	1305M319FNFFP0234	2,544	-	
				3002.19.065658	2,606	-	
11.420 Total					832,683	-	
U.S. Department of Commerce Total						910,046	-
U.S. Department of Defense	12.300	Research and Development	Basic and Applied Scientific Research	Direct Award		51,950	-
				Pass-through Regents of the University of California	A18-0896-S001-P06921	40,980	-
				Pass-through University of St. Andrews	112717 AGREEMENT	660	-
	12.300 Total					93,590	-
	12.431	Research and Development	Basic Scientific Research	Direct Award		163,334	-
	12.630	Research and Development	Basic, Applied, and Advanced Research in Science and Engineering	Direct Award		500,656	-
	12.631	Research and Development	Science, Technology, Engineering and Mathematics (STEM) Educational Program: Science, Mathematics And Research for Transformation (SMART)	Direct Award		1,967	-
12.U02	Research and Development	U.S. Department of Defense (not classified elsewhere)	Pass-through Regents of the University of California, Santa	A20-0287-S001	12,722	-	
U.S. Department of Defense Total						772,269	-

CALIFORNIA STATE UNIVERSITY
Schedule of Expenditures of Federal Awards
Year ended June 30, 2021

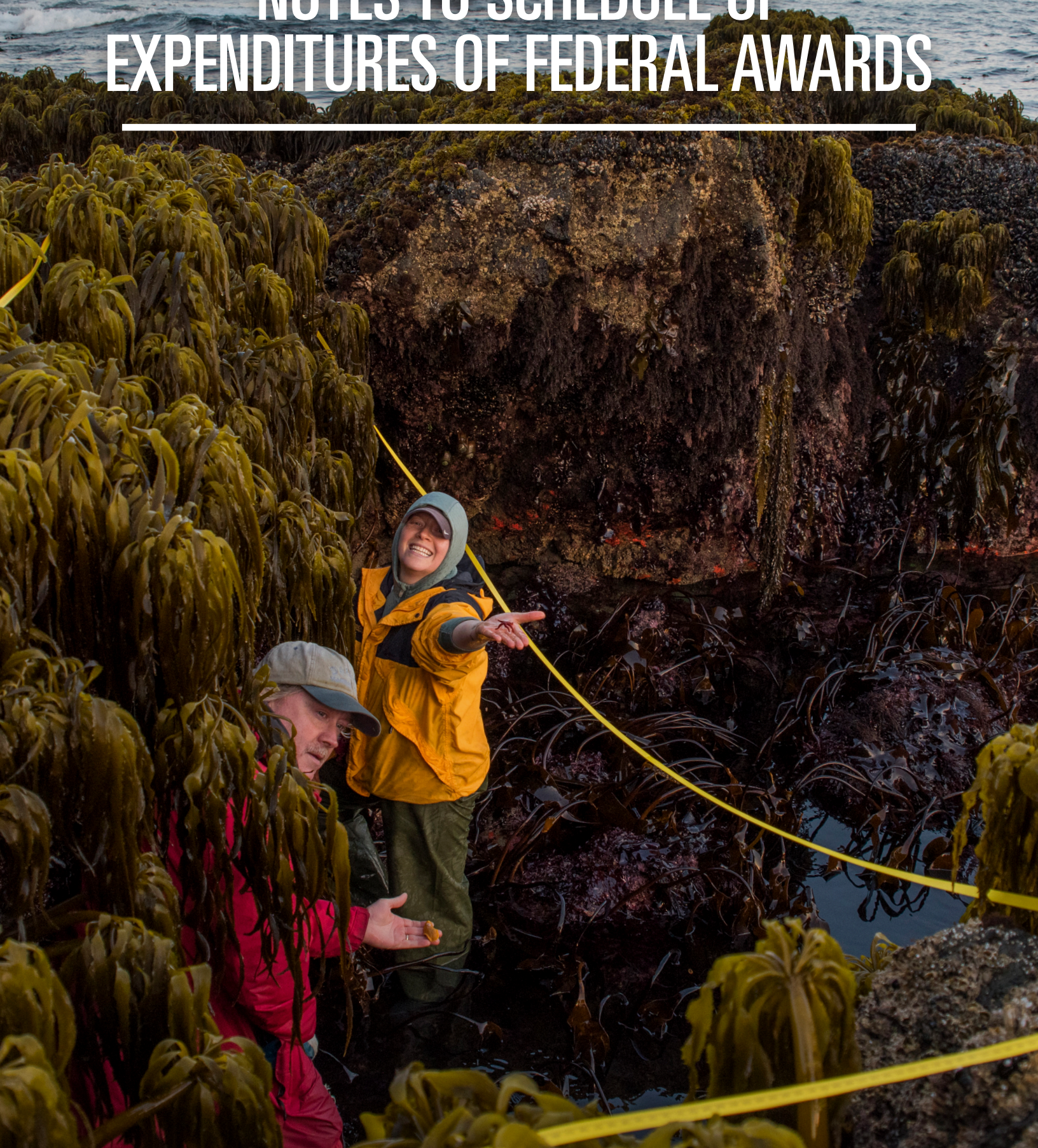
Federal Grantor Agency	Assistance Listing Number	Cluster Name	Federal Program Name	Direct Award or Pass-through Entity	Pass-through Entity Identifying Number	Amount Expended	Amounts Provided to Subrecipients
U.S. Department of the Interior	15.232	Research and Development	Joint Fire Science Program	Direct Award		20,238	-
	15.246	Research and Development	Threatened and Endangered Species	Direct Award		32,863	-
	15.512	Research and Development	Central Valley Improvement Act, Title XXXIV	Direct Award		21,081	-
	15.564	Research and Development	Central Valley Project Conservation	Direct Award		120,841	-
	15.608	Research and Development	Fish and Wildlife Management Assistance	Direct Award		89,014	24,461
	15.615	Research and Development	Cooperative Endangered Species Conservation Fund	Pass-through California Department of Fish and Wildlife	P1680007	1,879	-
	15.657	Research and Development	Endangered Species Recovery Implementation	Direct Award		84,392	-
				Pass-through Fish & Wildlife, Department of (DFW)	F18AC00359	1,183	-
	15.657 Total					85,575	-
	15.670	Research and Development	Adaptive Science	Pass-through CSU Chico State Enterprises	SUB19-009	23,615	-
	15.807	Research and Development	Earthquake Hazards Program Assistance	Direct Award		10	-
	15.808	Research and Development	U.S. Geological Survey Research and Data Collection	Direct Award		74,846	-
	15.945	Research and Development	Cooperative Research and Training Programs – Resources of the National Park System	Direct Award		1,593	-
U.S. Department of the Interior Total					471,555	24,461	
U.S. Department of Justice	16.560	Research and Development	National Institute of Justice Research, Evaluation, and Development Project Grants	Direct Award		15,282	-
U.S. Department of Justice Total					15,282	-	
National Aeronautics and Space Administration	43.001	Research and Development	Science	Direct Award		681,924	310,564
				Pass-through Smithsonian Astrophysical Observatory	GO9-20082A	8,385	-
				Pass-through The Washington University	WU-21-274	29,932	-
				Pass-through Children's Creativity Museum	09/06/18 AGREEMENT	40	-
				Pass-through Science Museum of Minnesota	LETTER 06/08/20	15,001	-
				Pass-through The Regents of the University of Colorado	1559320	82,957	-
				Pass-through University of New Hampshire	L0082	256,101	9,782
				43.001 Total		1,074,340	320,346
National Aeronautics and Space Administration Total					1,074,340	320,346	
National Endowment for the Humanities	45.129	Research and Development	Promotion of the Humanities Federal/State Partnership	Pass-through California Humanities	HFAP17-11	1,500	-
National Endowment for the Humanities Total					1,500	-	
National Science Foundation	47.041	Research and Development	Engineering	Direct Award		243,435	-
				Pass-through Regents of the University of California, Berkeley	10631	4,932	-
	47.041 Total					248,367	-
	47.049	Research and Development	Mathematical and Physical Sciences	Direct Award		518,235	-
				Pass-through CSU San Jose State Research Foundation	21-1504-6047	22,292	-
	47.049 Total					540,527	-
	47.050	Research and Development	Geosciences	Direct Award		824,852	-
				Pass-through Yale University	GR104085(CON-80001397)	7,716	-
	47.050 Total					832,568	-
	47.070	Research and Development	Computer and Information Science and Engineering	Direct Award		189,092	-
	47.074	Research and Development	Biological Sciences	Direct Award		1,092,529	88,854
				Pass-through Oregon State University	S2210A-A	340	-
				Pass-through Regents of the University of California, San Francisco	9807sc	428,446	-
				47.074 Total		1,521,315	88,854
	47.075	Research and Development	Social, Behavioral, and Economic Sciences	Direct Award		313,732	-
	47.076	Research and Development	Education and Human Resources	Direct Award		3,709,889	595,112
				Pass-through Northeastern University	502277-78050	7,745	-
				Pass-through Smith-Kettlewell Eye Research Institute	8201301-SFSU	9,255	-
				Pass-through University of Texas at El Paso	226100998E	89,794	-
				Pass-through CSU Cal Poly Corporation	226100955B	185,886	-
Pass-through Regents of the University of California, San Diego				2018-2-51273	5,849	-	
Pass-through Regents of the University of California, San Diego				1726932	14	-	
Pass-through CSU East Bay Foundation				W1206-411	24,241	-	
Pass-through Regents of the University of California, Irvine				2018-3646	7,007	-	
Pass-through CSU University Enterprises, Inc. (Sacramento)				532843	14,106	-	
47.076 Total		12,534	-				
National Science Foundation Total					7,711,921	683,966	

CALIFORNIA STATE UNIVERSITY
Schedule of Expenditures of Federal Awards
Year ended June 30, 2021

Federal Grantor Agency	Assistance Listing Number	Cluster Name	Federal Program Name	Direct Award or Pass-through Entity	Pass-through Entity Identifying Number	Amount Expended	Amounts Provided to Subrecipients
U.S. Department of Energy	81.049	Research and Development	Office of Science Financial Assistance Program	Direct Award		208,153	-
	81.117	Research and Development	Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	Pass-through Regents of the University of California, Berkeley	7403049	28,284	-
U.S. Department of Energy Total						236,437	-
U.S. Department of Education	84.031	Research and Development	Higher Education Institutional Aid	Direct Award		624,762	-
U.S. Department of Education Total						624,762	-
U.S. Department of Health and Human Services	93.084	Research and Development	Prevention of Disease, Disability, and Death by Infectious Diseases	Pass-through Regents of the University of California, Davis	A18-0612-S004	324	-
				Pass-through Regents of the University of California, Riverside	S-001163 S-001314	1,903 22,771	-
93.084 Total						24,998	-
	93.103	Research and Development	Food and Drug Administration Research	Pass-through Children's Hospital of Los Angeles	RGF011519-D	19,766	-
	93.110	Research and Development	Maternal and Child Health Federal Consolidated Programs	Pass-through National Birth Equity Collaborative	TAT-11324	10,000	-
	93.173	Research and Development	Research Related to Deafness and Communication Disorders	Pass-through Trustees of Boston University	4500003762	12,628	-
	93.242	Research and Development	Mental Health Research Grants	Direct Award		751,943	130,778
				Pass-through Trustees of Boston University	4500003259	22,842	-
93.242 Total						774,785	130,778
	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	12,040	-
	93.273	Research and Development	Alcohol Research Programs	Pass-through Columbia University	1(GG014711-01)	51,235	-
	93.310	Research and Development	Trans-NIH Research Support	Direct Award		3,728,200	832,796
	93.353	Research and Development	21st Century Cures Act - Beau Biden Cancer Moonshot	Pass-through Regents of the University of California, San Francisco	12519sc	21,974	-
	93.433	Research and Development	ACL National Institute on Disability, Independent Living, and Rehabilitation Research	Pass-through Smith-Kettlewell Eye Research Institute	8100204-SFSU	24,395	-
	93.837	Research and Development	Cardiovascular Diseases Research	Direct Award		546,476	212,066
	93.847	Research and Development	Diabetes, Digestive, and Kidney Diseases Extramural Research	Pass-through Regents of the University of California, San Francisco	12378sc	36,174	-
	93.855	Research and Development	Allergy and Infectious Diseases Research	Direct Award		145,674	82,200
				Pass-through University of Pittsburgh	CNVA00056912 (131728-1)	204,314	-
93.855 Total						349,988	82,200
	93.859	Research and Development	Biomedical Research and Research Training	Direct Award		2,960,675	25,925
				Pass-through Regents of the University of California, San Francisco	10339sc	100,598	-
93.859 Total						3,061,273	25,925
	93.865	Research and Development	Child Health and Human Development Extramural Research	Direct Award		12,027	-
	93.866	Research and Development	Aging Research	Pass-through Stanford University	61593292-45510	41,035	-
				Pass-through University of South Carolina	20-3976	177,112	-
				Pass-through Regents of the University of California, San Francisco	10295sc	49,067	-
				9913SC	63,798	-	
				11635sc	194,499	-	
93.866 Total						610,638	-
	93.879	Research and Development	Medical Library Assistance	Pass-through Stanford University	61100260-12656-A	13	-
U.S. Department of Health and Human Services Total						9,296,610	1,283,765
Research and Development (R&D) Cluster Total						\$ 21,968,074	\$ 2,312,538
Total expenditures of federal awards						\$ 3,260,233,940	\$ 5,888,732

See accompanying notes to schedule of expenditures of federal awards and the 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*

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS



CALIFORNIA STATE UNIVERSITY

Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2021

(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 \$34,146,970 and \$2,222,595, respectively, at June 30, 2021. 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, 2021.

(4) Administrative Cost Allowances

Administrative cost allowances included in the accompanying Schedule are summarized as follows:

Federal Pell Grant Program	\$	847,180
Federal Work-Study Program		1,188,270
Federal Supplemental Educational Opportunity Grant Program		315,074
Total administrative cost allowances	\$	<u>2,350,524</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.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS



CALIFORNIA STATE UNIVERSITY
 Schedule of Findings and Questioned Costs
 Year ended June 30, 2021

(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: **None Reported**
- (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 Program

<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

- (h) Dollar threshold used to distinguish between Type A and Type B programs: **\$9,780,702**
- (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, 2021

(3) Federal Awards Findings and Questioned Costs

Finding 2021-001

Compliance Requirement: Allowable Costs - Significant Deficiency in Internal Control and Instance of Noncompliance

Campus: Pomona

Cluster name/program: COVID 19 - Higher Education Emergency Relief Fund (HEERF)

Federal Assistance Listing Number: 84.425F HEERF Institutional Portion

Federal Agency: Department of Education

Passed through entity: None

Award Year: July 1, 2020 - June 30, 2021

Criteria: Per the Coronavirus Aid, Relief, and Economic Security (CARES) Act Section 18004(c), for the institutional portion, allowable expenditures incurred and liquidated prior to December 27, 2020 must have been "to cover any costs associated with significant changes to the delivery of instruction due to the coronavirus, so long as such costs do not include payment to contractors for the provision of pre-enrollment recruiting activities; endowments; or capital outlays associated with facilities related to athletics, sectarian instruction, or religious worship.

Condition and Context: During our testwork over 60 institutional expenditures during the year, we identified one expenditure that was incorrectly charged twice to the CARES Act grant.

Isolated or Systemic: Systemic.

Cause and Effect: The University's control failed in detecting that unallowable expenses were charged to the CARES Act grant.

Questioned Costs: \$171.24 known error. Costs were calculated by recalculating the amount overcharged to the grant. The likely questioned costs are greater than \$25,000.

Repeat Finding: No

Recommendation: We recommend the University enhance its internal controls so that appropriate controls are in place to ensure allowable costs are accurately charged to the CARES Act grant.

Views of Responsible Officials: The University concurs with the recommendation. The University will review and enhance its procedures and internal controls, to ensure allowable costs are accurately charged to the CARES Act grant.



CSU The California State University

401 Golden Shore, Long Beach, CA 90802

www.calstate.edu

COMMITTEE ON AUDIT

Review and Approval of the California State University External Auditor

Presentation By

Tracey L. Richardson
Assistant Vice Chancellor/Controller
Financial Services

Summary

This item requests the California State University Board of Trustees to approve the selection of KPMG as the audit firm to provide a variety of audit functions, including the annual financial audit according to generally accepted accounting principles (GAAP), for five fiscal years starting with the audit of fiscal year ending June 30, 2023 plus 2 additional two-year options, and 1 one-year option, and to authorize the chancellor, or his designees, to finalize negotiations for a master service contract with said firm.

Background

In March, the CSU posted a Request for Proposal (RFP) to solicit proposals from qualified independent public accounting firms for the purposes of establishing a CSU master service contract for the performance of a variety of audit and tax functions for five fiscal years starting with the audit of fiscal year ending June 30, 2023. The firm or firms awarded would also perform optional tasks or optional services for individual campuses on an as-requested basis in accordance with the provisions of the RFP and any subsequent contract.

Three audit firms (CliftonLarsenAllen LLP, Crowe LLP, and KPMG) submitted proposals in response to the RFP, which were carefully analyzed in the first step of the review process by the evaluation team based on the criteria specified in the RFP, consisting of:

- technical expertise & scope of work compliance;
- qualifications and experience;
- work plan methodology;
- organizational resources;
- interview/presentation;
- contract compliance

Two firms were then advanced from the first phase of the review to the second phase for final evaluation based on best value for the CSU. Based on the criteria of the most advantageous to the CSU based on best value, KPMG was selected.

Recommendation

The following resolution is presented for approval:

RESOLVED, by the Committee on Audit of the California State University Board of Trustees, that the Trustees:

1. Acknowledge their review of the Request for Proposal (RFP CSUCO-RFP-00000238-2022) process in soliciting proposals from qualified independent public accounting firms for the purposes of performing financial statements and other audits and tax functions for the CSU system, beginning with the 2022-2023 fiscal year audit.
2. Authorize the chancellor, or her designees, to finalize negotiations for the master service contract with KPMG for the performance of a variety of audit and tax tasks for five fiscal years starting with the audit of fiscal year ending June 30, 2023, plus 2 additional two-year options, and 1 one-year option.

AGENDA

COMMITTEE ON EDUCATIONAL POLICY

Meeting: 3:05 p.m., Tuesday, July 12, 2022
Glenn S. Dumke Auditorium

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

- Consent** 1. Approval of Minutes of the Meeting of May 25, 2022, *Action*
- Discussion** 2. Recommended Amendments to Title 5 Regarding Blended Academic Programs, *Action*
3. Graduation Initiative 2025, *Information*
4. The CSU Certificate Program in Student Success Analytics, *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**

May 25, 2022

Members Present

Romey Sabalius, Vice Chair
Larry L. Adamson
Diego Arambula
Jack Clarke, Jr.
Douglas Faigin
Jean Picker Firstenberg
Wenda Fong
Julia I. Lopez
Krystal Raynes
Yammilette Rodriguez

Lillian Kimbell, Chair of the Board
Jolene Koester, Interim Chancellor

Trustee Sabalius called the meeting to order.

Approval of the Consent Agenda, Action

A motion to approve the consent agenda without discussion passed. The minutes from the meeting on March 22, 2022 were approved as submitted.

**Recommended Amendments to Title 5 Regarding Blended Academic Programs,
Information**

In this presentation Dr. Sylvia A. Alva, executive vice chancellor of Academic and Student Affairs, introduced the proposed change to Title 5 that would allow the double counting of up to 12 semester units for both a bachelor's and master's degree in a blended academic program. As a result, the total number of units would be revised to 138 from 150. Dr. Alva explained how a

blended program offers an accelerated pathway to a master's degree and noted that no CSU campus would be compelled to offer them. Dr. Alison Wrynn, associate vice chancellor for Academic Programs, Innovations and Faculty Development outlined the criteria that would need to be met to allow under the Title 5 change, including the requirement that undergraduate classes do not replace any required graduate classes and that graduate classes that are counted toward the bachelor's degree either assume the more rudimentary knowledge taught at the undergraduate level or cover the content of the undergraduate courses that they replace. Dr. Wrynn concluded the presentation by summarizing the benefits of the blended programs for both CSU students and the state of California.

Trustees posed questions regarding the Academic Senate's position in which Academic Senate Chair Robert Collins responded that it had been reviewed and commented upon in longstanding discussion with faculty in this area. Questions were also raised regarding student feedback on the recommended changes, details about the application process and how outreach will be conducted to recruit future applicants. In addition, an inquiry was made as to what happens if a student chooses not to pursue a master's degree while in the program, to which it was affirmed that options would be provided to ensure no harm to the student. Trustees further discussed the influence blended programs may have in connecting more students, particularly students of color, to post-graduate degree programs and how that may positively influence workforce diversity. Lastly, a question was posed about why there are only three CSU campuses currently offering blended programs.

COMMITTEE ON EDUCATIONAL POLICY

Recommended Amendments to Title 5 Regarding Blended Academic Programs

Presentation By

Sylvia A. Alva
Executive Vice Chancellor
Academic and Student Affairs

Alison M. Wrynn
Associate Vice Chancellor
Academic Programs, Innovations and Faculty Development

Summary

This proposed amendment to Title 5 § 40510 would allow blended degree programs – those which combine a bachelor’s and a master’s degree into a single program – to double count up to 12 semester units. As a result, the required semester units to complete both degree programs could be reduced to a minimum 138 semester units. The CSU currently requires a minimum 120 semester units for the bachelor’s degree and minimum 30 units for the master’s degree in a blended degree program. As a further provision in double-counting units, the recommended change would require that 1) none of the required graduate classes is replaced by an undergraduate class and 2) graduate classes that are counted toward the bachelor’s degree either assume the more rudimentary knowledge taught at the undergraduate level or cover the content of the undergraduate courses that they replace.

The availability of blended programs likely will provide access for a larger population of CSU students to obtain graduate degrees. Such an accelerated program is not mandated for campuses to provide, but simply an optional path. Should the proposed Title 5 change be approved, a revised academic policy would be articulated and campuses would follow an established process in developing curricula that begins at the academic department level and which would subsequently require faculty and campus leadership review and approval.

Supporting Student Success

One of the most significant benefits of a blended academic program is the cost and time savings to students who could potentially save up to a semester of study time and associated tuition costs. The CSU enrolls a significant number of Pell Grant-eligible students. As enrollment in master’s degree programs has grown nationwide and expected for mobility in many disciplines and industries, offering blended programs is likely to increase the social and economic mobility of a

more diverse student population. Students would also enjoy a more streamlined administrative process, as there would only be one formal application to the university at the undergraduate level. Once they are accepted into the university, only an internal program application is needed. In addition, their coursework will seamlessly apply to their undergraduate and graduate degree objectives.

Addressing California's Workforce Needs

The practice of double counting units for both degrees is currently allowed at public universities in other states including Arizona, Colorado, Florida, Massachusetts, New Jersey and New York. In Massachusetts, for example, blended programs are referred to as "accelerated Bachelor's/Master's programs". Bridgewater State University permits 12 units of overlap for its MBA program. The University of Massachusetts, Amherst has an Accelerated Master's Degree Option that allows double counting of 6-12 units of credit for both the bachelor's and master's degree, depending on the number of units per master's degree program.

This additional flexibility is anticipated to help increase access for a larger population of CSU students to obtain graduate degrees and help address current and future workforce needs in California. These offerings can help strengthen the state's ability to compete globally with a more skilled and diverse base of knowledge workers. As illustrated in the San José State University Spartan Accelerated Graduate Education (SAGE) Programs, blended degree programs offer more pathways into high-demand fields that have traditionally lacked diversity or that are actively recruiting more diverse workers to better reflect the population the field serves. In the case of Chemical Engineering, graduates can go on to contribute to such areas as biotechnology, pharmaceuticals, energy and environmental engineering. What's more, blended academic programs likely will increase campus enrollments in both undergraduate and graduate programs as well as increase the CSU's ability to compete with other state university systems and private universities who offer similar options.

The following resolution is proposed for adoption:

RESOLVED, by the Board of Trustees of the California State University, acting under the authority prescribed herein and pursuant to Sections 66600, 89030, and 89035 of the Education Code, to amend Section 40510 of Title 5 of the California Code of Regulations. The amendment is as follows:

Proposed Revisions – § 40510. The Master's Degree.

**Title 5, California Code of Regulations
Division 5 – Board of Trustees of the California State Universities
Chapter 1 – California State University**

Subchapter 2 – Educational Program
Article 7 – Graduate Degrees

§ 40510. The Master's Degree.

To be eligible for the Master's degree, the candidate shall have completed the following minimum requirements:

(a) Advancement to Candidacy. For advancement to candidacy for the Master's degree, the applicant shall meet the requirements of Section 41011, and such particular requirements as the Chancellor and the campus may prescribe.

(b) Requirements for the Degree.

(1) The completion of a specified pattern of study approved by the appropriate campus authority.

(2) A minimum of thirty semester units of approved graduate work completed within a maximum time to be established by each campus. Such maximum time shall be no more than seven years nor less than five years for each particular program. An extension of time beyond the limit may be granted by appropriate campus authority if warranted by individual circumstances and if the outdated work is validated by examination, in the relevant additional course or subject field of work or such other demonstration of competence as may be prescribed. In the degree program:

(A) Not less than 21 semester units (32 quarter units) shall be completed in residence. The appropriate campus authority may authorize the substitution of credit earned by alternate means for a part of this residence requirement.

(B) Not less than one-half of the units required for the degree shall be in courses organized primarily for graduate students.

(C) Not more than six semester units shall be allowed for a thesis or project.

(D) For programs that combine a Bachelor's and a Master's degree into a single program (referred to as blended programs), up to 12 semester units may be double counted for both the Bachelor's degree and the Master's degree so that the total number of units may be 138 semester units, provided that 1) none of the required graduate classes is replaced by an undergraduate class, and 2) the graduate classes that are also counted toward the Bachelor's

degree either assume the more rudimentary knowledge taught at the undergraduate level or cover the content of the undergraduate courses that they replace.

(3) Satisfactory completion of a thesis, project, or comprehensive examination, defined as follows:

(A) A thesis is the written product of a systematic study of a significant problem. It identifies the problem, states the major assumptions, explains the significance of the undertaking, sets forth the sources for and methods of gathering information, analyzes the data, and offers a conclusion or recommendation. The finished product evidences originality, critical and independent thinking, appropriate organization and format, and thorough documentation. Normally, an oral defense of the thesis is required.

(B) A project is a significant undertaking appropriate to the fine and applied arts or to professional fields. It evidences originality and independent thinking, appropriate form and organization, and a rationale. It is described and summarized in a written abstract that includes the project's significance, objectives, methodology and a conclusion or recommendation. An oral defense of the project may be required.

(C) A comprehensive examination is an assessment of the student's ability to integrate the knowledge of the area, show critical and independent thinking, and demonstrate mastery of the subject matter. The results of the examination evidences independent thinking, appropriate organization, critical analysis and accuracy of documentation. A record of the examination questions and responses shall be maintained in accordance with the records retention policy of The California State University.

(4) A grade point average of 3.0 (grade of B) or better in all courses taken to satisfy the requirements for the Master's degree, except that a course in which no letter grade is assigned shall not be used in computing the grade point average.

Note: Authority cited: Sections 66600, 89030 and 89035, Education Code. Reference: Section 89030, Education Code.

COMMITTEE ON EDUCATIONAL POLICY

Graduation Initiative 2025

Presentation By

Sylvia A. Alva
Executive Vice Chancellor
Academic and Student Affairs

Darlene Daclan
Director of Business Systems
Academic and Student Affairs

Summary

The goal of Graduation Initiative 2025 is to ensure that every California State University (CSU) student has a fair and equal opportunity to earn their degree, contribute to the California workforce and thrive in their community. Although significant progress has been made to reach the initiative's graduation rates goals, there is still work to be done to advance student success and close the equity gap between students from historically underserved backgrounds and their peers. In November 2021, the Office of the Chancellor identified five equity priorities – informed by recommendations from an advisory committee composed of faculty, staff and students – designed to inspire creative and innovative strategies to eliminate inequities. This update pertains to the first of the five equity priorities: the reengagement with and reenrollment of students who recently left the CSU.

Background

In 2009, the CSU launched its first concerted graduation initiative to improve six-year completion rates and cut in half achievement gaps for first-time first-year by 2015. When these goals were met, collaboratively developed new goals were presented for the Board of Trustees' approval for the year 2025. Reflecting guidance from faculty, student and campus leaders, Graduation Initiative 2025 efforts are informed by six pillars, or areas of focus, that include:

- Academic preparation: Providing CSU students, including those who arrive academically underprepared, the opportunity and support needed to complete 30 college-level semester units before beginning their second academic year.
- Enrollment management: Ensuring students are able to enroll in the courses they need, when they need them.

- Student engagement and well-being: Addressing the wellbeing of all CSU students while fostering a strong sense of belongingness on campus.
- Financial support: Ensuring that financial need does not impede student success.
- Data-informed decision making: Using data-rich evidence to identify and advance the most successful academic support programs.
- Administrative barriers: Identifying and removing unnecessary administrative impediments.

In the 2016-17 academic year, the year following the approval of these goals and pillars, nearly 99,000 CSU students earned their baccalaureate degree.

Five Equity Priorities

The COVID-19 pandemic and the disparate impacts across communities of color and low-income families have created a renewed urgency in the CSU to close the gaps that exist between underserved and vulnerable students and their peers. Five priorities, identified to build upon one another, reflect actionable steps designed to eliminate these equity gaps. The priorities are an extension of the Chancellor's Graduation Initiative 2025 Advisory Committee recommendations and are listed below.

Reengage and Reenroll Underserved Students

Reenrollment campaigns were initiated for spring 2022 term and will continue over the next three years. Specific focus is placed on students of color, Pell Grant recipients and first-generation students. Each CSU campus is charged to leverage all available resources and strategies including leading change management initiatives, re-imagining reenrollment processes and academic policy and addressing administrative barriers. Additional details on this effort are outlined on page 3.

Expand Credit Opportunities through Summer and Intersession

Summer sessions and intersessions provide additional credit accumulation opportunities for students who arrived at the CSU with fewer Advanced Placement courses or dual enrollment credits or who maintain part-time jobs requiring more flexibility in their course schedule. With increased advisement support and additional funding of summer enrollment, students who may be falling behind in academic credits can be redirected to timely degree completion.

Access to a Digital Degree Planner

As the CSU moves towards more responsive and dynamic advisement, the implementation of a digital degree planner, or roadmap, at all 23 campuses systemwide will be essential as it ensures that CSU students are provided a consistently clear path to graduation. A digital degree planner is defined as a personalized, app-based tool that prepopulates degree

requirements and course-taking options offering students real-time, semester-by-semester planning for registration and degree completion. The digital tool should be maintained for accuracy and account for all previously earned and applicable credit prior to registration.

Eliminate Administrative Barriers to Graduation

Administrative barriers disproportionately impact historically underserved students who are often more susceptible to academic disruptions such as fee assessments, registration holds and cumbersome processes. Eliminating these barriers has been identified as a key priority which can significantly and positively enhance students' ability to graduate in a timely manner.

Promote Equitable Learning and Reduce DFW Rates

The CSU is committed to be student-ready and support all students where they are – a collective responsibility to student success shared among faculty, staff, administrators and students. Without compromising academic rigor, an intensified systemwide strategy will explore why first-time completion rates for certain courses are consistently lower for underrepresented minority students. Working closely with faculty to reevaluate course design, refine instructional practices and identify how to provide learning support more effectively for students will further help to promote equitable learning and eliminate equity gaps.

Equity Priority One: Reengagement and Reenrollment of Underserved Students

The impact of the pandemic has been a catalyst for many campuses to reimagine existing reenrollment practices and, for some, prioritize reenrollment efforts as a consistent and repeatable strategy year-round. It also has provided an opportunity to reevaluate how campuses and the system as a whole engage with students, specifically those who have recently left the CSU. Under the leadership of Chancellor Office task force leads Dr. Cynthia Alvarez, Dr. Carolina Cardenas and Dr. Darlene Daclan, campuses convened to share insights, exchange experiences and develop strategies. Emerging from these discussions are a set of promising practices that capture the strong potential of a number of campus strategies and tactics. These strategies and tactics have been highlighted in seven focus areas summarized below.

Reenrollment

Some campuses leveraged technology such as chatbots to connect and engage with disenrolled students while others customized enrollment efforts to returning students and eased barriers for applications. Other campuses extended returning student deadlines and launched initiatives to standardize and automate reenrollment campaigns. In some cases, wellness surveys for students who did not reenroll were implemented with the goal to meet students where they were and identify barriers preventing them from returning to campus.

Change Management

For campuses to support innovative changes in reenrollment and reengagement practices, it may require organizational or administrative changes. Such changes could range from how departments collaborated with each other – such as financial services, student support services and student affairs – to revisions in policy and administrative processes. Some campuses reimaged their terminology in student communications to come from a place of support rather than compliance. Others changed staff reporting structures and moved retention specialists to specific colleges with a dotted line reporting to the AVP of University Advisement.

Communication and Outreach

Campuses used a variety of approaches to reenroll and reengage students who left the 2019 and 2020 cohorts as well as continuing students. Efforts ranged from phone banking strategies, showcasing faculty, staff and administrators as part of communication campaigns, and leveraging and maintaining current outreach relationships with community colleges. Many campuses used their student success management systems to assist in identifying student sub-populations and barriers students may be facing, and personalized messaging for greater impact. For example, seniors who left within 15 units of graduating who were identified as Pell-eligible or who faced COVID-19 related challenges received customized information.

Credit Opportunities through Summer/Intercession/Extended Learning

Earning academic credit in a timely manner is a key strategy to help students stay on track to graduate. Many campuses identified intercession, summer session and other extended learning opportunities as ways to help students return and reengage with their academic journey, acquiring the additional academic units that can put a CSU degree within reach. Some campuses expanded summer and intercession offerings to help entice and reengage returning and continuing students. Others worked with various campus entities, particularly Extended Learning, to secure funds to help offset the costs of summer offerings.

Data Practices

The use of data has been critical for a number of CSU campuses in their efforts to identify the most vulnerable of students as well as to provide impactful tools to reengage with them. Some campuses leveraged the National Student Clearinghouse data to track stopped out students for their attendance or degree completion at another institution, while others created a data framework to better understand which students needed to be contacted and how to better track their progress through reenrollment.

Debt Relief and Incentives

There is no doubt that financial hardship plays a factor for many students in stepping away from their academic studies. As part of reenrollment efforts, many campuses identified areas to waive student fees that were owed. Some campuses offered financial incentives to returning students for use towards the purchase of textbooks and others secured funds to clear debt for returning students.

Student Support

While reenrollment is the first important step for returning students, ensuring that they remain engaged with their campus and access resources – especially student support services – is also critical to student success. Several campuses recognized student wrap-around services as an important part of their overall reenrollment efforts. Campus efforts included offering one-unit academic resiliency courses to help students build academic momentum, or mentor programs to provide essential peer support and to better track and respond to their needs. A few campuses launched after-hours advising to better align with the flexibility returning students need, especially those who are employed part-time.

Systemwide Support

In addition to the tremendous efforts of campuses to support the return of CSU students, the Chancellor's Office also responded to systemwide campus needs. One example included the need for a more convenient and efficient reapplication process. In collaboration with campus content experts and the Chancellor's Office IT department, the team developed an easy-to-use, one-page "Welcome Back" form. Now, students who reach out to a campus interested in returning to the CSU – or for students whose former campuses contacted them as part of a reenrollment campaign – can forgo the full, traditional application process and instead complete their Welcome Back form in a matter of minutes. The form also allows campuses to electronically upload data into the student information system eliminating the need for manual data entry.

Laurie Tuck

Empl ID 00569

Submit Date

Last Updated 06/14/22 12:04:07PM

Welcome Back Form

Welcome back! Thank you for your interest in returning to Sonoma State University home of Lobo the Seawolf.

This is the most recent application information on file for you:

Last Application Term	Fall 2017	Appl Nbr	00305196
Academic Career	Undergraduate	Program	Undergraduate
Plan	Liberal Studies Hutchins (BA)	Sub-Plan	Hutchins School: Teach-Trk 2

Please review and complete the following information:

*What term are you interested in returning?

*Have you attended another institution since attending Sonoma State University?

Please plan to submit official transcripts from the college/university(s) you attended since leaving Sonoma State University (institutions listed below). You may have transfer credit that can be applied toward your degree.

Please list the institution(s)

Are you eligible to reenroll in the institution(s) listed?

Please explain and indicate the institution(s)

*Our records indicate that you are a resident of California for tuition purposes only. Is this correct?

*Our records indicate that you are a US Citizen. Is this correct?

*Our records indicate that your military status is None. Is this correct?

*Our records indicate that you are a None dependent. Is this correct?

*What is the main reason you stopped attending Sonoma State University?

Please explain

I certify that my statements on this application are true and complete to the best of my knowledge. I acknowledge that eligibility to enroll in courses at Sonoma State University is contingent upon taken care of any holds. I understand that any misrepresentation of information may be cause for denial or cancellation of admission or enrollment.

Submit

Return

Conclusion

The CSU is committed to eliminating barriers to student success and ensuring equitable learning outcomes for all students. Through a focus on five equity priorities, the CSU Office of the Chancellor and campus leaders are pursuing innovative strategies to close equity gaps on all 23 campuses. Promising practices that prove to contribute consistently to student success, many outlined in this item regarding the reengagement and reenrollment of students, should be incorporated into campus culture as best practices in welcoming back all students.

COMMITTEE ON EDUCATIONAL POLICY

The CSU Certificate Program in Student Success Analytics

Presentation By

Sylvia A. Alva
Executive Vice Chancellor
Academic and Student Affairs

Nele Hempel-Lamer
Director, CSU Certificate Program in Student Success Analytics
Professor of German
California State University, Long Beach

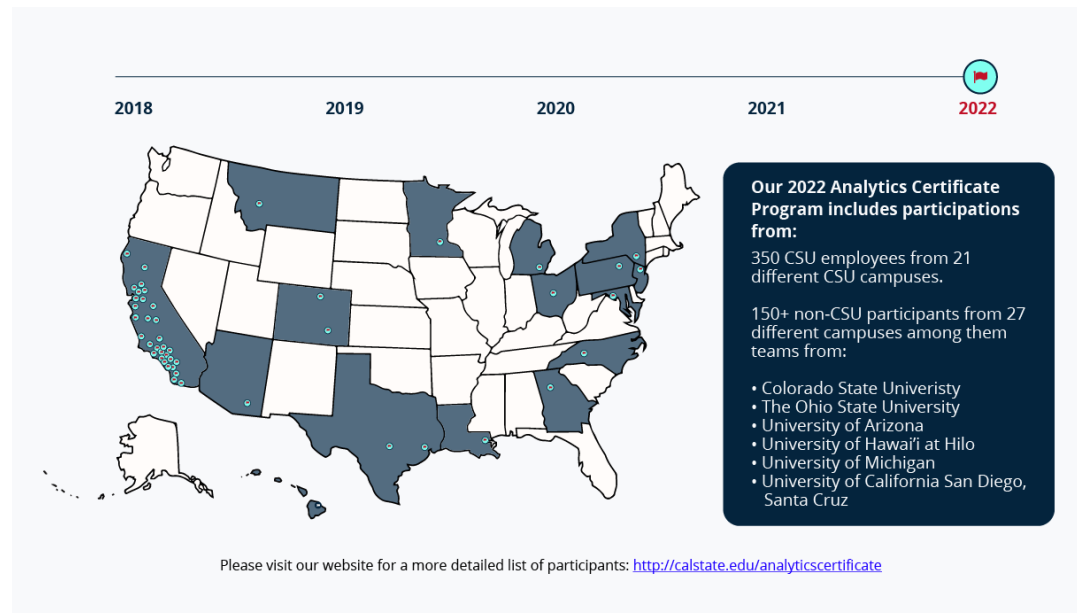
Cynthia L. Alvarez
Assistant Director, Student Success
Academic and Student Affairs

Summary

The California State University (CSU) Certificate Program in Student Success Analytics is an innovative and interactive professional development experience at the intersection of equity and evidence. It is designed to promote cross-divisional, collaborative action with a focus on student success to eliminate equity gaps between historically underserved students and their peers. With its data-based, equity-focused and action-oriented curriculum, the Analytics Certificate Program provides teams of higher education faculty, staff and administrators the opportunity to improve student success on their campus.

Background

Initially funded through a grant from the Stupski Foundation, the Analytics Certificate Program began in 2018 as a pilot with California State University, East Bay, and San Francisco State University. Since that time, every CSU campus has sent at least one team to the program, with many campuses participating annually. Cohorts have also expanded outside of the CSU to include participants from The Ohio State University, The Minnesota State University System and Stanford University, among others. The spring 2022 cohort included 500 participants, of which 350 were employees of the CSU. At the conclusion of this term, the CSU awarded its 1,000th certificate of completion.



Creating Actionable Insights through Data

"I feel profoundly grateful to share this space with my faculty colleagues. It has been a transformational experience to have this time together to think through our equity gaps and strategies to address them." – S. Terri Gomez, associate provost, Student Success, Equity & Innovation, California State Polytechnic University, Pomona

For many in the campus community – including advisors, faculty, and student affairs professionals – data is often difficult to obtain and interpret. The CSU Student Success Dashboard helps to make data accessible to all CSU employees to support data-informed decision-making concerning student success. The dashboard provides snapshots of campus information with easy-to-interpret data graphics. The Analytics Certificate Program subsequently provides a professional development opportunity for staff, faculty and administrators to develop data literacy skills to glean insights on their respective campuses and engage in hands-on action research projects. This effort empowers campuses with the data to design student success interventions that produce equitable learning and graduation outcomes for all students.

Program topics include:

- Student Success: A Story with Data
- Who Gets to Graduate? Equity-Minded Data Literacy
- Becoming a Student-Ready Institution: Shifting the Paradigm

- Transformative Assessment: Changing Culture by Measuring Impact
- Navigating Transitions: The Journey Towards Timely Degree Completion
- Overcoming Barriers: A Holistic Approach to Closing Equity Gaps
- Celebrating the Learning Community: Turning Insights into Action

Fostering Collaboration and Evidence-Based Culture to Eliminate Equity Gaps

The Analytics Certificate Program provides the opportunity for participants to forge meaningful, cross-campus collaborations that leverage data to identify ways to better serve students and eliminate equity gaps. Examples of this equity-minded, data-informed collaborative work include:

At the Faculty Level

California State University, Long Beach faculty Dr. Adam Kahn and Dr. Nielan Barnes created a project in which they revisited their classroom pedagogy and curriculum with an equity lens to better support historically underserved students. Pairing the data they gathered during the certificate course with a cultural curriculum audit they attended at Long Beach City College, Dr. Khan and Dr. Barnes developed a Student Success Dashboard workshop in which they taught fellow faculty in their home college to examine their course section data and to equitize their course syllabi.

At the Systemwide Level

The CSU Student Success Committee of the Library Deans' Council was the first systemwide team with a project objective to understand the effects of low- and zero-cost textbooks across a variety of CSU campuses. The team was able to demonstrate the positive effect of low- and zero-cost textbooks on course passing rates. The project also supported the CSU's Affordable Learning Solutions project, helping the committee to use data for program assessment and resource allocation purposes.

At the Intersegmental Level

California State University Channel Islands and Oxnard College represent the program's first intersegmental team. Their project's goal was to identify the "leaks" in the pipeline for students who begin their academic journey at Oxnard College and are enrolled at CSU Channel Islands. This partnership intends to help make data-driven and student-centered decisions by improving cross-institution resources and data sharing.

Conclusion

The CSU Certificate Program in Student Success Analytics is grounded in data-informed decision making – one of the six pillars of Graduation Initiative 2025. By helping to promote an evidence-based culture and democratize data in support of eliminating barriers to student success, the certificate program plays an important role in ensuring successful outcomes for all students.

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Applications for the program's first-ever fall cohort are being accepted through Friday, July 29, 2022. Teams will meet virtually from August 2022 through November 2022. In support of Graduation Initiative 2025, there is no cost for participation by CSU campuses. For more information, visit www.calstate.edu/AnalyticsCertificate.

AGENDA

COMMITTEE ON INSTITUTIONAL ADVANCEMENT

Meeting: 4:35 p.m., Tuesday, July 12, 2022
Glenn S. Dumke Auditorium

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

- Consent**
1. Approval of Minutes of the Meeting of May 24, 2022, *Action*
 2. Renaming of the University Library – California State University, Fresno, *Action*
- Discussion**
3. Naming of the Valley Children’s Stadium – California State University, Fresno, *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**

May 24, 2022

Members Present

Jean Firstenberg, Chair
Douglas Faigin, Vice Chair
Diego Arambula
Maria Linares
Anna Ortiz-Morfit
Yammilette Rodriguez

Jolene Koester, Interim Chancellor
Lillian Kimbell, Chair of the Board

Trustee Faigin called the meeting to order.

Approval of Minutes

The minutes of March 22, 2022 were approved as submitted.

Naming of Richard Rush Hall – California State University Channel Islands

Executive Vice Chancellor and Chief Financial Officer, Steve Relyea, introduced the request to name Richard R. Rush Hall at California State University Channel Islands (CSUCI).

Mr. Relyea spoke about the extraordinary contributions President Emeritus Rush made during his tenure as the founding President of CSU Channel Islands, including his generous philanthropic support of nearly \$220,000 for student scholarships, capital projects and critical campus needs.

President Yao shared his appreciation for President Emeritus Rush's dedication and leadership, which lead to the hiring of over 800 employees, the launch of new academic programs such as

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nursing and computer science, and the building out of physical spaces for cutting edge academic programs.

Interim Chancellor Koester gave remarks. She spoke of President Emeritus Rush's dedication to education, his critical impact on CSU Channel Islands and personal memories about their friendship during their service as campus presidents.

The committee approved the proposed resolution (RIA 05-22-09) of Richard R Rush Hall at California State University Channel Islands

Naming of the Stater Bros. Markets Online Degree Completion Program for the Bachelor of Arts in Administration in the Jack H. Brown College of Business and Public Administration – California State University, San Bernardino

Mr. Relyea presented the naming request by California State University, San Bernardino (CSUSB) to name the Stater Bros. Markets Online Degree Completion Program for the Bachelor of Arts in Administration in the Jack H. Brown College of Business and Public Administration. This substantial gift of \$2.5 million, will continue the legacy of collaboration and partnership between the two entities that has built support for degree seeking students within the Inland Empire. The naming will be for a term of five years.

President Morales remarked that the academic program will contribute to Stater Bros. Markets' status as a leader in supporting higher education and increase college opportunities for its team members, as well as for all the residents of the Inland Empire who aspire to earn a bachelor's degree from a fully accredited program and nationally ranked college of business and public administration. Interim Chancellor Koester commended Stater Bros. Markets for their loyalty and visionary support, which serves to reinforce their mission of putting the community first.

The naming for the academic program is not attached to the awarded degree or displayed on diplomas.

The committee approved the proposed resolution (RIA 05-22-10) to name the Stater Bros. Markets Online Degree Completion Program for the Bachelor of Arts in Administration in the Jack H. Brown College of Business and Public Administration at California State University, San Bernardino.

Trustee Faigin adjourned the meeting.

COMMITTEE ON INSTITUTIONAL ADVANCEMENT

Renaming of the University Library – California State University, Fresno

Presentation by:

Steve Relyea
Executive Vice Chancellor and
Chief Financial Officer

Saúl Jiménez-Sandoval
President
California State University, Fresno

Summary

This item will consider removing the name of Henry Madden from the university library building at California State University, Fresno (Fresno State). The honorific facility naming was approved by the CSU Board of Trustees on September 23, 1980.

This request, submitted by Fresno State President Saúl Jiménez-Sandoval, considers a comprehensive review by a campus community task force, approval by the campus academic senate, and approval by the system review panel.

Background

Henry Madden served as Fresno State librarian from 1949 to 1979. Before his passing, Dr. Madden donated 53 boxes of personal documents to the library, whose contents he personally curated. He died in 1982. In late 2021, the university learned that his personal papers contained antisemitic views and Nazi sympathies. In light of that discovery, President Jiménez-Sandoval created a task force to review the naming of the library, in relationship to the contents of the 53 boxes. The task force included students, faculty, staff, and community leaders.

A team of respected researchers and scholars conducted a thorough and comprehensive review of Dr. Madden's extensive personal papers, which include more than 100,000 letters and documents, and other archival collections. In addition to a review of personal documents, the taskforce conducted an inclusive and deliberative process which listened to voices and perspectives of the internal and external campus community.

The taskforce's report is available to the public on the university's website at <https://president.fresnostate.edu/taskforce-library/index.html>.

Based on the review, the task force concluded that Dr. Henry Madden:

- expressed deep antisemitic and pro-Nazi views before World War II, some of which included violent statements;
- continued to express antisemitic sentiments after World War II;
- never apologized for, expressed remorse about, or otherwise attempted to make amends for those views at any point;
- never expressed empathy or sympathy for Jewish victims of Nazi crimes, including the Holocaust;
- made racist remarks about Jews and other ethnicities, such as African Americans, Chinese and Mexicans, as an administrator at the University;
- stated in writing that some of his policies and actions as an administrator were influenced by his racist views;
- donated his papers to the University after personally curating the contents and with full knowledge that they contained antisemitic and racist statements.

Recommended Action

The following resolution is recommended for approval:

RESOLVED, by the Board of Trustees of the California State University, that the Henry Madden Library at California State University, Fresno revert to its functional designation as Library.

COMMITTEE ON INSTITUTIONAL ADVANCEMENT

Naming of the Valley Children's Stadium – California State University, Fresno

Presentation by:

Steve Relyea
Executive Vice Chancellor and
Chief Financial Officer

Saúl Jiménez-Sandoval
President
California State University, Fresno

Summary

This item will consider naming the existing football stadium (Bulldog Stadium) located on the campus of California State University, Fresno.

This proposal, submitted by California State University, Fresno, 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

Bulldog Stadium has been the home of the Fresno State football team since it first opened in 1980. The Red Wave fans have packed Bulldog Stadium to its limit countless times over the years. In 2000, the Bulldogs set a new single-season attendance record when they averaged 42,410 fans. Construction of Bulldog Stadium began in June of 1979, following what was then the most successful capital fundraising project ever undertaken in the San Joaquin Valley. Local residents raised in excess of \$7 million for the project. No state tax dollars or student fees were used to build the stadium. Built partially below grade with the playing field 37 feet below grade, the bowl features a low-profile appearance. A unique cantilevered lighting system extends toward the field and is directed downward to concentrate lighting on the playing surface. The stadium was home to the California Raisin Bowl from 1981-91.

Bulldog Stadium underwent a two-phase expansion project in 1991, which included the addition of more than 10,000 seats -- increasing the stadium's capacity from 30,000 to more than 40,000

including the construction of 22 skyboxes. Other improvements included additional restrooms and concession facilities. In the summer of 2011, the stadium transitioned from a natural grass field and installed field turf. Renovation continued with a new high-definition video and ribbon board in the north end zone before the start of the 2015 season. During the summer of 2019, the stadium underwent additional improvements including upgrades to the electrical infrastructure, new field turf, and new LED stadium lights

Overview

Fresno State and The California State University, Fresno Athletic Corporation has secured a partnership agreement with Valley Children's Healthcare to be the naming partner of the existing football stadium, naming the stadium as Valley Children's Stadium. In recognition of this investment, Valley Children's Healthcare will obtain the stadium naming rights for a 10-year term. This agreement includes a total cost of investment of \$10 million. The annual revenue of \$1 million will support facility enhancements to the stadium, financial support for operations, scholarships, support for students pursuing degrees in health, and other collaborative opportunities to strengthen the healthcare of children on-campus.

Valley Children's Healthcare and Fresno State have had a long-standing relationship as both organizations have been invested in the health and well-being of youth and families in the San Joaquin Valley for generations. This agreement further expands the partnership of Fresno State and Valley Children's Healthcare, and their shared commitment to education and health.

Founded over 70 years ago, the mission of Valley Children's Healthcare is to provide high-quality, comprehensive healthcare services to children, regardless of their ability to pay, and to continuously improve the health and well-being of children. Still today, Valley Children's remains the only designated pediatric trauma center in the region.

Recommended Action

The following resolution is recommended for approval:

RESOLVED, by the Board of Trustees of the California State University, that the existing football stadium at California State University, Fresno, be named as Valley Children's Stadium for a 10-year term.

AGENDA

COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

Meeting: 8:00 a.m., Wednesday, July 13, 2022
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 May 25, 2022, *Action*
- Discussion** 2. Executive Compensation: President – California State University, Monterey Bay, *Action*
3. Executive Compensation: Interim President – Sonoma State University, *Action*
4. Employment Policy Governing Administrator Employees’ Option to Retreat, *Action*
5. Employment Policy Governing Employee References, *Action*
6. Executive Transition Program Review, *Information*
7. Executive Compensation, *Action*

**MINUTES OF THE MEETING OF
COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL**

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

May 25, 2022

Members Present

Wenda Fong, Chair
Jean Picker Firstenberg, Vice Chair
Jack Clarke, Jr.
Douglas Faigin
Christopher Steinhauser

Lillian Kimbell, Chair of the Board
Jolene Koester, Interim Chancellor

Public Comment

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

Trustee Wenda Fong called the meeting to order.

Before proceeding with the committee's consent agenda, Trustee Fong announced that information item 6 (Executive Transition Program Review) was pulled from the discussion agenda and would not be presented at this time.

Approval of the Consent Agenda

The minutes of the March 23, 2022, meeting of the Committee on University and Faculty Personnel were approved as submitted.

Executive Compensation: Temporary Housing Allowance

Interim Chancellor Jolene Koester presented agenda item 2 recommending a temporary housing allowance for Dr. Eduardo M. Ochoa, president of California State University, Monterey Bay.

Corrected

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Dr. Koester explained that President Ochoa was due to retire on June 30, 2022; however, he was asked to extend his presidency through July 31, 2022, which he agreed to do. Due to President Ochoa's planned departure from the University House on June 30th, a one-month housing allowance of \$5,000 will be provided to offset the cost of his new primary residence while he continues to serve as president during July. A motion to approve the item was passed.

(RUF 05-22-07)

Report on Mercer Staff Salary Study

The presentation began with opening remarks by Evelyn Nazario, vice chancellor for human resources. She recognized the collaborative approach taken by CSU and union partners to successfully advocate for funding to conduct an independent evaluation of existing salary structures for non-faculty staff. She acknowledged CSUEU President Catherine Hutchinson, CSUEU Executive Director Jim Philliou, and Teamsters Skilled Trades Director Drew Scott for their hard work during this project, as well as their leadership and advocacy efforts in Sacramento. The joint committee of CSU and union leaders selected Mercer to conduct the study.

The presentation continued with representatives from Mercer (Lyn Harper, senior principal, and Mary Mertes, senior associate) providing a detailed overview.

A highlight of the process was the focus groups that included feedback from 5,005 employees, representing all staff units as well as managers. Mercer's observations included the following: difficulty in attracting and retaining talent; no clear path career growth or advancement; inconsistencies within classifications; compression and inversion; inconsistent placement of employees in pay structures; and of most concern, wage stagnation and the fact that CSU pay has been lagging the market over time. Mercer found that their analysis closely matched what they heard from employees. Overall, the study showed that while some jobs are approaching market, the average staff salary at the CSU was 12% below the market – with some jobs more than 20% below market.

It was recommended that CSU's compensation program be updated to meet five objectives: 1) ensure CSU staff employees' pay aligns with market; 2) create structures to recognize similarities in work and labor cost differences; 3) update the classification system to recognize the actual work being done and to allow for career progression; 4) develop solutions which eliminate workarounds; and 5) create pay structures that provide equitable and predictable pay. Mercer concluded with a slide showing the breakdown of costs and a total funding gap of \$287 million for the upcoming fiscal year. Vice Chancellor Nazario noted that funding for this project was not included in the May revise, however, the work will continue together with union partners to advocate in Sacramento for funding.

Following the presentation, trustees posed questions related to benchmark methodologies, campus geographic groupings, wage stagnation, as well as clarification on the budget. Numerous inquiries

were made on whether the study took into account health and pension benefits. Mercer responded that the study focused on base pay. Trustee Rodriguez requested information on turnover rates. Overall, the trustees shared thoughts and comments in support of the report, however, active discussion continued regarding the study not taking into account health and pension benefits.

Lieutenant Governor Eleni Kounalakis voiced disappointment that the methodology in Mercer's report did not take into account health care and pension benefits. Vice Chancellor Nazario responded that when Mercer was engaged, the focus was on base pay and not total remuneration. She also indicated that based on a past presidential total remuneration study, the results did not change significantly. The lieutenant governor went on to ask for clarification on what was being stated and reiterated – that even though other elements were not included in the study, it would not change the overall assessment of the 12 percent lag to market. Vice Chancellor Nazario acknowledged this, based on past total remuneration reports. Trustee Fong requested that the information on total remuneration be provided.

Trustee Fong concluded the item and thanked union partners for their leadership and collaboration during this important project, as well as the entire CSU team.

Note: The final Mercer report is posted on the CSU website at:
<https://www.calstate.edu/impact-of-the-csu/government/Advocacy-and-State-Relations/legislative-reports/1/Employee-Compensation-Staff-Salary-Structure-Comprehensive-Report-2022.pdf>

Retreat Rights Policy Review

Trustee Wenda Fong introduced the item and noted that the two policy items were informational and would be presented for board approval at the July meeting. Additionally, Interim Chancellor Jolene Koester gave supporting remarks on the trustees' pledge to strengthen the CSU's institutional culture. Dr. Koester was encouraged that work had begun on assessing and reforming systemwide practices for retreat options and employee letters of reference.

Vice Chancellor of Human Resources Evelyn Nazario proceeded with a presentation of the proposed policy line by line; the policy was also provided as an attachment to item 4. The presentation reviewed the following areas from the policy: general considerations; establishment of a procedure for conferring retreat; memorialization of the terms of retreat; determination of ineligibility to exercise an option to retreat; notice of election to exercise an option to retreat; procedure for reconsideration of a denial of the option to retreat; and payment in lieu of notice when an MPP employee elects to retreat.

Following the presentation there was discussion regarding removing the word "significant" in the section of the policy on determining ineligibility to exercise the option to retreat. Staff indicated the policy workgroup, in consultation with general counsel, would review further.

Corrected

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Letters of Recommendation Policy Review

Vice Chancellor of Human Resources Evelyn Nazario presented the proposed policy on employee references line by line; the policy was provided as an attachment to item 5. The presentation included the following areas of review: references requested by third parties; official letters of recommendation; employment verifications for current or former employees; personal references; and references requested within CSU.

Following the presentation, the trustees provided feedback that included: adding an introductory statement on the University's commitment to truthfulness, accuracy, etc. in all matters; removing the word significant as discussed in the previous agenda item on retreat rights; changing the word should to must throughout; clearly stating when a reference is considered personal; and in section V, removing or replacing the word objective.

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

COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

Executive Compensation: President – California State University, Monterey Bay

Presentation By

Jolene Koester
Interim Chancellor

Summary

This action item establishes the compensation for Dr. Vanya Quiñones as president of California State University, Monterey Bay.

Executive Compensation

This item recommends that Dr. Vanya Quiñones receive an annual salary of \$370,000 effective on August 15, 2022, the date of her appointment as president of California State University, Monterey Bay. Dr. Quiñones will be required to live in the university's presidential residence located in Marina, California, as a condition of her employment as president.

In accordance with existing policy of the California State University, Dr. Quiñones 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 CSU Monterey Bay policy, Dr. Quiñones will hold an appointment with the academic rank of full professor with tenure in the College of Arts, Humanities, and Social Sciences at CSU Monterey Bay.

Recommended Action

The following resolution is recommended for adoption:

RESOLVED, by the Board of Trustees of the California State University, that Dr. Vanya Quiñones shall receive a salary set at the annual rate of \$370,000 effective on August 15, 2022, the date of her appointment as president of California State University, Monterey Bay; and be it further

AMENDED

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RESOLVED, Dr. Quiñones shall occupy the official presidential residence located in Marina, California, as a condition of her employment as president; and be it further

RESOLVED, Dr. Quiñones shall receive additional benefits as cited in Agenda Item 2 of the Committee on University and Faculty Personnel at the July 11-13, 2022 meeting of the Board of Trustees.

COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

Executive Compensation: Interim President – Sonoma State University

Presentation By

Jolene Koester
Interim Chancellor

Summary

This action item establishes the compensation for Dr. Ming-Tung “Mike” Lee as interim president of Sonoma State University.

Executive Compensation

This item recommends that Dr. Ming-Tung “Mike” Lee receive an annual salary of \$324,052 effective on August 1, 2022, the date of his appointment as interim president of Sonoma State University. The interim president will receive a housing allowance of \$5,000 per month and is expected to serve in this role for up to no less than 12 months or until the position is filled. (This is the same salary and housing allowance as the current president of Sonoma State.)

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

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

Recommended Action

The following resolution is recommended for adoption:

RESOLVED, by the Board of Trustees of the California State University, that Dr. Ming-Tung “Mike” Lee shall receive a salary set at the annual rate of \$324,052 effective on August 1, 2022, the date of his appointment as interim president of Sonoma State University; and be it further

RESOLVED, Dr. Lee shall receive a housing allowance of \$5,000 per month; and be it further

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RESOLVED, Dr. Lee shall receive additional benefits as cited in Agenda Item 3 of the Committee on University and Faculty Personnel at the July 11-13, 2022 meeting of the Board of Trustees.

COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

Employment Policy Governing Administrator Employees' Option to Retreat

Presentation By

Evelyn Nazario
Vice Chancellor
Human Resources

Summary

At the May 2022 meeting of the CSU Board of Trustees, a draft policy on the option to retreat was presented as an informational item. The policy was developed in support of the trustees commitment to initiate a systemwide assessment of institutional employment practices on retreat rights, letters of recommendation, and executive transition (RBOT 03-22-03). The trustees provided input and helpful improvements to the draft during the meeting.

This action item presents the amended policy for the board's consideration. The Employment Policy Governing Administrator Employees' Option to Retreat is provided in Attachment A.

Recommended Action

The following resolution is recommended for adoption:

RESOLVED, by the Board of Trustees of the California State University, that the Employment Policy Governing Administrator Employees' Option to Retreat as cited in Attachment A of Item 4 of the Committee on University and Faculty Personnel at the July 11-13, 2022 meeting of the Board of Trustees, is adopted; and be it further

RESOLVED, all California State University campuses are to review their existing policies to ensure that they are in compliance with updated requirements; and be it further

RESOLVED, any and all previous versions of policies related to retreat options for administrator employees' are superseded.



Employment Policy Governing Administrator Employees' Option to Retreat

The purpose of this policy is to delineate systemwide protocols throughout the California State University (CSU) system governing the option for Administrators to Retreat to a faculty position at the end of their administrative appointment. The policy identifies the conditions under which Administrators are eligible and ineligible to Retreat.

This policy is intended to provide systemwide consistency in conferring and granting options to Retreat to faculty positions in connection with Administrator appointments. This policy is based on the core values of CSU such as commitment to the university mission, collegiality, excellence in teaching and scholarship, and on CSU's overarching commitment to maintaining an inclusive and equitable community that fosters mutual respect and a workplace free of discrimination, harassment, and retaliation.

I. Applicability

This policy applies to all Administrator appointments made at any CSU campus or at the Chancellor's Office that include the option to Retreat to a faculty position. This policy is intended to be prospective and does not impact retreats granted prior to its effective date except on a case-by-case basis in the event of serious misconduct or policy violation.

II. Relevant Definitions

Administrator – this means any CSU employee designated as an Administrator (management or supervisory) under the Higher Education Employer-Employee Relations Act and Title 5. Administrators may be in either the M80 (MPP) or M98 (Executive) job classifications.

Finding - A Finding is a determination made as described below that an Administrator engaged in misconduct or a policy violation that renders the Administrator unsuitable to have continued direct interactions with CSU students or employees.

A Finding is a determination made in the course of proceedings including but not limited to: (a) a university investigation, following any appeals; (b) an internal or external audit; (c) an administrative proceeding by a state body having jurisdiction, such as the Department of Labor; (d) a civil or criminal proceeding, following any appeals; or (e) a proceeding that leads to a determination of improper governmental activity (defined by the State of California as any action that violates state or federal law or regulation that is economically wasteful or that involves gross misconduct, incompetence, or inefficiency). An admission by the Administrator that they engaged in conduct that the university determines to constitute misconduct or a policy violation that renders the Administrator unsuitable to have continued direct interactions with CSU students or employees also constitutes a Finding for purposes of this policy.

Management Personnel Plan (MPP) – the management personnel plan outlines the rules and provisions governing administrators and administrative appointments within the CSU and can be accessed here: [MPP](#).

MPP Employees – this means any CSU employee designated as a manager or supervisor under the Higher Education Employer-Employee Relations Act and Title 5. MPP Employees are in the M80 job classification.



Employment Policy Governing Administrator Employees' Option to Retreat

Retreat - the option to Retreat means an Administrator's ability to be reassigned to a faculty position with or without tenure at a designated rank and within a designated department at the end of an administrative assignment.

III. Considerations and Procedures for the Conferral of the Option to Retreat

A. General Considerations

Options to Retreat should always be granted at the time of appointment and memorialized in an Administrator's appointment letter. When considering the granting of an option to Retreat to an Administrator candidate, the campus should seek to do the following:

1. Reflect the CSU's faculty hiring process by assessing the candidate's education, background, excellence in teaching, scholarship, and/or research and creative activities, and professionalism.
2. Ensure the appropriateness of an Administrator's Retreat to a particular academic department or unit through consultation with the department faculty into which the candidate would ultimately Retreat.
3. Ensure that the hiring authority or search committee chair collaborates with the tenured faculty in the department to which the finalist wishes to Retreat, so that they may evaluate the candidate's qualifications including, but not limited to, any obtainment of tenure at a prior institution, and also ensuring that should the option to Retreat be conferred, the details of the option to Retreat are memorialized in the Administrator's appointment letter should they be selected for hire.

B. Establishment of a Procedure for Conferring the Retreat

Campuses must adopt procedures for conferring the option to Retreat to a faculty position for qualified Administrator candidates. The procedure shall include: (a) early notification from the relevant search committee that a finalist is requesting an option to Retreat so as to ensure a timely conferral/appointment should the finalist be selected for hire; (b) the process for the recommendation of conferral by tenured faculty in the department to which the Administrator wishes to Retreat (augmented by tenured faculty from other departments when sufficient tenured faculty are not available in the department) and/or other representatives of the campus, as provided by the campus policy; and (c) final approval by the campus president or designee.

In granting the option to Retreat with tenure, serious consideration should be given to all the factors set forth in paragraph III. A., above. Administrator candidates who have earned and held a tenured position as a professor within the CSU or another equivalent institution are ordinarily granted the option to Retreat to a tenured faculty position. While the option to Retreat is not ordinarily granted to non-academics, the option to Retreat to either a tenured or probationary faculty position may be granted on a case-by-case basis to Administrator candidates who have never earned or held a tenure-track position, provided they demonstrate a substantial record of achievement meriting such rank and receive the recommendation of the faculty committee and approval of the campus president or chancellor.



Employment Policy Governing Administrator Employees' Option to Retreat

IV. Memorialization of the Terms of Retreat

If the campus determines an Administrator candidate should be conferred an option to Retreat, the following terms of Retreat will be placed in the official appointment letter for the administrative appointment:

- a. Acknowledgement of the faculty appointment and whether it is with or without tenure.
- b. Name of the department and college to which the candidate will be appointed upon exercising their option to Retreat.
- c. Faculty rank upon Retreat.
- d. Salary placement details to be applied upon Retreat. If an Administrator exercises their option to Retreat three years or more after the effective date of their appointment, their salary may be set up to the maximum pay rate for their rank, at the president's discretion. If an Administrator exercises their option to Retreat prior to serving three years in the administrative role, their salary at the time of Retreat must be in line with similarly ranked professors in the department/school to which they are Retreating.
- e. Terms of administrative sabbatical (if provided) or paid time being granted upon Retreat to prepare for a return to teaching.
- f. The amount of time the Administrator must provide notice to the university of their intent to elect to Retreat.
- g. Any additional terms agreed upon between the campus and the candidate relating to their Retreat and/or faculty appointment.
- h. Notice of the potential ineligibility for the option to Retreat in the event of a Finding.

V. Determination of Ineligibility to Exercise the Option to Retreat

An Administrator will be ineligible to exercise their option to Retreat under the following circumstances: (1) a Finding resulted in the Administrator being non-retained, terminated, or separated through mutually agreed upon settlement terms; or (2) the Administrator's retirement benefits have been rescinded under [The Public Employees' Pension Reform Act](#) due to criminal misconduct associated with their official duties.

Allegations for which no Findings have been made should not serve as a basis for denying an option to Retreat. However, in the event the Administrator is under investigation for misconduct or violation of university policy that could result in a Finding, the Retreat determination shall be held in abeyance until the completion of the investigation and any appeals. In addition, in the event there is no Finding or pending investigation at the time the request to Retreat is made, the campus shall defer making a final decision on the request to retreat for 60 days. If, during the 60-day period, the campus initiates an investigation that could result in a Finding, the Retreat determination shall be held in abeyance as set forth above until the completion of the investigation and any appeals, which the CSU will endeavor to complete in a timely fashion. CSU may also, at any time (including after Retreat), investigate and take appropriate action in connection with alleged misconduct committed by an employee while serving as an Administrator.



Employment Policy Governing Administrator Employees' Option to Retreat

Notice of ineligibility to Retreat will be provided to the Administrator by the campus president, chancellor, or their designee, and to the Chancellor by the Board Chair. In such cases, CSU will not grant the option to Retreat nor provide a positive letter of reference to the Administrator. The university may provide employment verification for the Administrator, but it will consist only of the job title(s) held, dates of employment, and job duties, as outlined in CSU's employee reference policy. Notice of the potential ineligibility for the option to Retreat under these circumstances must be included in the Administrator's appointment letter. For Administrators who are employed at the CSU Chancellor's Office, the Chancellor holds the responsibility for determining ineligibility to exercise an option to Retreat. For the position of the Chancellor, the Board Chair, in consultation with the Board of Trustees, holds this responsibility.

VI. Notice of Election to Exercise the Option to Retreat

An Administrator who has been offered the option to Retreat in their appointment letter must notify the university of their intent to elect to Retreat within the time period set forth in the Administrator's appointment letter. At the time the Administrator notifies the campus of their election to Retreat, and the campus determines the Administrator's eligibility to Retreat, the campus and Administrator should discuss the transition plan for Retreat including the date on which the Retreat becomes effective and the Retreating faculty member's work assignment. Absent circumstances that would prevent the Administrator from doing so, they should normally Retreat and initiate their faculty appointment no later than six (6) months from the date on which the University was notified of the Administrator's intent to Retreat.

VII. Procedure for Reconsideration of Denial of the Option to Retreat

Any campus decision to deny an Administrator's option to Retreat will be subject to reconsideration in accordance with Section 42728 of Title 5, California Code of Regulations, as may be set forth in campus policy.

VIII. Payment in Lieu of Notice Where MPP Employee Elects to Retreat

Pursuant to Section 42723(e) of Title 5, campuses are required to provide an MPP Employee notice of non-retention at least three months prior to the separation date or provide corresponding salary in lieu of notice.

Further, campuses are required to pay MPP Employees all earned and unpaid wages and accrued vacation on the last day of employment (separation date). In the event a campus non-retains an MPP Employee or Administrator who has the option to Retreat, in order to avoid a premature separation, the campus should always provide at least thirty (30) days to exercise their option to Retreat prior to the effective date of non-retention.

Adopted <Date TBD>
Resolution <Number TBD>
CSU Board of Trustees

COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

Employment Policy Governing Employee References

Presentation By

Evelyn Nazario
Vice Chancellor
Human Resources

Summary

At the May 2022 meeting of the CSU Board of Trustees, a draft policy on employee letters of reference was presented as an informational item. The policy was developed in support of the trustees commitment to initiate a systemwide assessment of institutional employment practices on retreat rights, letters of recommendation, and executive transition (RBOT 03-22-03). The trustees provided input and helpful improvements to the draft during the meeting.

This action item presents the amended policy for the board's consideration. The Employment Policy Governing the Provision of Employee References is provided in Attachment A.

Recommended Action

The following resolution is recommended for adoption:

RESOLVED, by the Board of Trustees of the California State University, that the Employment Policy Governing the Provision of Employee References as cited in Attachment A of Item 5 of the Committee on University and Faculty Personnel at the July 11-13, 2022 meeting of the Board of Trustees, is adopted; and be it further

RESOLVED, all California State University campuses are to review their existing policies to ensure that they are in compliance with updated requirements; and be it further

RESOLVED, any and all previous versions of policies related to employee references are superseded.



Employment Policy Governing The Provision of Employee References

CSU recognizes that reference-checking is an important part of the search and hiring process. It further recognizes that many CSU employees are asked, on occasion, to provide positive references for former or current colleagues and/or direct reports. This policy is intended to outline the principles and procedures guiding the provision of such references, given the legal liability associated therewith. Specifically, it is the guiding principle of CSU to demonstrate integrity in all matters and not to provide positive letters of reference for employees who have engaged in significant misconduct, including a serious CSU policy violation.¹

I. References Requested by Third Parties

CSU employees may receive reference requests from third parties. References provided to third parties may be official (on behalf of the University) or personal (on behalf of the employee personally). Employees receiving requests for references from third parties must confer with their Campus Human Resources (staff, student, and/or management employees) or Faculty Affairs (faculty employees) Departments for review or response as there may be relevant information for which the employee being asked to provide the reference is unaware.

II. Official Letters of Recommendation

CSU employees who are asked to provide letters of recommendation or other formal requests for reference for current/former colleagues or direct reports on behalf of the CSU must confer with their campus Human Resources or Faculty Affairs Departments prior to responding to the request or provide their finalized letter of recommendation to Campus Human Resources or Faculty Affairs for their review prior to submission. Campus Human Resources/Faculty Affairs shall review the employee's personnel file as well as inquire of the campus Title IX/DHR office as to whether the employee for whom the reference is being requested has had findings against them in the past or if there are any investigations/appeals pending.

CSU will not provide any official positive letters of recommendation or reference, either verbally or in writing, for a current or former CSU employee who: (i) is subject to a finding* that the CSU employee has engaged in misconduct that resulted in the employee being non-retained, terminated, or is separated through mutually agreed upon settlement terms; (ii) is currently under investigation for misconduct or violation of university policy (in abeyance until the completion of the investigation and any appeals); or (iii) has had their retirement benefits rescinded under [The Public Employees' Pension Reform Act](#) due to criminal misconduct associated with their official duties. In such cases, Human Resources/Faculty Affairs shall inform

¹ This policy addresses requests for references for CSU employees only. Requests for references for CSU students, outside of any student-employment context, may be addressed in a separate policy.



Employment Policy Governing The Provision of Employee References

the third party requesting the reference of CSU's employee reference policy and provide an employment verification only, as set forth below, for the current or former CSU employee.

** A finding includes, but is not limited to, (a) a final internal report, following any appeals, resulting from an investigation conducted by the university; (b) an internal or external audit; (c) an administrative decision by a state body having such jurisdiction, such as the Department of Labor, etc.; (d) a civil or criminal judgment, following any appeals; (e) a finding of improper governmental activity, which is defined by the State of California as any action that violates state or federal law or regulation; that is economically wasteful; or that involves gross misconduct, incompetence, or inefficiency; or (f) admission of any of the above-referenced misconduct by the employee.*

III. Employment Verifications for Current or Former Employees

Employment verifications for current or former employees must always be directed to the Campus Human Resources Department. It is the CSU's policy to provide minimal information about current or former employees to non-CSU entities for employment verification purposes. Campus Human Resources Departments shall provide only the current or former employee's job title(s), dates of employment, and job duties.

Current or former CSU employees may additionally authorize the release of their salary information, typically for the purpose of credit evaluation, as part of the employment verification process. Such requests must be referred to the Campus Human Resources Department who will only release salary information to a requesting third party/institution with the current or former employee's written authorization to do so.

IV. Personal References

Personal references are permissible. Such references should clearly identify that they are being provided in an individual capacity and not on behalf of the CSU. Any references made outside Human Resources or Faculty Affairs, and where no check-in or review with Human Resources or Faculty Affairs has occurred, will be considered personal and not to have been provided on behalf of the CSU.

References by presidents, executives, or other university officers in senior administrative positions may be perceived as being provided on behalf of the University by virtue of their position. Such individuals must also consult with Human Resources or Faculty Affairs to determine whether letters of recommendation or positive references are appropriate and may be provided, even in their personal capacity.



Employment Policy Governing The Provision of Employee References

V. References Requested Within CSU

The CSU operates as a single employer and has the right and responsibility to share information across its campuses and departments about employees, including senior leaders. Shared information must be accurate and specific to the employee's work performance and job history. Former or current supervisors must always provide, if requested to do so, information to other CSU campuses and departments and may not withhold any relevant information related to the work performance of the current or former employee. Communications between campuses must always be truthful, accurate, job-related, candid, and unbiased.

Campuses are further reminded that they must comply with CSU's Recruitment and Hiring Guidelines for MPP and Staff (non-represented and represented) Positions, Technical Letter HR/Appointments 2013-03, and to fully cooperate with other campuses in providing information within CSU.

Adopted <Date TBD>
Resolution <Number TBD>
CSU Board of Trustees

COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

Executive Transition Program Review

Presentation By

Leora D. Freedman
Acting Vice Chancellor
Human Resources

Summary

At the March 2022 meeting of the CSU Board of Trustees, the trustees ceased granting executive transition rights for newly hired executives until such time as the board considers recommendations of a task force and takes further action (RBOT 03-22-03).

The task force included Trustees Larry Adamson and Jack Clarke, and Vice Chancellor Evelyn Nazario. The members were charged to review and recommend action to address the need for, and structure of, any future program that would benefit the University.

The task force found that generally, external institutional practices did not offer programs with characteristics similar to the executive transition program offered by the CSU. Given the circumstances the system has recently encountered, the task force believes that the current Transition II program should be modified or eliminated.

However, it is recognized that the University and our future leaders may benefit from an executive's accumulated experience and insight. In appropriate circumstances, they can provide valued consultation to a newly appointed executive.

To that end, the task force presents two options for consideration: (1) Elimination of any "transition" program prospectively; or (2) the adoption of a new program with a significantly altered focus and structure. The new program could be offered at the board's discretion to a resigning executive where it is determined that their consultation would be of benefit to the institution and provide assistance to the newly appointed executive.

A newly created program, the Executive Consultative Assignment (ECA), is provided in Attachment A for the board's review and outlines the details of the program. Attachment B reflects revisions to the existing Transition II program consistent with the approval and ineligibility rules in related updated policies.

AMENDED

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The following recommends a policy that will strengthen program requirements, internal controls, approval authorities, and facilitate greater transparency, compliance, reporting, and accountability, and also clarifies the basis for ineligibility.

It is anticipated that this item will be presented for action at the September 2022 meeting of the Board of Trustees.

Proposed Program on Executive Consultative Assignments (ECA)

The Executive Consultative Assignment (ECA) is offered at the discretion of the CSU Board of Trustees to departing executives. This program applies to individuals appointed as chancellor, executive vice chancellor, vice chancellor, or president hired on or after <insert date – upon approval of policy>. Additionally, the executive must have served five years in an executive position at the CSU and must be in good standing at the commencement and duration of the assignment.

The purpose of the Executive Consultative Assignment (ECA) is to provide institutional support and consultation to new administration on a campus or the Chancellor’s Office. As with past programs, the ECA enables the University to benefit from the executive’s accumulated knowledge and experience often critical to the mission of the University.

The Board of Trustees shall approve all executive consultative assignments. In the case of executive vice chancellors, vice chancellors, and campus presidents, the decision is made in consultation with the chancellor.

An executive consultative assignment will not be conferred as a matter of course. The determination will be made at the discretion of the board with consideration given to the need for “consultative services” at the respective campus or Chancellor’s Office. Foremost, the trustees will consider what is in the best interest of the University to ensure everything is being done to support CSU students and employees.

Assignment Terms:

1. Reassignment to the Management Personnel Plan (MPP).
2. The executive consultative assignment is an “at will” assignment that may not exceed **six months**.
3. Salary is not to exceed fifty percent of the executive’s base pay at time of resignation from their executive position.
4. Duties: Confer and bestow institutional and campus specific knowledge to the incoming president/executive. This includes, but is not limited to, providing history and status on current campus issues, donor relations, legislative relations, strategic partnerships, legal matters, CSU and campus-wide initiatives. As appropriate, make introductions to key state and community stakeholders and campus specific supporters.

AMENDED

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5. Deliverables: The appointee is required to submit a monthly report to the chancellor of activities and milestones completed. (In the case of the chancellor, reporting is required to be provided to the board chair or designee.)
6. It is expected that the appointee will devote the time necessary to accomplish all required work.
7. Any additional terms agreed to by the board.

The ECA appointee shall receive no supplemental pay; no housing allowance or university-provided housing (on- or off-campus); no auto allowance or university-provided auto. Reimbursement of mileage and business-related expenses shall be made in accordance with CSU policy.

Termination of Assignment: If the executive becomes unable to perform the negotiated duties of the assignment or should the executive retire from the CSU or accept non-CSU employment, the executive consultative assignment shall immediately terminate, and the executive shall be due no further compensation under this program.

Approval: The board is required to approve all appointments **prior** to the commencement of the executive consultative assignment. The chancellor shall present the executive's proposed assignment for discussion as an action item on the agenda of the Committee on University and Faculty Personnel. (The board chair presents in the case of the chancellor.)

Funding: The Chancellor's Office will fund the appointee's salary (and benefits) while participating in an Executive Consultative Assignment unless it is determined that an alternative funding arrangement is appropriate.

Communications: The appointment letter is finalized and executed by the chancellor (or board chair, if applicable) **following board approval**. The appointing letter is to memorialize the board's approval with the applicable resolution number. The chancellor (or board chair) or their designee shall provide each trustee with a copy of the final signed letter.

Annual Reporting: The chancellor shall report annually on all program activities detailing the status of all assignments that occurred during the reporting period. The report shall be placed as an information item on the discussion agenda (not consent) of the Committee on University and Faculty Personnel at the November meeting of the Board of Trustees.

Amended Transition II Program

Additions and deletions to the Transition II Program are shown with underlines and cross-outs.

In November 2006, the Board of Trustees adopted the Transition II program (RUF 11-06-06) for executives appointed into executive positions after November 15, 2006. Effective March 22, 2022, the Board of Trustees determined that no additional executives shall enter this program.

The following 27 incumbents (all appointed prior to March 22, 2022) are eligible for participation in the Transition II program.

Presidents

Jeffrey Armstrong

Erika Beck

Jane Close Conoley

Soraya Coley

William Covino

Thomas Cropper

Adela de la Torre

Gayle Hutchinson

Tom Jackson Jr.

Saúl Jiménez-Sandoval

Ellen Junn

Lynn Mahoney

Tomás Morales

Robert Nelsen

Ellen Neufeldt

Eduardo Ochoa

Thomas Parham

Judy Sakaki

Cathy Sandeen

Framroze Virjee

Richard Yao

Lynnette Zelezny

System Executives

Sylvia Alva

Andrew Jones

Vlad Marinescu

Evelyn Nazario

Steve Relyea

Executives must meet the eligibility criteria previously established under Transition II to participate in the program.

Transition II Program

For those individuals appointed as ~~chancellor~~, executive vice chancellor, vice chancellor, ~~general counsel~~, or president, hired after November 15, 2006, Transition II will provide a period of transition for executives who separate from their executive position in order to assume other identified CSU employment.

Eligibility

To be eligible for a transitional program, the executive must:

1. Have served 5 years in an executive position at the California State University (CSU);
2. Be in good standing at the commencement of the program (*see Ineligibility*);
3. Have previously identified a position in the CSU to return to upon completion of the transitional program; and
4. Not accept non-CSU employment.

AMENDED

Attachment B

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Terms of Transition

Upon notification to the chancellor of the intent to resign the executive position, the chancellor shall negotiate the terms of the transition program. ~~In the case of the resignation of the chancellor, the chair of the Board of Trustees shall negotiate the terms of the transition program on behalf of the Board of Trustees.~~ Executives participating in Transition II are reassigned into the Management Personnel Plan (MPP).

The items to be negotiated shall include:

1. Dates of origination and termination;
2. Specific duties and assigned locations; and
3. Compensation and support.

The incumbent shall receive no supplemental pay; no housing allowance or university-provided housing (on- or off-campus); no auto allowance or university-provided auto. Reimbursement of mileage and business-related expenses are applicable in accordance with CSU policy.

Termination of Transition

If the executive becomes unable to perform the negotiated duties of the transition or should they accept non-CSU employment during the term of the transition period, the transition program shall immediately terminate, and the executive shall be due no further compensation.

Should the executive and the chancellor ~~(or the chancellor and the chair in the case of the chancellor's resignation)~~ fail to reach agreement on a transition program, there shall be neither a right to any such program nor any right to appeal to the Board of Trustees to obtain such a program.

Deliverables

The executive will provide a monthly report to the chancellor of activities and milestones completed during the transition assignment.

Approval

The Board of Trustees will review Transition II assignments prior to approving an executive's participation in the program. The chancellor shall present the executive's transition program for discussion as an action item (rather than informational) on the agenda of the Committee on University and Faculty Personnel.

Funding

The Chancellor's Office will fund the executive's salary and benefits while participating in the transition program unless it is determined that an alternative funding arrangement is appropriate.

Communications

~~The Chancellor shall provide each Trustee with a copy of the final written agreement for each participant in the Trustee Professor, Executive Transition or this transition program. Following the signing of an individual plan in any transition program, the plan shall be scheduled for discussion as an information item on the agenda of the Committee on University and Faculty Personnel.~~

The appointment letter is finalized and executed by the chancellor **following board approval**. The appointing letter is to memorialize the board's approval with the applicable resolution number. The chancellor or designee shall provide each trustee with a copy of the final signed letter.

Annual Reporting

~~Annually in March, the Chancellor shall report on all existing individual transition programs in the open meeting of the Board of Trustees.~~

Annually at the November meeting of the Board of Trustees, the chancellor shall report on the transition activities of each executive participant, detailing the status of all assignments that occurred during the reporting period. The report shall be placed as an information item on the discussion agenda (not consent) of the Committee on University and Faculty Personnel.

Ineligibility

The executive must be in good standing at the commencement and duration of the transition assignment.

An executive will be ineligible for consideration under the following circumstances: (1) a finding has been made that the executive engaged in a serious policy violation or other significant misconduct that resulted in the executive being terminated, or separated through mutually agreed-upon settlement terms; (2) the executive is currently under investigation for significant misconduct or violation of university policy; or (3) the executive's retirement benefits have been rescinded under The Public Employees' Pension Reform Act due to criminal misconduct associated with their official duties.

A finding is a determination made in the course of proceedings including but not limited to: (a) a university investigation, following any appeals; (b) an internal or external audit; (c) an administrative proceeding by a state body having jurisdiction, such as the Department of Labor; (d) a civil or criminal proceeding, following any appeals; or (e) a proceeding that leads to a determination of improper governmental activity (defined by the State of California as any action that violates state or federal law or regulation that is economically wasteful or that involves gross misconduct, incompetence, or inefficiency). An admission by the executive that they engaged in conduct that the university determines to be a serious policy violation or other significant misconduct also constitutes a finding for purposes of this policy.

COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

Executive Compensation

Presentation By

Wenda Fong
Chair, CSU Board of Trustees

Jolene Koester
Interim Chancellor

Lateefah Simon
Chair, Audit Committee

Summary

Recommendations for fiscal year 2022-2023 executive compensation will be presented by Interim Chancellor Jolene Koester for all executives save one; Trustee Lateefah Simon will present the recommendation for the vice chancellor and chief audit officer. These recommendations will include equity adjustments for presidents who received triennial performance evaluations between January 2020 and May 2022.

Fiscal Year 2022-2023 Salary Increase Program

This item recommends a 7 percent salary increase for executive employees effective July 1, 2022. Executive positions eligible for the FY 2022-2023 salary program include presidents, executive vice chancellors, and vice chancellors. Over the past 12 years, executives have received compensation increases as shown below:

Executive Employee Group

Fiscal Year	Percent Increase	Fiscal Year	Percent Increase
2010-2011	0%	2017-2018	2.5%
2011-2012	0%	2018-2019	3%
2012-2013	0%	2019-2020	3%
2013-2014	0%	2020-2021	0%
2014-2015	3%	2021-2022	0%
2015-2016	2%	2022-2023	TBD
2016-2017	2%		

AMENDED

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This will be the first salary increase for Executives, MPP and Confidential employee groups since July 2019.

Attachment A shows the 7 percent increase applied to current executive salaries. For those presidents who received triennial performance evaluations between January 2020 and May 2022, the 7 percent increase would be adjusted if the trustees approve the recommended equity adjustments. The adjusted numbers are reflected in Attachment B.

Triennial Performance Reviews – Equity Adjustments

Background

The Board of Trustees' CSU Policy on Compensation, and the CSU Policies and Procedures for Review of Presidents, specifies that, following completion of presidential triennial performance reviews, compensation adjustments may be considered following a salary assessment. The policy was adopted in November 2019.

However, shortly thereafter the University faced unprecedented challenges related to COVID-19, priorities understandably shifted, and the policy was not implemented. Additionally, the adopted policy lacked an established salary review process.

In September 2021, the Board of Trustees adopted a salary review process (RUFPP 09-21-06) that was favorably received. The process recognized a president's performance and is transparent and fiscally responsible while addressing salary gaps incrementally.

The salary review process adopted by the trustees includes the following elements:

- Concurrent with triennial review cycle.
- Annual adjustments over three years, if applicable.
- Target salary is the peer group median.
- First year adjustment not to exceed 10 percent which aligns with current policy.
- Second and third year equity adjustments from 0 to 10 percent, if applicable.
- Reassess market data periodically.

Market Equity Adjustments

This item recommends presidential compensation adjustments resulting from the triennial performance evaluations conducted by the trustees between January 2020 and May 2022. Typically, performance-related salary adjustments will be presented to the trustees in the month of

the president's performance review. However, because no action has been taken since the policy was adopted, this item also includes retroactive compensation actions.

Attachment B shows 14 presidents' eligible for equity adjustments as a result of salary assessments conducted during triennial performance evaluations. Equity adjustments may occur over the three years as outlined in the governing policy. Adjustments are based on the amount to reach the peer group median (target salary). Refer to Attachment C for presidential comparators and target salaries.

Attachment B shows the "final salary to be approved" for all presidents and other executives (system officers) effective July 1, 2022. Trustee approval of the proposed retroactive equity adjustments and the fiscal year 2022-2023 executive salary increase program is recommended.

Recommended Action

The following resolution is recommended for adoption:

RESOLVED, by the Board of Trustees of the California State University, that the individuals named in Attachment B of Item 7 of the Committee on University and Faculty Personnel at the July 11-13, 2022 meeting of the Board of Trustees shall receive the retroactive equity adjustments noted in Attachment B; and be it further

RESOLVED, that the individuals named in Attachment B of Item 7 of the Committee on University and Faculty Personnel at the July 11-13, 2022 meeting of the Board of Trustees shall receive the final salaries cited in Attachment B effective July 1, 2022.

**Proposed FY 2022-2023 Salary Increase Program
Executive Employees**

Campus	Presidents	Current Annual Salary	Proposed 7% Increase Amount	New Annual Salary
Bakersfield	Lynnette Zelezny	\$332,109	\$23,248	\$355,357
Channel Islands	Richard Yao	\$338,514	\$23,696	\$362,210
Chico	Gayle Hutchinson	\$319,314	\$22,352	\$341,666
Dominguez Hills	Thomas Parham	\$343,763	\$24,063	\$367,826
East Bay	Cathy Sandeen	\$389,238	\$27,247	\$416,485
Fresno	Saúl Jiménez-Sandoval	\$348,420	\$24,389	\$372,809
Fullerton	Framroze Virjee	\$378,138	\$26,470	\$404,608
Humboldt	Tom Jackson, Jr.	\$347,106	\$24,297	\$371,403
Long Beach	Jane Close Conoley	\$373,278	\$26,129	\$399,407
Los Angeles	William Covino	\$348,423	\$24,390	\$372,813
Maritime Academy	Thomas Cropper	\$291,324	\$20,393	\$311,717
Monterey Bay	Eduardo Ochoa	\$314,996	\$22,050	\$337,046
Northridge	Erika Beck	\$415,952	\$29,117	\$445,069
Pomona	Soraya Coley	\$340,267	\$23,819	\$364,086
Sacramento	Robert Nelsen	\$343,763	\$24,063	\$367,826
San Bernardino	Tomás Morales	\$371,729	\$26,021	\$397,750
San Diego	Adela de la Torre	\$454,749	\$31,832	\$486,581
San Francisco	Lynn Mahoney	\$378,721	\$26,510	\$405,231
San José	Stephen Perez (Interim)	\$403,433	\$28,240	\$431,673
San Luis Obispo	Jeffrey Armstrong	\$442,812	\$30,997	\$473,809
San Marcos	Ellen Neufeldt	\$346,821	\$24,277	\$371,098
Sonoma	Judy Sakaki	\$324,052	\$22,684	\$346,736
Stanislaus	Ellen Junn	\$308,460	\$21,592	\$330,052

AMENDED

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**Proposed FY 2022-2023 Salary Increase Program
Executive Employees**

System Officers	Title	Current Annual Salary	Proposed 7% Increase Amount	New Annual Salary
Sylvia Alva	Executive Vice Chancellor for Academic and Student Affairs	\$361,242	\$25,287	\$386,529
Andrew Jones	Executive Vice Chancellor and General Counsel	\$361,242	\$25,287	\$386,529
Steve Relyea	Executive Vice Chancellor and Chief Financial Officer	\$361,242	\$25,287	\$386,529
Evelyn Nazario	Vice Chancellor for Human Resources	\$306,472	\$21,453	\$327,925
Vlad Marinescu	Vice Chancellor and Chief Audit Officer	\$267,552	\$18,729	\$286,281

Final Compensation Adjustments Recommended for Executive Employees Triennial Performance Review Equity Adjustments and FY 2022-2023 Salary Increase Program

			EQUITY ADJUSTMENTS (Triennial Performance Review Period)			FY 2022-23 Salary Program	EQUITY ADJ.	FINAL SALARY TO BE APPROVED	New Amt Above/Below Peer Group Median
			Anniv. Date 2020	Anniv. Date 2021	2022 – Up to June 2022	Salary Eff. 7/1/22	2022 – From July 2022	New Salary Eff. 7/1/22	
Campus	President	Current Annual Salary	Proposed Incrs %	Proposed Incrs %	Proposed Incrs %	Proposed 7%	Proposed Incrs %	Equity + 7%	
Chico	Gayle Hutchinson	\$319,314	10.0%	10.00%		\$413,416		\$413,416	-15.14%
Sonoma	Judy Sakaki	\$324,052	10.0%			\$381,409		\$381,409	+2.93%
Stanislaus	Ellen Junn	\$308,460	10.0%	2.00%		\$370,319		\$370,319	+0.02%
Los Angeles	William Covino	\$348,423	10.0%	10.00%		\$451,103		\$451,103	-10.46%
San Luis Obispo	Jeffrey Armstrong	\$442,812	7.50%			\$509,336		\$509,336	+6.54%
Long Beach	Jane Close Conoley	\$373,278	10.0%	7.00%		\$470,103	2.00%	\$479,505^	-3.91%
Pomona	Soraya Coley	\$340,267		10.0%	10.00%	\$440,544		\$440,544	-8.05%
Fullerton	Framroze Virjee	\$378,138		10.0%	7.00%	\$476,223		\$476,223	-4.63%
San Diego	Adela de la Torre	\$454,749		9.57%		\$533,148		\$533,148	+6.54%
Humboldt	Tom Jackson, Jr.	\$347,106		6.66%		\$396,150		\$396,150	+6.54%
Dominguez Hills	Thomas Parham	\$343,763		10.0%	10.00%	\$445,070		\$445,070	-6.95%
Bakersfield	Lynnette Zelezny	\$332,109		10.0%		\$390,892		\$390,892	+5.28%
Maritime	Thomas Cropper	\$291,324		10.0%		\$342,888	2.00%	\$349,746	-5.86%
San Marcos	Ellen Neufeldt	\$346,821		10.0%		\$408,208	7.00%	\$436,783	-8.98%

[^]Effective July 15, 2022.

For some presidents, Year 3 of salary assessment may require future Board action.

Presidential Triennial Performance Review Salary Assessment:

Target Salary = Peer Group Median

Salary adjustments over three-year period if warranted and availability of funds and budget conditions.

Year 1 effective the presidential appointment date (month/day) of the year immediately preceding the performance evaluation.

For example: Year 1 eff. 7/15/2020 - Year 2, 7/15/2021 - Year 3, 7/15/2022

Year 1 increase = Percent to reach Peer Group Median, maximum 10% increase.

Year 2 or Year 3 increase = Equity increase, if applicable (see matrix).

Percent to Reach Peer Group Median			Equity Increase
0%	to	5%	0%
5.01%	to	10%	2%
10.01%	to	15%	4%
15.01%	to	25%	7%
25.01%	to	35%	10%

AMENDED

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Final Compensation Adjustments Recommended for Executive Employees
FY 2022-2023 Salary Increase Program

Presidents (9)

Campus	President	Current Annual Salary	Proposed 7% Increase Amount	FINAL SALARY TO BE APPROVED, EFF. 7/1/2022	New Amt Above/Below Peer Group Median
Channel Islands	Richard Yao	\$338,514	\$23,696	\$362,210	-2.22%
East Bay	Cathy Sandeen	\$389,238	\$27,247	\$416,485	-14.29%
Fresno	Saúl Jiménez-Sandoval	\$348,420	\$24,389	\$372,809	-27.68%
Monterey Bay	Eduardo Ochoa	\$314,996	\$22,050	\$337,046	-9.85%
Northridge	Erika Beck	\$415,952	\$29,117	\$445,069	-11.95%
Sacramento	Robert Nelsen	\$343,763	\$24,063	\$367,826	-35.46%
San Bernardino	Tomás Morales	\$371,729	\$26,021	\$397,750	-19.68%
San Francisco	Lynn Mahoney	\$378,721	\$26,510	\$405,231	-22.96%
San José	Stephen Perez (Interim)	\$403,433	\$28,240	\$431,673	-15.43%

Chancellor's Office System Officers

System Officer	Title	Current Annual Salary	Proposed 7% Increase Amount	FINAL SALARY TO BE APPROVED EFF. 7/1/2022
Sylvia Alva	Executive Vice Chancellor for Academic and Student Affairs	\$361,242	\$25,287	\$386,529
Andrew Jones	Executive Vice Chancellor and General Counsel	\$361,242	\$25,287	\$386,529
Steve Relyea	Executive Vice Chancellor and Chief Financial Officer	\$361,242	\$25,287	\$386,529
Evelyn Nazario	Vice Chancellor for Human Resources	\$306,472	\$21,453	\$327,925
Vlad Marinescu ¹	Vice Chancellor and Chief Audit Officer	\$267,552	\$18,729	\$286,281

¹Proposed salary to be recommended by the Chair of the Committee on Audit.

CSU Presidential Comparators

CSU Group A	CSU Group B	CSU Group C
Peer Group Median \$498,269	Peer Group Median \$476,015	Peer Group Median \$370,234
CSU Campus Fullerton Long Beach Los Angeles Northridge Sacramento San Diego San Francisco San José	CSU Campus Chico Dominguez Hills East Bay Fresno Pomona San Bernardino San Luis Obispo San Marcos	CSU Campus Bakersfield Channel Islands Humboldt Maritime Academy Monterey Bay Sonoma Stanislaus
Comparators Florida International University Georgia State University University of North Carolina at Charlotte Kent State University at Kent The University of Texas at Arlington University of Wisconsin-Milwaukee Florida Atlantic University Wayne State University	Comparators James Madison University Illinois State University Portland State University Ball State University Boise State University Cleveland State University University of Maryland-Baltimore County	Comparators Western Washington University Florida Gulf Coast University Texas A & M University-Corpus Christi University of Wisconsin-La Crosse Western Carolina University

AGENDA

COMMITTEE ON ORGANIZATION AND RULES

Meeting: 9:30 a.m., Wednesday, July 13, 2022
Glenn S. Dumke Auditorium

Jean Picker Firstenberg, Chair
Julia I. Lopez, Vice Chair
Diego Arambula
Jack Clarke, Jr.
Adam Day
Lillian Kimbell
Christopher Steinhauser

Consent 1. Approval of Minutes of the Meeting of March 22, 2022, *Action*
Discussion 2. Progress 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, 2022

Members Present

Larry L. Adamson, Chair
Debra S. Farar, Vice Chair
Diego Arambula
Jack Clarke, Jr.
Adam Day
Maria Linares

Lillian Kimbell, Chair of the Board
Steve Relyea, Acting Chancellor

Trustee Adamson called the meeting to order.

Consent Agenda

The minutes of the January 25, 2022, meeting were approved as submitted.

Item number two, Approval of the California State University Board of Trustees' Meeting Dates for 2023, was approved on consent (ROR 03-22-01).

Trustee Adamson adjourned the meeting.

COMMITTEE ON ORGANIZATION AND RULES

Progress Report on the Board of Trustees' Review

Presentation By

Roberta Achtenberg
Senior Advisor, Board Governance and Relations

Jane Wellman
Special Consultant to the Board

Summary

The Board of Trustees has commissioned an external review of board roles and practices within the university system. It is being 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 is expected to conclude by May of 2023.

Focus of the review. The review is centered on the Board and the ways that it conducts its business. We do not plan to produce an abstract discourse on governance within the CSU. Instead, we will focus on a few topics of major concern identified by the Board itself. We have started by holding confidential one-on-one interviews with trustees and others about how they see these issues. We are gathering pertinent information about best practices from other public systems around the United States. We are flagging areas where current rules and regulations may be silent, or even in conflict with one another. We are also identifying certain board practices that have evolved over time, about which we may make recommendations.

Issues that set the framework for the review. Recognizing that our work has just begun, we see the following subset of issues as most in need of attention from this review:

- 1) Trustee dynamics, orientation, communication protocols, and Board leadership. These dynamics shape how board members work with one another, with the Chancellor's Office and with the campuses;

O&R

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- 2) The selection and support of the Chancellor and campus presidents. This is a critical role for the board, and one that is increasingly challenging both in the CSU and across the country. The recruitment and selection procedures in CSU have evolved over many years, often in response to circumstances that may have changed since they were first put in place. Changes may be warranted, to make the process more accountable and transparent, not just in the search and selection of leaders but in ongoing leadership development and support; and
- 3) The role of the CSU in meeting the needs of the future. The review provides an opportunity to be forward-looking by initiating conversations that will carry the CSU not just through the next twelve months, but well into the future. We and you need to look at the major dynamics that will shape that future and begin conversations about how well CSU is positioned to address them. As part of that we plan to look around the country to see what best practices may be emerging elsewhere.

Multiple forums, flexible formats. The issues that are the focus of this review are not equal in magnitude, urgency, or complexity. Some should be easy to address; others will take longer. We therefore recommend that we and the board be prepared to work opportunistically and flexibly over the course of the review. The board need not wait for a final report to act on issues where timely action is called for. Other topics will need more discussion and deliberation before changes are made. Those issues may be best addressed through retreats and other facilitated conversations.

Process and expected timeline. Our work will be completed within one year. We expect to do much of this work ourselves, supplemented as needed by national experts. We will give regular progress reports to the Committee on Organization and Rules at each board meeting. Decisions about the sequencing of reports to the board, and to potential next steps for implementation, will emerge as the work moves forward.

AGENDA

COMMITTEE ON FINANCE

Meeting: 10:10 a.m., Wednesday, July 13, 2022
Glenn S. Dumke Auditorium

Jack McGrory, Chair
Julia I. Lopez, Vice Chair
Larry L. Adamson
Lillian Kimbell
Anna Ortiz-Morfit
Romey Sabalius
Christopher Steinhauser

- Consent** 1. Approval of Minutes of the Meeting of May 24, 2022, *Action*
- Discussion** 2. 2022-2023 Final Budget, *Information*
3. Planning for the 2023-2024 Operating Budget, *Information*
4. Law Enforcement Regulated Equipment and Tools, *Action*

**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**

May 24, 2022

Members Present

Larry L. Adamson, Vice Chair
Wenda Fong
Maria Linares
Anna Ortiz-Morfit
Krystal Raynes
Romey Sabalius
Christopher Steinhauser

Lillian Kimbell, Chair of the Board
Jolene Koester, Interim Chancellor

Trustee Larry L. Adamson 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 item on the California State University Quarterly Investment Report was moved to the consent agenda. The consent agenda, including the minutes of the March 23, 2022, meeting of the Committee on Finance was approved as submitted.

2022-2023 Operating Budget Update

An update on the latest developments on the CSU budget request for 2022-2023 was provided.

The May Revision reflects changes to the Governor's January proposed budget for 2022-2023 based upon the latest economic forecasts. It included no proposed changes for the CSU compared

to the Governor's proposal in January. Additionally, the Assembly and Senate typically act on their budget plans in late May. To date, no CSU-related action has been taken by either house.

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

At the July Board meeting, staff will share the outcome of the 2022-2023 budget for the university. In the meantime, there will be continued advocacy for the 2022-2023 state budget for CSU.

Following the presentation, Trustee Sabalius asked about the relationship between the budget and faculty salary increases and commented on the possibility of pushing for more funding for deferred maintenance, especially in light of the state surplus. Trustee Raynes asked for confirmation that the CSU, Bakersfield Energy and Innovation Building is still included in the Governor's budget also inquired about the gap between the Governor's proposal and the Trustees budget request and CSU needs. Trustee Lopez emphasized the necessity of negotiations and tradeoffs with regards to priorities. Finally, Trustee Adamson noted that this is the year to invest in the CSU.

Trustee Adamson adjourned the meeting of the Committee on Finance.

COMMITTEE ON FINANCE

2022-2023 Final Budget

Presentation By

Steve Relyea
Executive Vice Chancellor and
Chief Financial Officer

Ryan Storm
Assistant Vice Chancellor
Budget

Summary

This agenda item summarizes final budget-related decisions made by the State of California for fiscal year 2022-2023 and their effect on the CSU operating budget.

Background

Since the May Board of Trustees meeting, there have been several important developments on the 2022-2023 state budget. The governor's May Revision proposal concluded that the economic recovery and expansion had significantly increased the state's multi-year budget surplus over January estimates. As a result, the state had significantly more one-time discretionary funding (and to a much lesser extent ongoing discretionary funding) to spend on a variety of state priorities and programs.

In the May Revision, the governor reaffirmed his January, or proposed in May, significant items for the CSU. The governor proposed the following ongoing funding increases:

- \$211.1 million ongoing state General Fund unallocated increase in support of the Board of Trustees' priorities.
- \$81 million ongoing state General Fund increase to support enrollment growth of 9,434 full time equivalent resident students.
- \$12 million ongoing state General Fund to support foster youth.

The governor proposed the following one-time funding increases:

- \$100 million for deferred maintenance and energy efficiency projects, which aligns with a Trustee's budget priority.
- \$83 million for the Energy Innovation Center at Bakersfield.

- \$67.5 million for the Engineering and Computer Science Building at Fullerton.
- \$80 million for the Brawley Center Infrastructure Development (STEM/Lithium) at San Diego.
- \$75 million for equipment and facilities at university farms at the Chico, Fresno, Pomona, and San Luis Obispo campuses.

Another important proposal was the multi-year compact between Governor Newsom's administration and the CSU. Specifically, the gubernatorial administration commits to proposing annual, year-over-year ongoing state general fund base increases of five percent (or approximately 2.8 percent of the CSU Operating Fund). This does and will provide predictable and more sustainable funding for our shared CSU and administration commitments to access, equity, and student success through 2026-2027. Further, the compact is a critical safety net to protect the university from economic fluctuations over the next five years.

On June 1, 2022, the state legislature adopted a bicameral budget agreement. The legislature proposed the following ongoing funding increases:

- \$100 million ongoing greater than the governor's proposal in support of the Trustees' budget priorities, bringing the total to \$311.1 million.
- \$25 million ongoing for Graduation Initiative 2025.
- \$20 million ongoing for student basic needs.

The legislature proposed the following major one-time funding increases:

- \$25 million one-time over the governor's proposal for deferred maintenance and energy projects, bringing the total to \$125 million.
- \$46 million for a Human Identification Laboratory at Chico.
- \$59 million for a Student Services Building at San Bernardino, Palm Desert Center.
- \$20.3 million for the Swanton Pacific Ranch wildfire recovery at San Luis Obispo.

Members of the legislature also stated their intent to augment CSU funding in 2023-2024. More specifically this would be ongoing, partial funding of the staff salary study recommendations, Graduation Initiative 2025, and resident enrollment growth as well as one-time funding for deferred maintenance.

In summary for 2022-2023, the governor's plan would have increased the CSU's ongoing funding by \$304.1 million and the legislature's plan would have increased the CSU's ongoing funding by \$457.4 million.

In addition, state leaders continued a recent trend of stating some of their intentions for the following fiscal year. For 2023-2024, the governor's compact stated the intent to increase the CSU's ongoing funding by five percent of the state general fund. The legislature's plan stated the

2023-2024 intent to increase ongoing funding by \$137 million above the compact and by \$100 million in one-time funding.

The CSU and the Final Budget Agreement

On June 26, 2022, the governor, senate president pro tempore, and assembly speaker reached a three-party consensus on the 2022-2023 state budget.

The final budget agreement included several, ongoing increases in support of both the Trustees’ priorities and state leadership priorities totaling \$365.4 million. Specific to the Trustees’ operating budget request priorities and a subset of the \$365.4 million, the agreement increased the ongoing CSU operating budget for Trustee-related priorities by \$337.1 million—all from the state general fund. This included an unallocated increase of \$211.1 million in support of the Board of Trustees priorities (Note: this will cover most ongoing employee compensation costs and most ongoing mandatory cost increases), \$81 million to increase student enrollment by 2.5 percent (or 9,434 full time equivalent students), \$35 million to support Graduation Initiative 2025 efforts, and \$10 million to support student basic needs. The agreement also included ongoing funding priorities of state-elected leaders that total \$28.3 million included in the “Ongoing Uses of Funds” table below. In total, ongoing state support for the CSU operating budget now stands at \$4.6 billion.

The final budget agreement also included many one-time increases in support of both the Trustees’ priorities and state leadership priorities. The state focused on new construction projects, much less on adequately maintaining existing facilities and infrastructure, and a smaller amount on programmatic improvements. The agreement included \$125 million for deferred maintenance, energy efficiency, and seismic improvements, \$497 million to several campuses for new student housing projects, \$404.8 million to several campuses for a variety of new physical improvements, and \$55.2 million to the Chancellor’s Office and several campuses for a variety of programmatic improvements.

The following tables capture the items included in the Board of Trustees budget request for the 2022-2023 and state-elected leader priorities funded by the state Budget Act of 2022.

Ongoing Sources of Funds (<i>in millions</i>)	Request	Final Budget
• State General Fund	\$673.0	\$365.4
• Tuition Revenue from Enrollment Growth	42.5	42.5
Total Incremental Ongoing Sources of Funds	\$715.5	\$407.9

Ongoing Uses of Funds (<i>in millions</i>)	Request	Final Budget
• Unallocated Base Increase	\$490.6	\$211.1

• Strategic Resident Enrollment Growth	129.9	123.5
• Graduation Initiative 2025	75.0	35.0
• Student Basic Needs	20.0	10.0
• Foster Youth Student Programs	-	12.0
• Project Rebound Program	-	8.0
• Asian American, Native Hawaiian, Pacific Islander Student Achievement Program	-	8.0
• Capitol Fellows Program Operations at Sacramento	-	0.2
• The Sacramento Semester Program Operations at Sacramento	-	0.1
Total Incremental Ongoing Uses of Funds	\$715.5	\$407.9

One-Time Uses of Funds (<i>in millions</i>)	Request	Final Budget
• Deferred Maintenance & Infrastructure	\$1,000.0	\$125.0
• New Student Housing Projects on Nine Campuses	-	497.0
• Energy Innovation Center at Bakersfield	-	83.0
• STEM Building at San Diego, Brawley Center	-	80.0
• Student Center Building at San Bernardino, Palm Desert Center	-	79.0
• Farm Equipment & Facilities at Fresno, Chico, Pomona, and San Luis Obispo	-	75.0
• Engineering and Computer Science Building at Fullerton	-	67.5
• Swanton Pacific Ranch Wildfire Recovery at San Luis Obispo	-	20.3
• Master of Science Physician Assistant Program at San Bernardino	-	10.0
• Moss Landing Marine Laboratory Dock at San Jose	-	6.0
• Wildfire Interdisciplinary Research Center at San Jose	-	5.0
• Asian Language Bilingual Teacher Education Program Consortium at Fullerton	-	5.0
• CSU Council on Ocean Affairs, Science & Technology Operations	-	5.0
• Cybersecurity Regional Alliances Pilot Program	-	4.0
• Mobile Health Units at Fresno	-	4.0
• State University East Park and Bicycle Path Improvements at San Diego	-	3.0
• CalKIDS Institute at Los Angeles	-	3.0
• Cal-Bridge Program	-	2.5
• Center for Healthy Neighborhoods at Fullerton	-	2.0

• Early Childhood Education Center at Channel Islands	-	2.0
• First Star Foster Youth Cohort at Two Campuses	-	1.5
• Child Care Center Improvements and Artificial Intelligence Mixed Reality Classroom at Sacramento	-	1.3
• Law Enforcement Candidate Scholars' Program at Sacramento	-	0.9
Total Incremental One-Time Uses of Funds	\$1,000.0	\$1,082.0

Conclusion

The state had a significant amount of one-time funding available to it this budget cycle and it invested \$1.1 billion of the one-time money in the CSU. The CSU appreciates the fact that many new academic, student service, and student housing projects will be constructed on CSU campuses. However, the 2022-2023 fiscal year begins with a stubborn, persistent challenge of billions of dollars of unaddressed deferred maintenance and infrastructure improvement needs for existing CSU facilities and infrastructure.

The state also had the opportunity to dedicate significant amounts of ongoing funding this cycle and it invested \$365.4 million of those ongoing resources in the CSU. The state directed much of that funding toward the priorities of the Trustees' operating budget request and for that the CSU appreciates the state's investment. However, the CSU's budgetary circumstances are unique and sizeable. Faculty and staff salaries have been flat for two or more years and to address this, the new, ongoing state funding will allow the CSU to cover some but not all of those costs. Consequently, campuses will redirect funding from other priorities to cover some of these new costs. Also, emphasizing employee compensation requires tradeoffs and several other operating budget request priorities will not be funded. Another challenge that the CSU cannot financially address in 2022-2023 is the recommendations of the staff salary structure study that include hundreds of millions of dollars of new costs. Additional challenges include the effects of inflation, heightened energy costs, new commitments and workload contained in the multi-year compact, and the continuing work of narrowing and eliminating equity gaps through Graduation Initiative 2025.

COMMITTEE ON FINANCE

Planning for the 2023-2024 Operating Budget

Presentation By

Steve Relyea
Executive Vice Chancellor and
Chief Financial Officer

Ryan Storm
Assistant Vice Chancellor
Budget

Summary

One purpose of this item is to provide the CSU Board of Trustees with preliminary assumptions and a preliminary framework for purposes of preparing the 2023-2024 Operating Budget Request for the governor's and legislature's consideration.

Another purpose of this item is to explain the Chancellor's Office staff's rationale and recommendation to shift the timeline from the standing September and November meetings to the July and September meetings for developing and finalizing the annual operating budget request.

Introduction

By definition, a budget is a summary of intended uses (expenditures) along with proposals for financing them (revenues) over a certain period of time.

The greatest focus for the CSU is on the Operating Fund budget, which supports the core functions of the university—such as classroom instruction, student services, campus operations and state university grants. The primary revenue sources for the Operating Fund are state general fund, tuition, and certain student fees. Typical expenditures of the Operating Fund are employee salaries and benefits, student financial aid, and operations (e.g., goods, energy, and debt service). The following sections of this item will delve deeper into various issues including potential revenues and expenditures for 2023-2024.

The preliminary 2023-2024 budget plan would allow the CSU to improve compensation for all employee groups, grow student enrollment, provide additional investment in Graduation

Initiative 2025 (with particular emphasis on eliminating equity gaps), cover mandatory cost obligations, begin or continue initiatives included in the multi-year compact, and make progress on facility, infrastructure, and deferred maintenance needs. Funding commitments included in the multi-year compact would support significant portions of the preliminary plan. State general fund above the compact would support other portions of the plan if the state’s budget condition were to allow it and if state leaders were to choose to invest in the CSU.

Recent Funding of the CSU

Governor Newsom’s fourth budget, in partnership with the legislature, showed its commitment to additional investments to the university when the budget provided \$365.4 million in new ongoing funds. The CSU also received \$1.1 billion in one-time funding primarily for new academic, student service, and student housing projects and secondarily for deferred maintenance on existing CSU facilities and infrastructure. The Operating Fund budget totals \$7.8 billion of ongoing, base funding for 2022-2023. The following chart includes recent CSU Operating Fund data.

Fiscal Year	State General Fund (Ongoing Only)	% Change	Gross Tuition & Fees	% Change	Total Operating Fund Budget	% Change
2018-2019	3,772,707,000	8.6%	3,277,627,000	0.1%	7,050,334,000	4.5%
2019-2020	4,021,849,000	6.6%	3,269,805,000	-0.2%	7,291,654,000	3.4%
2020-2021	3,722,806,000	-7.4%	3,277,002,000	0.2%	6,999,808,000	-4.0%
2021-2022	4,228,282,000	13.6%	3,167,899,000	-3.3%	7,396,181,000	5.7%
2022-2023	4,589,590,000	8.5%	3,212,977,000	1.4%	7,802,567,000	5.5%

Change in Budget Process and Timeline

In any organization, it is important to periodically review current practices to determine if new practices could achieve a better result. For the CSU, it has been many years since the review of the annual operating budget request approval process. Currently, the Trustees consider an information item at the September Trustees meeting and adopt a final operating budget request at the November Trustees meeting. The advantage of the current process is it affords campus and Chancellor’s Office staff the opportunity to collect and utilize the most current information available prior to the September and November meetings. However, due to changes at the state level, it has become clearer that the current budget approval timeline is not as ideal as it once

was. Staff recommends a shift to the earlier timeline of a July information item and a September action item for two major interrelated reasons.

The first reason is time. Significant changes in law and practice over the past two decades in the state's budget process have truncated the decision-making timeframe of the governor and the legislature. Years ago, the state's budget process was steeped in many formal processes, a state budget required a two-thirds vote (i.e., a budget compromise by both houses and leaders of both major political parties), and there was no statutory deadline for the legislature to adopt a state budget before the start of the fiscal year. More recently, statutory changes have truncated the state's budget timeline, such as a June 15 deadline for legislative approval of the state budget, and a requirement that legislation be in print for 72 hours prior to a vote. Due in part to the tighter timeline, governors and legislators dropped some of the formal processes over the years (e.g., public hearings held by senate and assembly representatives in the budget conference committee) and replaced them with more informal ones (e.g., private negotiations between members of the majority party from the senate, assembly, and the governor).

The second reason is opportunity. An early fall adoption of the CSU operating budget request provides the CSU more opportunity to engage with the governor's administration as they develop their January budget proposal. As proposed, that would be three months of advocacy opportunity versus one month of opportunity under CSU's current practice. Further, this approach will better align with consequent fall deadlines requested by the Department of Finance and have CSU's priorities considered at the same time other state department priorities are considered. Under the current CSU budget process, the governor's administration receives the final CSU budget priorities very late in the administration's fall budget development process. Already at that point, preliminary administration decisions pertaining to other, competing state general fund budget priorities are in place. It is disruptive and can be difficult for the administration to consider CSU priorities and other competing priorities in late November or December.

In addition, there is more advocacy opportunity with lawmakers and their staff by changing the CSU budget timeline. The legislature is not in session in Sacramento for much of the fall. Lawmakers are typically back in their districts. An earlier CSU budget plan would afford campus leaders, the Chancellor's Office, and CSU stakeholders opportunities to link the priorities of the CSU budget request with practical, tangible observations on campuses. Along these lines, there is limited opportunity today to engage with lawmakers and their staff while in session in Sacramento. The recent pandemic has reduced in-person access to Sacramento policymakers and staff. Additionally, the demolition and reconstruction of the state capitol annex will take years to complete. In the interim, most lawmakers and staff moved out of the state capitol into a swing space. The challenge with the swing space is it is not as conducive to traditional advocacy and engagement opportunities as the old state capitol annex.

The current process of adopting a CSU operating budget request in November packs much of the desired engagement with state leaders into the spring and early summer and unnecessarily excludes the fall from the process. As mentioned above, time and opportunity constraints now make it a more challenging environment to optimally advocate for the CSU budget plan. Therefore, Chancellor's Office staff recommend a shift from the September/November timeline to a July/September timeline.

Current and Prospective State Revenue

The CSU Operating Fund revenue picture has improved due to developments over the past six months. Those developments have also created another level of complexity that will be explained in this section.

The major development is the multi-year compact between Governor Newsom's administration and the CSU. Beginning in fiscal year 2022-2023 and through 2026-2027, the governor agreed to propose annual, year-over-year ongoing state general fund base increases of five percent for the term of the compact (or approximately 2.8 percent of the CSU Operating Fund). The governor's administration supported that commitment by ensuring that the five percent state general fund increase (i.e., \$211.1 million) was included in the Budget Act of 2022 for 2022-2023. Plus, the administration exceeded their commitment via an agreement with the legislature to add another \$126 million ongoing in 2022-2023 in support of strategic resident enrollment growth, Graduation Initiative 2025, and student basic needs for a total of \$337.1 million ongoing focused exclusively on Trustees budget priorities. The CSU is grateful for the multi-year compact because it provides foundational, predictable, and more sustainable funding over a five-year period for our shared commitments to access, equity, and student success. Further, the CSU views the compact as a critical safety net to protect the university from economic fluctuations over the next five years.

With compact commitments fulfilled and exceeded in 2022-2023, there could be an opportunity in 2023-2024 for a similar outcome, one that could support many of the CSU's budget priorities. The CSU anticipates that the governor's administration will again propose an ongoing state general fund base increase of five percent for 2023-2024. This foundational feature of the compact provides the CSU the opportunity to differentiate the working assumptions of the 2023-2024 operating budget plan. But to be clear, the compact's five percent state general fund commitment would not cover all of the Trustees' budget priorities. For illustration purposes only, the compact funding alone could only cover expenditures such as portions of mandatory cost increases, employee compensation, Graduation Initiative 2025, required strategic resident enrollment growth, and necessary investments to achieve the shared goals of the compact. A scenario like this demonstrates the challenge the CSU faces with many priorities that could not be fully funded or funded at all if the CSU were to rely exclusively on the amounts included in the compact.

The compact has an extra feature; it suggests an openness to providing CSU more state general fund if state revenue is available. This certainly is a welcome addition to this discussion because it provides a potential for more CSU priorities to be funded by the state. There is no guarantee of this due to indications of economic uncertainty.

At this early point in time, both positive and negative economic signals make the future uncertain. It is unclear if there will be additional state revenue to support CSU priorities above the compact. On the positive side, the state had record-breaking state budget surpluses over the past two fiscal years despite the pandemic. On the negative side, inflation, interest rates, and fuel prices are all up and markets are trending down suggesting possible economic challenges ahead.

Expenditure Priorities

The CSU has several budget priorities that are consistently included in the annual budget request. These priorities are critical to the university and contribute to the mission and values under the umbrella of student achievement. These priorities are for immediate 2023-2024 consideration. They are also for consideration as the CSU refines its multi-year budget plan over the next several months to more closely align with the commitments, priorities, and timeline of the compact. Immediately below are descriptions of priorities that have been consistently included in past budget requests.

The CSU is focused on meeting Graduation Initiative 2025 goals—especially closing the equity gap. Proof of this occurred six months ago, when the CSU redoubled its efforts to close equity gaps and developed a targeted five-point equity action plan in consultation with the Graduation Initiative 2025 Advisory Committee. Since then, campus teams working with the Chancellor's Office have shown exceptional collaboration and creativity in addressing this critically important systemwide goal. The CSU could include in the budget request funding specifically for the five equity goals: (1) reengage and reenroll underserved students, (2) expand credit opportunities through summer sessions and intersessions, (3) access to a digital degree planner, (4) eliminate barriers to graduation, and (5) promote equitable learning and reduce failure rates (such as D, F, or Withdrawal).

Three-quarters of our operating budget consists of salaries and benefits. For salaries to keep pace with inflation and to cover related health care and pension cost increases it requires many tens of millions of dollars more per year to cover these investments.

To effectively educate all students, it is necessary to regularly invest in critical infrastructure while also refurbishing existing, and building new, academic facilities to best serve students. The CSU has an estimated \$6 billion deferred maintenance backlog and accumulates approximately \$350 million of additional deferred maintenance per year.

It is also important to continue to expand enrollment to ensure a solid foundation for California's future economy with a degree-holding, well-educated citizenry.

The compact contains shared goals designed to close equity gaps and promote student success, expand student access, increase affordability for students, increase intersegmental collaboration to benefit students, support workforce preparedness, and provide access to online course offerings. Additional resources will need to be focused on these areas to achieve the shared goals of the CSU and the governor's administration.

Mandatory costs include increases to operations and maintenance of newly-constructed facilities, other compensation-related costs like minimum wage law rate changes, and inflation. If operating budget requests do not include these types of mandatory cost increases, campuses must redirect resources from existing programs, services and priorities to meet those cost increases.

It is very early in the budget development process and appropriate for the Board of Trustees to discuss these CSU priorities (and others) for the 2023-2024 Operating Budget Request. Each of these budget priorities contribute to the whole and are important to student success. As mentioned previously, there is insufficient ongoing financial resources proposed in the compact to fully support all of these priorities.

The preliminary budget plan would be supported by the ongoing base funding included in the multi-year compact and it would operate under the assumption that more state general fund would be available and provided by the state.

At this stage, it is important for the Board of Trustees to provide input on fiscal policy priorities and the potential to delineate between the preliminary budget plan and potential, additional priorities for 2023-2024.

**Preliminary Budget Plan – \$429 million (ongoing)
\$1 billion (one-time)**

This section provides an ongoing and one-time cost estimate for each of the potential investments of the preliminary budget plan. The purpose is to provide the scale for each component for discussion purposes; precision on the figures is not possible today due a variety of factors, including this first-year shift of this standing item from September to the July Trustees meeting.

As mentioned earlier, the plan is for the CSU to refine its multi-year budget plan over the next several months to more closely align with the priorities and timeline of the compact. Where appropriate below, Chancellor's Office staff identified the total investment that could occur over the span of the multi-year compact and the potential impact.

Graduation Initiative 2025-Closing the Equity Gap – \$75 million

The CSU could include in the budget request \$75 million for Graduation Initiative 2025 for additional course sections, academic supports, and to address the five equity goals discussed earlier: (1) reengage and reenroll underserved students, (2) expand credit opportunities through summer sessions and intersessions, (3) access to a digital degree planner, (4) eliminate barriers to graduation, and (5) promote equitable learning and reduce DFW rates.

Mandatory Costs – \$50 million

Chancellor's Office staff anticipate that mandatory cost increases for existing university commitments will be approximately \$50 million in 2023-2024.

Employee Compensation Pool – \$200 million

With some minor exceptions, no collective bargaining agreements have salary provisions that extend beyond 2022-2023. At this stage, it would be premature to identify specific amounts or forms of compensation (e.g., general salary increases) for any employee group. Instead, a placeholder of \$200 million for an employee compensation pool for all employee groups is included here. Because of the multi-year compact, it could be possible to dedicate many hundreds of millions of dollars for employee compensation over the next four years.

Strategic Resident Enrollment Growth – \$49 million

To accommodate more students at the CSU, the governor and the CSU committed in the compact to grow enrollment by approximately 3,400 resident, undergraduate, full-time equivalent students beginning in 2023-2024. This would cost approximately \$49 million (\$33 million state general fund, \$16 million tuition revenue) and would be equivalent to a one percent increase in resident undergraduate enrollment growth. Due to the multi-year compact, it could be possible to increase undergraduate resident students over the next four years by approximately 14,000 full-time equivalent students.

*Academic Facilities and Infrastructure - \$50 million (ongoing)
\$1 billion (one-time)*

The addition of \$50 million in ongoing funds in 2023-2024 could finance approximately \$750 million of needed facility and infrastructure projects that increase capacity for student growth and complement the plan to address deficiencies in existing facilities. It could be possible to

finance and construct as much as \$3 billion of new academic and infrastructure facilities due to the multi-year compact.

A second, complementary strategy would be to include a request of \$1 billion in one-time funds from the state to further address deferred maintenance and infrastructure needs.

Advancing the Goals of the Compact – \$5 million

The compact contains shared goals designed to close equity gaps and promote student success, expand student access, increase affordability for students, increase intersegmental collaboration to benefit students, support workforce preparedness, and provide access to online course offerings. It is estimated that approximately \$5 million would be necessary to accomplish the programmatic, administrative, and reporting requirements contained in the compact.

Estimated Revenue

At this preliminary stage, the planning effort focuses on stating the CSU's budget priorities and needs. Accounting for enrollment growth revenue (approximately \$16 million for one percent increase in resident, undergraduate enrollment targets), the preliminary plan's investments would require additional new ongoing revenues from the state of \$413 million of which approximately \$229 million would be proposed through the compact for 2023-2024. This would require an additional \$184 million ongoing above the compact from the state or from another revenue source.

Also, the preliminary budget plan would require additional new one-time revenue from the state of \$1 billion for deferred maintenance and infrastructure needs.

Additional Budget Considerations

Staff Salary Study Conclusions and Recommendations

The Budget Act of 2021 included funding for the Chancellor's Office to evaluate the existing salary structure, issues of salary inversion, and provide any recommendations for alternative salary models for CSU staff employees. To properly address all findings and recommendations, the study identified \$287 million of ongoing costs. The state chose not to fund any portion of the study recommendations in the Budget Act of 2022. A different approach would be to divide the implementation into phases and attend to it over a multi-year period. Further analysis would need to be completed to determine if this approach is viable. If so, it could be possible to invest in this item over the next several years to fully implement these important recommendations.

Inflation and Related Costs

Inflation impacts all areas of the university. Over the past decade, the CSU operating budget request and the final state budget have not included funding explicitly dedicated to cost increases on a variety of non-personnel expenses such as technology, instructional equipment, supplies, contracts, utilities, and any other non-personnel expenditure of the university. With inflation at 40-year highs, the CSU could consider this.

Next Steps

Over the next several weeks, Chancellor's Office staff will meet with many stakeholder groups to solicit feedback on the potential contents of the 2023-2024 Operating Budget Request.

Using feedback provided by the Board of Trustees at the July 2022 meeting as well as feedback from CSU stakeholder groups, Chancellor's Office staff will present an updated and detailed operating budget recommendation for Board of Trustees' approval in September 2022.

In light of the multi-year compact, the CSU has a unique opportunity to develop a budget framework that would span a multi-year horizon. In the coming months, it is the goal of Chancellor's Office staff to develop and refine longer-term scenarios for further consideration by the Trustees and CSU stakeholders.

Conclusion

The California State Constitution requires the submittal of the governor's budget proposal each year by January 10. To meet fall deadlines of the Department of Finance, it is optimal and necessary to commence planning for the 2023-2024 CSU Operating Budget Request at the July 2022 meeting.

This information item presented preliminary assumptions and a preliminary framework for the 2023-2024 CSU Operating Budget Request to the governor's administration and the state legislature.

COMMITTEE ON FINANCE

Law Enforcement Regulated Equipment and Tools

Presentation By

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Summary

[Assembly Bill 481 \(AB 481\)](#), which took effect on January 1, 2022, requires the Board of Trustees to adopt policies governing the use of any regulated equipment and tools, defined in the bill as “military equipment,” that is or may be used on any California State University (CSU) campus, either by the university police department or an affiliated law enforcement agency such as a municipal police department or county sheriff. The same requirement applies to other governing bodies in California that oversee law enforcement agencies such as municipal police departments and county sheriff agencies.

Attachment A is the draft law enforcement regulated equipment and tools policy concerning regulated equipment and tools for approval by the Board of Trustees.

Staff recommend approval of the proposed resolution.

Background

AB 481 added Chapter 12.8 (commencing with Section 7070) to Division 7 of Title 1 of the California Government Code (Cal. Gov. Code § 7070 *et seq.*) to regulate the funding, acquisition, and use of certain equipment and tools by law enforcement agencies, including university police departments on each CSU campus.

CSU campus university police departments supplied the information required by Cal. Gov. Code § 7070 *et seq.* concerning any regulated equipment or tools used, or that may be used, on campus. Attachment A includes the description, quantity, capability, lifespan, purpose and authorized use, fiscal impact, legal and procedural rules, required training, and compliance procedures regarding

the equipment or tool, and constitutes the list of regulated equipment and tools presently authorized for use on each CSU campus.

Of the sixteen types of equipment and tools regulated by Cal. Gov. Code § 7070 *et seq.*, the draft policy authorizes CSU campuses to use the following:

- (a) Unmanned, remotely piloted, powered aerial (observation drones) or ground vehicles.
- (b) Command and control vehicles that are either built or modified to facilitate the operational control and direction of public safety units.
- (c) Munitions containing tear gas (oleoresin capsicum), excluding standard, service-issued handheld pepper spray.
- (d) Kinetic energy weapons (e.g., bean bag and foam tip launchers) and munitions.
- (e) Long Range Acoustic Device (LRAD)

The systemwide law enforcement policy concerning regulated equipment and tools provided in Attachment A includes the information and reporting provisions required by Cal. Gov. Code § 7070 *et seq.* The draft policy was published for public comment on www.calstate.edu from June 10, 2022, through July 10, 2022.

Upon approval by the Board of Trustees of the proposed policy and related inventory, each campus will prepare a campus-specific regulated equipment and tool use policy following the template provided in Attachment A. The policy will be published on the campus internet website and provide a copy of the policy to the governor or governor's designee to comply with provisions of Cal. Gov. Code § 7070 *et seq.*

Future changes to the systemwide regulated equipment and tools use policy adding new types of regulated equipment and tools that have not previously been authorized for use on any CSU campus will require approval by the Board of Trustees. Under existing authority delegated to the chancellor and executive vice chancellor pursuant to the [Standing Orders of the Board of Trustees of the California State University](#), periodic updates to campus regulated equipment and tools policies may be made that do not authorize new types of regulated equipment and tools for use on CSU campuses.

Recommended Action

In compliance with Chapter 12.8 (commencing with Section 7070) of Division 7 of Title 1 of the California Government Code (Cal. Gov. Code § 7070 *et seq.*), the following resolution is recommended for adoption:

RESOLVED, the Regulated Equipment and Tools Use policy included as Attachment A of Agenda Item 4 of the July 11-13, 2022, meeting of the Committee on Finance is approved.

Enforcement Regulated Equipment and Tools

706.1 PURPOSE AND SCOPE

The purpose of this policy is to provide guidelines for the approval, acquisition, and reporting requirements of regulated equipment and tools pursuant to Cal. Gov. Code § 7070 *et seq.*

706.2 POLICY

It is the policy of the campus university police department that members of this department comply with the provisions of Cal. Gov. Code § 7070 *et seq.* with respect to regulated equipment.

The items listed in section 706.4 of this policy are approved for funding, acquisition, training, and use in accordance with this policy, and Cal. Gov. Code § 7070 *et seq.* Additionally, section 706.4 of this policy outlines the fiscal impact and descriptions of existing authorized tools and equipment within the department's inventory and/or within the inventory of an allied agency or mutual aid partner.

The campus university police department, as well as allied agencies or mutual aid partners, retains and employs a wide variety of tools and equipment to assist in safely maintaining a safe living, learning, and working environment. While the inventory of tools and equipment may vary, the mere possession of the tools or equipment does not warrant its use for every incident.

The campus university police department recognizes that hazardous or critical incidents are unpredictable and can be very dynamic in nature. A variety of tools and equipment options can greatly assist incident commanders, officers, and specific units in bringing those incidents to a swift resolution in a safe manner. The use of these tools and equipment may be restricted for use only in certain instances and in some cases only by certain trained officers or units.

The inventory in section 706.4 of this policy is specific to equipment regulated by Cal. Gov. Code § 7070 *et seq.* There may be instances where unpredictable hazardous or critical incidents demand the need for the campus chief of police, their designee, or an incident commander to authorize tools or equipment to be used in a manner not outlined within this policy. In determining the appropriateness of utilizing a tool or piece of equipment not outlined within this policy, the totality of the circumstances, public safety, officer safety, civil rights, and information available at the time will be influential factors used.

It is incumbent upon the campus chief of police, their designee, incident commanders, supervisors, individual officers, and specific units to recognize the circumstances where these tools and equipment should be employed to enhance the safety of the public and officers, and to bring a hazardous or critical incident to a safe resolution.

706.3 REGULATED EQUIPMENT COORDINATOR

The campus chief of police shall designate a member of this department to act as the regulated equipment coordinator. The responsibilities of the regulated equipment coordinator include but are not limited to:

- (a) Acting as liaison to the governing body for matters related to the requirements of this policy.
- (b) Identifying department equipment that qualifies as regulated equipment in the current possession of the campus university police department, or the equipment the department intends to acquire that requires approval by the governing body.
- (c) Conducting an inventory of all regulated equipment at least annually.
- (d) Collaborating with any allied agency that may use regulated equipment within the jurisdiction of the campus university police department (Cal. Gov. Code § 7071)
- (e) Preparing for, scheduling, and coordinating the annual community engagement meeting to include:
- (f) Publicizing the details of the meeting.
- (g) Preparing for public questions regarding the department's funding, acquisition, and use of equipment.
- (h) Preparing the annual regulated equipment report for submission to the campus chief of police and ensuring that the report is made available on the department website (Cal. Gov. Code § 7072).
- (i) Establishing the procedure for a person to register a complaint or concern, or how that person may submit a question about the use of a type of regulated equipment, and how the campus university police department will respond in a timely manner following department personnel complaints policies and section 706.9 of this policy.

706.4 REGULATED EQUIPMENT AND TOOLS INVENTORY

The following regulated equipment and tools are approved for use:

- 1) Unmanned, remotely piloted, powered aerial or ground vehicles.
 - a) *Description, quantity, and capabilities:* Two (2) unmanned aircraft systems (UAS) that can be operated remotely and supply real time video surveillance. Models include a Matrice 210 Series UAS and a Mavic 2 UAS
 - b) *Lifespan:* Varies on operational usage and wear but is approximately 5 years
 - c) *Purpose and Authorized Use:* Aerial monitoring of incidents, overwatch for citizen safety and officer safety concerns; traffic and parking monitoring during large events to assist with flow of traffic into and away from campus; mutual aid for surrounding public safety agencies; and crime scene management and documentation

UAS are prohibited for use to conduct random surveillance activities; target a person based solely on actual or perceived characteristics, such as race, ethnicity, national origin, religion, sex, sexual orientation, gender identity or expression, economic status, age,

cultural group, or disability; harass, intimidate, or discriminate against any individual or group; or conduct personal business of any type.

- d) *Fiscal Impact*: \$2,500 for maintenance and training.
 - e) *Legal and Procedural Rules*: Governed by applicable CSU campus policies including those regarding time, place, and manner; First Amendment assemblies; unmanned aerial systems; allied agency or mutual aid partner policy; and 14 C.F.R Part 107, UAS Operations.
 - f) *Required Training*: Pilots must possess a pilot certificate or be under the direct supervision of a licensed operator, maintain a Federal Aviation Administration Pilot in Command (PIC) with a Part 107 license, and demonstrate the ability to navigate the operational environment during scenario-based exercises.
 - g) *Compliance*: The campus chief of police or designee is responsible for ensuring that all authorized operators have completed all required and department-approved training in the operation, applicable laws, policies, and procedures regarding use of UAS.
- 2) Command and control vehicles that are either built or modified to facilitate the operational control and direction of public safety units.
- a) *Description, quantity, and capabilities*: The CSU owns a variety of mobile command and control vehicles including:

One (1) 2007 Ford Expedition modified for use as a mobile command vehicle during critical event with locking cargo drawers in the rear which contain miscellaneous equipment including extension cords, bull horn, large first aid kit, road flares, hazmat manuals, emergency operations plan, Incident Command System (ICS) documents, building floorplans, one VHF mobile police radio, one UHF mobile police radio, command dry erase boards with misc. maps and ICS charts, power inverter, emergency lighting controls, outside shore power charging port;

One (1) 18-foot Cargo Mate Command Post Trailer containing specialized command, control, and communications equipment;

One (1) 2006 Freightliner Mt-55 mobile command center vehicle containing specialized command, control, and communications equipment

One (1) 2008, 34-foot Ford F550 RV style mobile command vehicle containing specialized command, control, and communications equipment;

One (1) 2005 Ram 3500 tow truck and a Universal Specialty Services, Inc. 2003 30-foot mobile command post trailer with emergency lighting and brakes equipped with

interoperable radio communications, computers, storage, kitchenette, and lavatory

One (1) self-contained mobile incident command vehicle containing specialized command, control, and communications equipment;

One (1) 1996 GMC P30 vehicle modified for use as a mobile command vehicle during critical event with locking cargo drawers in the rear which contain miscellaneous equipment including extension cords, bull horn, large first aid kit, road flares, hazmat manuals, emergency operations plan, Incident Command System (ICS) documents, building floorplans, one VHF mobile police radio, one UHF mobile police radio, command dry erase boards with misc. maps and ICS charts, power inverter, emergency lighting controls, outside shore power charging port;

One (1) self-contained command post trailer including specialized command, control, and communications equipment;

- b) *Lifespan*: Varies depending on milage and utilization but estimated up to 20 years
 - c) *Purpose and Authorized Use*: Back-up or secondary communications center; communication services during special events or unforeseen emergencies; mobile command post for the coordination of personnel and resources, and the management of significant events; supplement patrol vehicle fleet, display during special events, which includes crime prevention, recruitment drives, law enforcement expos, community outreach, and other events which would benefit the campus university police department or the community.
 - d) *Fiscal Impact*: \$20,000 annual maintenance and fuel
 - e) *Legal and Procedural Rules*: Governed by applicable CSU campus policies including those regarding time, place, and manner; first amendment assemblies; mobile command vehicles; emergency operations; department communications; and National Incident Management System Incident Command System (ICS) 100, 200, 300, and 400.
 - f) *Required Training*: Valid driver's license for the class of vehicle, in-service training
 - g) *Compliance*: The campus chief of police or designee is responsible to ensure the proper deployment and use
- 3) Munitions containing tear gas or oleoresin capsicum (OC), excluding standard, service-issued handheld pepper spray.
- a) *Description, quantity, and capabilities*: Less-lethal launchers propel "pepper balls" that contain powdered chemical agent that is exposed with kinetic energy impact. The CSU deploys:

Seven (7) Variable Kinetic System VKS Pepper Ball Launcher with magazine containing

15 rounds or a gravity feed hopper containing 180 rounds with a maximum effective range of 150 feet using compressed air from a HPA buttstock 13ci tank. Live-X pepper balls are 0,68 caliber sphere contain 5% PAVA (pelargonic acid vanillylamide) pepper powder;

Four (4) TPI Pepper Ball brand launchers that expend TPI-brand pepper balls containing PAVA Powder;

Four (4) FN 303 pepper ball launchers, marking rounds, and pepper ball rounds

- b) *Lifespan*: Depends on usage; launcher up to 10 years and pepper balls up to 3 years
 - c) *Purpose and Authorized Use*: Less-lethal stand-off intervention with armed and/or violent individuals or crowds, suicidal individuals, individuals believed to possess or have immediate access to a deadly weapon or driving suspects from confined spaces or vehicles.
 - d) *Fiscal Impact*: Replacement cost \$1,300 per launcher; \$8,000 annual training cost
 - e) *Legal and Procedural Rules*: Governed by applicable CSU campus policies including those regarding time, place, and manner; First Amendment assemblies; use of force; and control device and techniques, among others depending on circumstances
 - f) *Required Training*: Annual qualification to maintain proficiency
 - g) *Compliance*: The campus chief of police or designee is responsible for ensuring that all authorized operators have completed all required and approved training
- 4) Kinetic energy weapons and munitions.
- a) *Description, quantity, and capabilities*: Launcher capable of firing a variety of 40mm rounds with a maximum effective range of 5 to 120 feet. The CSU deploys:

Thirty-two (32) Defense Technology 40mm LMT with light, sling, seventeen (17) 50-meter impact rounds, sixty-six (66) extended range inertial rounds, ninety-eight (98) green marker rounds, twenty-eight (28) plastic training rounds, thirty-seven (37) CS gas rounds, and thirty (30) OC rounds

Twenty-eight (28) Remington Model 870, 12-gauge shotgun, pump action, standard grip, orange stock and fore-end, and a magazine tube holding four (4) to six (6) rounds of Defense Technology 12-gauge drag stabilized less lethal bean bag rounds consisting of a fabric sock containing lead shot contained within a standard 2 ¾ inch shot shell casing or Super Sock CTS Model 2581 less lethal rounds consisting of a fabric sock containing lead shot within a standard 2 ¾ inch shot shell casing

Six (6) FN 303® Less Lethal Launcher constructed from durable lightweight polymer with comfortable ergonomics and an easy to operate safety and is equipped with both flip-up iron sights and an integrated MIL-STD-1913 top mounting rail for optical or electronic sights or other accessories, a lightweight polymer magazine holding fifteen (15) projectiles, a clear rear cover to allow the operator to instantly verify both the payload type and the number of projectiles remaining, indelible paint projectiles and the PAVA/OC Powder projectiles

- b) *Lifespan*: Approximately ten (10) years based on operational use and wear
 - c) *Purpose and Authorized Use*: As a less-lethal use of force option with standoff capability to control a subject demonstrating assaultive behavior or life-threatening behavior, or an actively resistive subject believed to possess or have immediate access to a deadly weapon
 - d) *Fiscal Impact*: \$44,400 for maintenance and member training.
 - e) *Legal and Procedural Rules*: Governed by applicable CSU campus policies including those regarding time, place, and manner; first amendment assemblies; use of force; and control device and techniques, among others depending on circumstances; and allied agency or mutual aid partner policies.
 - f) *Required Training*: A minimum of annual or bi-annual qualification to maintain proficiency
 - g) *Compliance*: Campus chief of police or designee is responsible for ensuring that all authorized operators have completed all required and department-approved training in the operation, applicable laws, policies, and procedures
- 5) Long Range Acoustic Device (LRAD)
- a) *Description, quantity, and capabilities*: One (1) portable loudspeaker system that emits a focused and directional beam of sound.
 - b) *Lifespan*: Varies on operational usage and wear
 - c) *Purpose and Authorized Use*: Public address system to issue emergency evacuation orders, communicate with a subject during a law enforcement operation where direct communication is not possible, relay directions to a crowd in a noisy environment (e.g. unlawful assembly announcements, etc.), to move a disruptive crowd using high-intensity sound during civil unrest situations, to communicate with the community during natural disasters, or to communicate when other forms of communication are ineffective or inadequate.
 - d) *Fiscal Impact*: Estimated \$5,000 annually for training
 - e) *Legal and Procedural Rules*: Governed by applicable CSU campus policies including those regarding time, place, and manner; First Amendment assemblies; use of force; and

control device and techniques, among others depending on circumstances; and allied agency or mutual aid partner policies.

- f) *Required Training:* Bi-annual Critical Response Unit training
- g) *Compliance:* Critical Response Unit team managers, allied agencies, and mutual aid partners are responsible for ensuring that all authorized operators have completed all required and department-approved training in the operation, applicable laws, policies, and procedures

706.5 APPROVAL

The regulated equipment policy must be approved by the Board of Trustees prior to engaging in any of the following (Cal. Gov. Code § 7071):

- (a) Requesting regulated equipment made available pursuant to 10 U.S.C § 2576a.
- (b) Seeking funds for regulated equipment, including but not limited to applying for a grant, soliciting, or accepting private, local, state, or federal funds, in-kind donations, or other donations or transfers.
- (c) Acquiring regulated equipment either permanently or temporarily, including by borrowing or leasing.
- (d) Collaborating with another law enforcement agency in the deployment or other use of regulated equipment within the jurisdiction of this department.
- (e) Using any new or existing regulated equipment for a purpose, in a manner, or by a person not previously approved by the governing body.
- (f) Soliciting or responding to a proposal for, or entering into an agreement with, any other person or entity to seek funds for, apply to receive, acquire, use, or collaborate in the use of regulated equipment.
- (g) Acquiring regulated equipment through any means not provided above.

706.6 COORDINATION WITH OTHER JURISDICTIONS

Regulated equipment and tools shall not be used on a CSU campus by any department member or any other law enforcement agency or member in this jurisdiction unless the regulated equipment is approved for use in accordance with this policy.

Additional information regarding specific equipment and tools that may be utilized by another law enforcement agency within the jurisdiction of the campus university police department is available online for public viewing at the respective agency web page.

- **California State University, Bakersfield**
 - Bakersfield Police Department: <https://www.bakersfieldcity.us/257/Police>
 - Kern County Sheriff's Office: <https://www.kernsheriff.org/>

- **California State University Channel Islands**
 - Ventura County Sheriff's Office: https://s29762.pcdn.co/wp-content/uploads/2022/06/Military_Equipment.pdf
- **California State University, Chico**
 - Butte County Sheriff's Department: https://www.buttecounty.net/Portals/24/pdf/1BCSO%20AB%20481%20Policy%2004_22_22.pdf?ver=2022-04-25-080253-163
 - Chico Police Department: https://chico.ca.us/sites/main/files/file-attachments/proposed_policy_709_-_military_equipment_and_inventory.pdf?1646702442
- **California State University, Dominguez Hills**
 - Los Angeles County Sheriff's Department: <https://lasd.org/carson/>
- **California State University, East Bay**
 - Hayward Police Department: <https://www.hayward-ca.gov/police-department>
 - Alameda County Sheriff's Office: <https://www.alamedacountysheriff.org/>
- **California State University, Fresno**
 - City of Clovis Police Department: <https://cityofclovis.com/police/>
 - City of Fresno Police Department: <https://www.fresno.gov/police/>
 - Fresno County Sheriff's Office: <https://www.fresnosheriff.org/>
- **California State University, Fullerton**
 - Fullerton Police Department: <https://www.cityoffullerton.com/government/departments/police/>
 - Orange County Sheriff: <https://www.ocsheriff.gov/>
- **California State Polytechnic University, Humboldt**
 - Arcata Police Department: <https://www.cityofarcata.org/206/Police>
 - Humboldt County Sheriff's Office: <https://humboldtgov.org/2545/Sheriffs-Office>
- **California State University, Long Beach**
 - Long Beach Police Department: <https://www.longbeach.gov/police/about-the-lbpd/lbpd-ab-481/>
 - Los Angeles Sheriff's Department: <https://lasd.org>
- **California State University, Los Angeles**
 - Los Angeles Sheriff's Department: <https://lasd.org>
 - Los Angeles Police Department: <https://www.lapdonline.org/>
- **California State University Maritime Academy**
 - Vallejo Police Department: <https://vallejopd.net>
 - Solano County Sheriff's Office: <https://www.solanocounty.com/depts/sheriff/>

- **California State University, Monterey Bay**
 - Monterey County Sheriff's Office: <https://montereysheriff.org/>
 - Seaside Police department: <http://www.ci.seaside.ca.us/171/Police-Department>
 - Marina Police Department: <https://www.cityofmarina.org/17/Police-Department>
- **California State University, Northridge**
 - Los Angeles Police Department: <https://www.lapdonline.org/>
 - Los Angeles Unified School Police Department: www.laspd.com
 - Los Angeles County Sheriff's Department: www.lasd.org
- **California State Polytechnic University, Pomona**
 - Pomona Police Department:
<https://www.pomonaca.gov/government/departments/police-department?locale=en>
 - Los Angeles County Sheriff's Department: <https://lasd.org/>
- **California State University, Sacramento**
 - Sacramento County Sheriff's Office:
<https://www.sacsheriff.com/pages/transparency.php>
 - Sacramento Police Department:
<https://www.cityofsacramento.org/Police/Transparenc>
- **California State University, San Bernardino**
 - San Bernardino Police Department:
https://sbcity.org/cityhall/police_department/default.asp
 - San Bernardino Sheriff's Office: <https://wp.sbcounty.gov/sheriff/>
- **San Diego State University**
 - San Diego Police Department: <https://www.sandiego.gov/police>
 - San Diego County Sheriff's Department: <https://www.sdsheriff.gov/>
- **San Francisco State University**
 - San Francisco Police Department: <https://www.sanfranciscopolice.org>
 - San Francisco Sheriff's Office: <https://www.sfsheriff.com>
- **San José State University**
 - San José Police Department at <https://www.sjpd.org/>.
 - Santa Clara County Sheriff's Office at <https://countysheriff.sccgov.org/>
- **California Polytechnic State University, San Luis Obispo**
 - San Luis Obispo Police Department:
<https://www.slocity.org/government/departments-directory/police-department>
 - San Luis Obispo County Sheriff: <https://www.slosheriff.org/>

- **California State University, San Marcos**
 - San Diego County Sheriff's Department: <https://www.sdsheriff.gov/Home/Components/FacilityDirectory/FacilityDirectory/40/61>
- **Sonoma State University**
 - Petaluma Police Department: <https://cityofpetaluma.org/police-department-specialized-equipment/>
 - Cotati Police Department: https://www.cotaticity.org/city_hall/departments/police/police_department_policy_manual
 - Rohnert Park Department of Public Safety: https://www.rpcity.org/city_hall/departments/public_safety/police_transparency
 - Sonoma County Sheriff's Office: <https://www.sonomasheriff.org/policies-and-training>
 - Santa Rosa Police Department: <https://srcity.org/3217/Policies>
- **Stanislaus State University**
 - Turlock Police Department: <https://www.cityofturlock.org/policedepartment/>
 - Stanislaus County Sheriff's Department: <https://www.scsdonline.com/>

706.7 REPORT

Upon approval of a regulated equipment and tools policy, the campus chief of police or the authorized designee shall submit a regulated equipment and tools report to the chancellor for each type of regulated equipment and tool approved within one year of approval, and annually thereafter for as long as the regulated equipment is available for use (Cal. Gov. Code § 7072).

The campus chief of police or the authorized designee shall also make each annual regulated equipment report publicly available on the department website for as long as the regulated equipment is available for use. The report shall include all information required by Cal. Gov. Code § 7072 for the preceding calendar year for each type of regulated equipment in department inventory.

In addition, whenever regulated equipment or tools are deployed in response to an incident or event on campus, excluding for training or community engagement purposes, within seven (7) days of use the campus chief of police shall send a notice of such use to the campus president. Upon receipt of the notice, the campus president will notify the chancellor of the deployment of the regulated equipment or tools on campus.

706.8 COMMUNITY ENGAGEMENT

Within 30 days of submitting and publicly releasing the annual report described in 706.7, the campus university police department shall hold at least one well-publicized and conveniently located community engagement meeting, at which the department should discuss the report and

respond to public questions regarding the funding, acquisition, or use of regulated equipment.

706.9 PUBLIC COMPLAINTS, QUESTIONS, AND INVESTIGATIONS

In accordance with Cal. Gov. Code § 7071, members of the public may register complaints, submit questions about the use of each type of equipment subject to this policy, and procedures by which the campus university police department will respond to such matters.

Complaints related to this policy may be submitted in accordance with the campus university police department personnel complaint policy. Complaint forms and instructions are posted on the department website and in the lobby of the department. Investigations into violations may be completed in accordance with the personnel complaint policy and other applicable department policy.

Members of the public may submit questions related to the use of specific equipment subject to this policy to the Department in accordance with the California Public Records Act, Cal. Gov. Code § 6250 *et seq.*

Complaints and questions regarding the use of specific equipment subject to this policy by mutual aid or allied agency on a CSU campus will be referred to the agency that provided the aid.

AGENDA

COMMITTEE ON CAMPUS PLANNING, BUILDINGS AND GROUNDS

Meeting: 11:30 a.m., Wednesday, July 13, 2022
Glenn S. Dumke Auditorium

Larry L. Adamson, Chair
Anna Ortiz-Morfit, Vice Chair
Adam Day
Douglas Faigin
Maria Linares
Romey Sabalius
Lateefah Simon

- Consent** 1. Approval of Minutes of the Meeting of May 25, 2022, *Action*
- Discussion** 2. California State University, Northridge Affordable Student Housing Building #22 & #23 Schematic Design Approval, *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**

May 25, 2022

Members Present

Wenda Fong, Vice Chair
Larry L. Adamson
Maria Linares
Julia I. Lopez
Anna Ortiz-Morfit
Romey Sabalius

Lillian Kimbell, Chair of the Board
Jolene Koester, Interim Chancellor

Trustee Wenda Fong 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 March 23, 2022, meeting of the Committee on Campus Planning, Buildings and Grounds were approved as submitted.

California State University, Northridge Global Hispanic-Serving Institution Equity Innovation Hub Approval of Schematic Design

This presentation provided an overview and requested approval of schematic plans for the California State University, Northridge Global Hispanic-Serving Institution (HSI) Equity Innovation Hub project.

Following the presentation, the trustees asked for additional information about the partnership with Apple and if the company will fund this project, and it was explained that Apple will not fund capital requirements but instead will fund programming needs. The trustees expressed excitement and optimism about the opportunity for high school students to gain access to campus and technology, and it was asked how the University will engage future students. It was explained that Apple has helped the University to think about virtual engagement with schools, using digital devices, to encourage kids at an early age to consider careers in STEM. Finally, President Erika Beck and Apple were thanked for their work and support of this project.

The committee recommended approval of the proposed resolution (RCPBG 05-22-02).

California State University, Sacramento The Hub, Sacramento State Research Park – Certification of the Final Environmental Impact Report & Approval of the Master Plan

This presentation provided an overview and requested approval of the proposed Sacramento State Research Park Master Plan and Final Environmental Impact Report for the California State University, Sacramento.

Following the presentation, it was asked if funding goals will be reached easily. It was explained that funding goals are always challenging to reach, but with strong commitments from stakeholders, funding goals should be reached for this project.

The committee recommended approval of the proposed resolution (RCPBG 05-22-03).

California State University, Monterey Bay Master Plan Final Environmental Impact Report and Enrollment Ceiling Increase

This presentation provided an overview and requested approval of the California State University, Monterey Bay Master Plan and Final Environmental Impact Report and Enrollment Ceiling Increase.

Following the presentation, it was noted that one of the nearby cities has historically objected to virtually every campus initiative, and it was asked if there are objections about impacts other than what was presented. It was explained that the CSU met with city recently with a seemingly positive

outcome, so the CSU was surprised by late objections the city raised the day prior to the Board of Trustees meeting. It was noted that the city seems to disagree with the assessment pertaining to water issues. Additionally, it was asked why the CSU believes Marina's methodology regarding traffic measurement is not correct. It was explained that the city's approach applies to limited development with a smaller segment of scope, while the CSU believes the methodology should include all trips campuswide.

The committee recommended approval of the proposed resolution (RCPBG 05-22-04).

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

COMMITTEE ON CAMPUS PLANNING, BUILDINGS AND GROUNDS

California State University, Northridge Affordable Student Housing Building #22 & #23 Schematic Design Approval

Presentation By

Steve Relyea
Executive Vice Chancellor and
Chief Financial Officer

Erika D. Beck
President
California State University, Northridge

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, Northridge Affordable Student Housing Building #22 & #23 project.

Project

Project Delivery Method: CM@Risk
Project Architect: AC Martin
Project Construction Manager: CW Driver

Background and Scope

California State University Northridge (CSUN) proposes to design and construct two four-story residence halls. The project, Affordable Student Housing Building #22 & #23¹ will provide 21,200 assignable square feet (ASF)/30,852 GSF, and 99 beds in each building (for a total of 198 beds), and will be located in the student housing precinct, north of the existing student housing dining services, south of Lassen Street, and west of Zelzah Avenue. This project is included in the CSU application for the State's Higher Education Student Housing Grant Program (Education Code 17200) currently pending the State budget deliberations.

¹ The facility numbers on the master plan map and in the Space and Facilities Database are #177 & #178.

CSUN is a vibrant, diverse University community of 38,815 students in the heart of Los Angeles' San Fernando Valley. Fifty-nine percent of CSUN students come from traditionally underserved communities, and over 59% of CSUN undergraduate students (20,684) received federal Pell grant assistance (highest in the CSU). The median family income of a student from CSUN is \$53,300 which is \$3,000 less than the Area Median Income (AMI) for Los Angeles.

Providing affordable student housing for low-income students is envisioned as reducing the total cost of attendance, improving student graduation rates, and supporting student success. This proposed project will allow the University to provide housing to designated low-income students and bolster direct access to affordable student housing for those students in the most need. As one of the leading HSI (Hispanic-Serving Institution) designated institutions of higher education in the nation, the University's vision is to provide a model for on-campus housing access and equity for all students, regardless of income level. This project will increase access for underserved low-income students and support their success in achieving a higher education degree.

This proposed project will re-use the design of a previously constructed CSU Northridge student housing project, Building #21, built in 2014. The project will utilize the same architect, AC Martin, and leverage the previously approved architectural plans and incorporate lessons learned from the original project. Each new building will conform to the same design elements, footprint, materials, etc., with the design updated to reflect changes to the building code, including stricter energy efficiency requirements, site constraints, and changes to materials or design aspects that could be performed better in a revisited design.

This project delivery approach reduces the time needed for design in order to move more quickly to construct the project. As a result, it will reduce project costs and provide a quicker path to offer eligible students affordable on-campus housing. The project will reduce months of design time and is estimated to save significant design fees and costs associated with cost escalation.

The new student housing buildings will provide suite-style living rooms, study rooms, community kitchen space, student housing administrative space, laundry rooms, and a mail room. The project will be oriented to create a sheltered central courtyard and common area. Each of the buildings will be three stories of traditional wood frame construction over a concrete podium. Exterior building finishes will be cement-plaster with accent areas of cement board siding and metal sunshades.

The building is currently designed to achieve Leadership in Energy and Environmental Design (LEED) Gold certification. Notable sustainability features include a 144kW photovoltaic system (solar), high efficiency light fixtures with advanced lighting controls, shading via purposely designed building shades, and daylighting in rooms and common areas. The project's mechanical systems are energy efficient and optimized using energy management control systems located in each room. Additional energy efficiency measures include maximum insulation values for walls

and roofs and enhanced window performance from double-glazed windows. The design also specifies low-flow showerheads and automatic faucet shut-offs as water conservation measures. Landscape includes storm water run-off mitigation through natural filtration and diffusion as well as drought-tolerant landscaping. Sustainable measures are expected to account for more than \$40,500 in annual operational utility savings.

Timing (Estimated)

Completion of Preliminary Drawings	October 2022
Completion of Working Drawings	January 2023
Start of Construction	July 2023
Occupancy	December 2024

Basic Statistics

Gross Building Area	61,704 square feet
Assignable Building Area (CSU ²)	42,400 square feet
Net Useable Building Area (FICM ³)	57,754 square feet
Efficiency (CSU)	69 percent
Efficiency (FICM)	94 percent

Cost Estimate—California Construction Cost Index 9129⁴

Building Cost (\$688 per GSF)	\$42,495,000
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<i>Systems Breakdown</i>	<i>(\$ per GSF)</i>
a. Substructure (Foundation)	\$14.00
b. Shell (Structure and Enclosure)	\$188.76
c. Interior (Partitions and Finishes)	\$113.06
d. Services (HVAC, Plumbing, Electrical, Fire)	\$220.18
e. Built-in Equipment and Furnishings	\$13.16
g. General Requirements/Conditions and Insurance	\$139.53

Site Development	<u>\$7,121,000</u>
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Construction Cost	\$49,616,000
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² Assignable building area is based on CSU policy.

³ 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).

⁴ 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.

Fees, Contingency, Services	<u>\$17,462,000</u>
Total Project Cost (\$1,087 per GSF)	\$67,078,000
Fixtures, Furniture & Movable Equipment	<u>\$1,796,000</u>
Grand Total	<u>\$68,874,000</u>

Cost Comparison

The project's building cost of \$688 per GSF is lower than the \$789 per GSF for Long Beach Housing Expansion Phase I project approved in July 2019 and higher than the \$665 per GSF for Fullerton Student Housing Phase 4 project approved in July 2020, all adjusted to CCCI 9129. The Fullerton project is a much larger scale consisting of 600 beds and 185,284 GSF as the key factor in the lower cost per square foot compared to the proposed project.

Funding Data

The project is seeking funding from the State's Higher Education Student Housing Grant Program and will be co-funded with CSU Systemwide Revenue Bonds and campus designated capital reserves contingent upon a successful grant award and State budget deliberations. 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

The proposed project is consistent with the 2005 Master Plan and parameters considered in the Master Plan Update Final Environmental Impact Report (EIR) that was certified by Board of Trustees in February 2006. In addition, the proposed project would have no new significant environmental effects beyond those identified in the Master Plan Update Final EIR as provided in the 'Finding of Consistency Report' by Rincon Consultants, Inc. dated April 2022. Based on these findings, the project is consistent with the Master Plan Update Final EIR. No additional environmental documentation is required under CEQA.

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, Northridge Affordable Student Housing Building #22 & #23 project will benefit the California State University.

2. The project before the Board of Trustees is consistent with the project description as set forth in the previously certified Master Plan Update Final EIR.
3. 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).
4. The schematic plans for the California State University, Northridge Affordable Student Housing Buildings #22 and #23 are approved at a project cost of \$68,874,000 at CCCI 9129.

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, July 13, 2022

Presiding: Wenda Fong, Chair

11:45 a.m.* **Board of Trustees** **Dumke Auditorium**

Call to Order

Roll Call

Consent

Action 1. Approval of the Minutes of the Board of Trustees Meeting of May 24, 2022, and May 25, 2022

Action 2. Approval of Committee Resolutions as follows:

Committee on Committees

2. Amendments to Board of Trustees' Standing Committee Assignments for 2022-2023

Committee on Educational Policy

2. Recommended Amendments to Title 5 Regarding Blended Academic Programs

Committee on Institutional Advancement

2. Renaming of the University Library – California State University, Fresno
3. Naming of the Valley Children's Stadium – California State University, Fresno

Committee on University and Faculty Personnel

2. Executive Compensation: President – California State University, Monterey Bay
3. Executive Compensation: Interim President – Sonoma State University
4. Employment Policy Governing Administrator Employees' Option to Retreat
5. Employment Policy Governing Employee References
7. Executive Compensation

*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/csuo-system/board-of-trustees/Pages/default.aspx> .

Committee on Finance

4. Law Enforcement Regulated Equipment and Tools

Committee on Campus Planning, Buildings and Grounds

2. California State University, Northridge Affordable Student Housing Building #22 & #23 Schematic Design Approval

Discussion

- Action* 3. Conferral of Title of President Emeritus – Eduardo Ochoa

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**

May 24, 2022

Trustees Present

Lillian Kimbell, Chair
Wenda Fong, Vice Chair
Larry L. Adamson
Diego Arambula
Jack Clarke, Jr.
Adam Day
Douglas Faigin
Jean Picker Firstenberg
Maria Linares
Julia I. Lopez
Anna Ortiz-Morfit
Krystal Raynes
Yammilette Rodriguez
Romey Sabalius
Lateefah Simon
Jolene Koester, Interim Chancellor

Chair Lillian Kimbell called the meeting of the Board of Trustees to order.

Public Comment

In an effort to provide accessibility and flexibility for the public as the board returns to in-person meetings, all public comment took place at the beginning of open session prior to all committees.

The board heard from the following individuals who participated in-person: Lisa Pena, CSUSB; Paige Griffin, CSUSB; Robie Madrigal, CSUSB; Eric Anderson, CSUSB; Mario Baeza, San Bernardino; Edie Brown, APC (Sonoma); Emanuel Ortega, CSU San Bernardino; Parshan Khosravi, uAspire; Rose Duran, APC (San Luis Obispo); Dagoberto Argueta, APC (San Francisco); Molly Talcott, Los Angeles; Elisabeth Houston, Los Angeles; Drew Scott, Fresno;

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Melina Abdullah, Los Angeles; Leda Ramos, Los Angeles; Darrell Goode, NAACP; Heather Miller, Keeping It Sacred; and Randy Santiago, SQE (Long Beach).

The board also heard from the following individuals who participated virtually: Alexei Folger, SFSU; Rabab Abdulhadi, San Francisco State University; Margarita Islas, CSULA; Dawn McCulley, CSUEU; Tessy Reese, CSUEU; Andrea Skinner, CSUEU; Jessica Westbay, CSUEU; WALID AFIFI, University of California - Santa Barbara; Steve Roddy, USF; Denise Castro, The Education Trust--West; Catherine Hutchinson, CSUEU; Vida Samiian, California Scholars for Academic Freedom; Tomomi Kinukawa, SFSU; Adam Gottlieb, UNITE-LA; Charles Toombs, CFA President and SDSU; Kevin Wehr, San Diego; Vang Vang, Fresno; Diane Blair, Fresno; Pamela Redela, San Marcos; Ann Strahm, Stanislaus; Nena Torrez, San Bernardino; Sunny Lie, Pomona; Michelle Ramos Pellicia, San Marcos; Frances Mercer, Pomona; Sasha Perez, Campaign for College Opportunity; Steve Zeltzer, WorkWeek; and Ayako Yoshida, San Jose.

Chair's Report

Chair Kimbell's report is available online at the following link: <https://www.calstate.edu/csu-system/board-of-trustees/reports-of-the-chair/Pages/may-2022.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/may-24-2022.aspx>

Report of the Academic Senate CSU

CSU Academic Senate Chair Robert Keith Collins'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 Isaac Alferos'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's report is available online at the following link:
<https://www2.calstate.edu/impact-of-the-csu/alumni/council/board-of-trustee-reports/Pages/default.aspx>

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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**

May 25, 2022

Trustees Present

Lillian Kimbell, Chair
Wenda Fong, Vice Chair
Larry L. Adamson
Diego Arambula
Jack Clarke, Jr.
Douglas Faigin
Jean Picker Firstenberg
Maria Linares
Julia I. Lopez
Anna Ortiz-Morfit
Krystal Raynes
Yammilette Rodriguez
Romey Sabalius
Jolene Koester, Interim Chancellor
Lieutenant Governor Eleni Kounalakis

Chair Lillian Kimbell called the meeting of the Board of Trustees to order.

Consent Agenda

Chair Kimbell asked to move all the consent agenda items for approval. The minutes of the meeting of March 22, 2022, and March 23, 2022, were approved as submitted. The Board of Trustees approved the following resolutions:

COMMITTEE ON GOVERNMENTAL RELATIONS

**Sponsored State Legislation for 2022
(RGR 05-22-02)**

RESOLVED, by the Board of Trustees of the California State University, that the state legislative proposal described in this item is adopted as part of the 2022 Board of Trustees' Legislative Program.

COMMITTEE ON INSTITUTIONAL ADVANCEMENT

**Naming of Richard R. Rush Hall – California State University Channel Islands
(RIA 05-22-09)**

RESOLVED, by the Board of Trustees of the California State University, that University Hall at California State University Channel Islands be named as Richard R. Rush Hall.

**Naming of the Stater Bros. Markets Online Degree Completion Program for the Bachelor of Arts in Administration in the Jack H. Brown College of Business and Public Administration – California State University, San Bernardino
(RIA 05-22-10)**

RESOLVED, by the Board of Trustees of the California State University, that the Online Bachelor of Arts Degree in Administration at California State University, San Bernardino be named as the Stater Bros. Markets Online Degree Completion Program for the Bachelor of Arts in Administration in the Jack H. Brown College of Business and Public Administration.

COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

**Executive Compensation: Temporary Housing Allowance
(RUF 05-22-07)**

RESOLVED, by the Board of Trustees of the California State University, that effective July 1, 2022, President Eduardo M. Ochoa shall receive a temporary housing allowance of \$5,000 per month as cited in Agenda Item 2 of the Committee on University and Faculty Personnel at the May 24-25, 2022 meeting of the Board of Trustees.

COMMITTEE ON CAMPUS PLANNING, BUILDINGS AND GROUNDS

**California State University, Northridge Global Hispanic-Serving Institution Equity Innovation Hub Approval of Schematic Design
(RCPBG 05-22-02)**

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

1. The California State University, Northridge Global HSI Equity Innovation Hub project will benefit the California State University.
2. A Mitigated Negative Declaration for the California State University, Northridge, Global HSI Equity Innovation Hub was prepared in accordance with the requirements of the California Environmental Quality Act and finalized in April 2022. The project before this board is consistent with the project described and analyzed in the Mitigated Negative Declaration.
3. 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).
4. The schematic plans for the California State University, Global HSI Equity Innovation Hub are approved at a project cost of \$49,918,000 at CCCI 7528.

**California State University, Sacramento The Hub, Sacramento State Research Park – Certification of the Final Environmental Impact Report & Approval of the Master Plan
(RCPBG 05-22-03)**

RESOLVED, by the Board of Trustees of the California State University, that:

1. The Board of Trustees finds that the FEIR has been prepared in accordance with the requirements of the California Environmental Quality Act.
2. The FEIR addresses The Hub/Sacramento State Research Park Master Plan and all discretionary actions related to the project as identified in the FEIR.
3. The Board of Trustees hereby certifies the FEIR for The Hub/Sacramento State Research Park Master Plan dated April 2022.
4. Prior to the certification of the FEIR, the Board of Trustees reviewed and considered the above FEIR and found it to reflect the independent judgment of the Board of Trustees. The Board of Trustees hereby certifies the FEIR as complete and adequate and finds that it addresses all potentially significant environmental impacts of the project and fully complies with the requirements

- of CEQA. For purposes of CEQA and the State CEQA Guidelines, the administrative record includes the following:
- a. The DEIR for The Hub/Sacramento State Research Park Master Plan;
 - b. The FEIR, including comments received on the DEIR, responses to comments, and revisions to the DEIR in response to comments received;
 - c. The proceedings before the Board of Trustees relating to The Hub,/Sacramento State Research Park Master Plan, including testimony and documentary evidence introduced at such proceedings; and
 - d. All attachments, documents incorporated, and references made in the documents as specified in items (a) through (c) above.
5. This resolution is adopted pursuant to the requirements of Section 21081 of the Public Resources Code and Section 15091 of the State CEQA Guidelines, which require the Board of Trustees to make findings prior to the approval of the project.
 6. The Board of Trustees hereby adopts the CEQA Findings of Fact and Mitigation and Monitoring Program. The required mitigation measures shall be monitored and reported in accordance with the Mitigation and Monitoring Reporting Program, which meets the requirements of CEQA.
 7. The Board of Trustees hereby adopts the Statement of Overriding Considerations stating that project benefits to The California State University outweigh the remaining significant and unavoidable greenhouse gas emissions and transportation impacts.
 8. The project will benefit The California State University.
 9. The Hub/Sacramento State Research Park Master Plan, dated April 2022 is approved.
 10. The Chancellor or his designee is requested under Delegation of Authority granted by the Board of Trustees to file the Notice of Determination for the FEIR for The Hub/Sacramento State Research Park Master Plan.

**California State University, Monterey Bay Master Plan Final Environmental Impact Report and Enrollment Ceiling Increase
(RCPBG 05-22-04)**

RESOLVED, by the Board of Trustees of the California State University, that:

1. The Board of Trustees finds that the 2022 FEIR has been prepared in accordance with the requirements of the California Environmental Quality Act.
2. The FEIR addresses the proposed Master Plan revision and all discretionary actions related to the project as identified in the FEIR.

3. The Board of Trustees hereby certifies the FEIR for the California State University, Monterey Bay Master Plan revision dated May 2022.
4. Prior to the certification of the FEIR, the Board of Trustees reviewed and considered the above FEIR and found it to reflect the independent judgment of the Board of Trustees. The Board of Trustees hereby certifies the FEIR as complete and adequate and finds that it addresses all potentially significant environmental impacts of the project and fully complies with the requirements of CEQA. For purposes of CEQA and the State CEQA Guidelines, the administrative record includes the following:
 - a. The DEIR for the California State University, Monterey Bay Master Plan revision;
 - b. The FEIR, including comments received on the DEIR, responses to comments, and revisions to the FEIR in response to comments received;
 - c. The proceedings before the Board of Trustees relating to the proposed Master Plan revision, including testimony and documentary evidence introduced at such proceedings; and
 - d. All attachments, documents incorporated, and references made in the documents as specified in items (a) through (c) above.
5. This resolution is adopted pursuant to the requirements of section 21081 of the Cal. Public Resources Code and Section 15091 of the Cal. CEQA Guidelines which require the Board of Trustees to make findings prior to the approval of the project.
6. The Board of Trustees hereby adopts the CEQA Findings of Fact and Mitigation Monitoring and Reporting Program, including the mitigation measures identified therein for Agenda Item 4 of the May 24-25, 2022 meeting of the Committee on Campus Planning, Buildings and Grounds, which identifies the specific impacts of the proposed Master Plan revision and related mitigation measures, hereby incorporated by reference. The required mitigation measures shall be monitored and reported in accordance with the Mitigation Monitoring and Reporting Program, which meets the requirements of CEQA.
7. The Board of Trustees hereby adopts the Statement of Overriding Considerations stating that project benefits to the California State University outweigh the remaining significant and unavoidable noise impact.
8. The FEIR has identified one potentially significant impact that may result from implementation of the proposed Master Plan revision. However, the Board of Trustees, by adopting the Findings of Fact, finds that the inclusion of certain mitigation measures as a part of the project approval will reduce most, but not all, of these effects to less than significant levels. The operational noise impact at one off-campus location that is not reduced to a less than significant level is identified as significant and unavoidable and is overridden due to specific

- project benefits to the CSU identified in the Findings of Fact and Statement of Overriding Considerations.
9. The project will benefit The California State University.
 10. The California State University, Monterey Bay Master Plan revision dated May 2022 is approved.
 11. The chancellor or his designee is requested under Delegation of Authority granted by the Board of Trustees to file the Notice of Determination for the FEIR for the California State University, Monterey Bay Master Plan revision.

BOARD OF TRUSTEES

Approval of Board of Trustees' Standing Committee Assignments for 2022-2023 (RBOT 05-22-04)

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 2022-2023 to take effect immediately following the conclusion of the May 24-25, 2022 board meeting.

AUDIT

Lateefah Simon, Chair
Yammilette Rodriguez, Vice Chair
Jack Clarke, Jr.
Adam Day
Lillian Kimbell
Jack McGrory

CAMPUS PLANNING, BUILDINGS AND GROUNDS

Larry L. Adamson, Chair
Anna Ortiz-Morfit, Vice Chair
Adam Day
Douglas Faigin
Maria Linares
Romey Sabalius
Lateefah Simon

COLLECTIVE BARGAINING

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

EDUCATIONAL POLICY

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

FINANCE

Jack McGrory, Chair
Julia I. Lopez, Vice Chair
Larry L. Adamson
Lillian Kimbell
Anna Ortiz-Morfit
Romey Sabalius
Christopher Steinhauser

GOVERNMENTAL RELATIONS

Douglas Faigin, Chair
Maria Linares, Vice Chair
Diego Arambula
Jack McGrory
Yammilette Rodriguez
Romey Sabalius
Lateefah Simon

INSTITUTIONAL ADVANCEMENT

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

ORGANIZATION AND RULES

Jean Picker Firstenberg, Chair
Julia I. Lopez, Vice Chair
Diego Arambula
Jack Clarke, Jr.
Adam Day
Lillian Kimbell
Christopher Steinhauser

UNIVERSITY AND FACULTY

PERSONNEL

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

**Election of the Chair and Vice Chair of the Board of Trustees for 2022-2023
(RBOT 05-22-05)**

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 2022-2023 to take effect immediately following the conclusion of the May 24-25, 2022 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 2022-2023 to take effect immediately following the conclusion of the May 24-25, 2022 board meeting.

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Discussion Agenda

Conferral of Title of Trustee Emerita – Jane W. Carney

Chair Kimbell presented the action item conferring the title of Trustee Emerita on Jane W. Carney for her service, commitment and leadership to the California State University. The resolution (RBOT 05-22-06) was approved unanimously.

Conferral of Title of Student Trustee Emerita – Krystal Raynes

Chair Kimbell presented the action item conferring the title of Student Trustee Emerita on Krystal Raynes for her service, commitment and leadership to the California State University. The resolution (RBOT 05-22-07) was approved unanimously.

Conferral of Title of President Emeritus – Eduardo Ochoa

This item was postponed and will be presented at the July 2022 meeting.

BOARD OF TRUSTEES

Conferral of Title of President Emeritus – Eduardo Ochoa

Presentation By

Jolene Koester
Interim Chancellor

Summary

It is recommended that President Eduardo Ochoa, upon his retirement, be conferred the title of President Emeritus for his many years of dedicated service to California State University, Monterey Bay and the California State University. The granting of emeritus status carries the title but no compensation.

The following resolution is recommended for approval:

RESOLVED, by the Board of Trustees of the California State University, that this board confers the title of President Emeritus on President Eduardo Ochoa, with all the rights and privileges thereto.