

**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  
March 18-20, 2019**

<b>Time*</b>	<b>Committee</b>	<b>Location<sup>1</sup></b>
<b><i>MONDAY, MARCH 18, 2019</i></b>		
<b>7:30 a.m.</b>	<b><u>Call to Order</u></b>	
<b>7:30 a.m.</b>	<b><u>Board of Trustees—Closed Session</u> Executive Personnel Matters Government Code §11126(a)(1)</b>	<b>Hilton Long Beach</b>
<b><i>TUESDAY, MARCH 19, 2019</i></b>		
<b>8:30 a.m.</b>	<b><u>Board of Trustees—Closed Session</u> Executive Personnel Matters Government Code §11126(a)(1)  Pending Litigation Government Code §11126(e)(1) City of Hayward v. CSU Mandel, et al. v. CSU Volk, et al. v. CSU Abdulahadi v. CSU</b>	<b>Munitz Conference Room</b>
<b>9:30 a.m.</b>	<b><u>Committee on Collective Bargaining—Closed Session</u> Government Code §3596(d)</b>	<b>Munitz Conference Room</b>

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

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**TUESDAY, MARCH 19, 2019 (cont.)**

**10:00 a.m. Committee on Collective Bargaining—Open Session**

**Consent**

*Action* 1. Approval of Minutes

**Discussion**

*Action* 2. Adoption of Initial Proposals for a Successor Collective Bargaining Agreement with Bargaining Unit 13, the English Language Program at Los Angeles

*Action* 3. Adoption of Initial Proposals for a Successor Collective Bargaining Agreement with Bargaining Unit 14, the English Language Program at Monterey Bay

**10:30 a.m. Committee on Campus Planning, Buildings and Grounds**

**Consent**

*Action* 1. Approval of Minutes

*Action* 2. Categories and Criteria for the Five-Year Plan

**Discussion**

*Information* 3. Campus Emergency Preparedness and Response

**11:15 a.m. Committee on Finance**

**Consent**

*Action* 1. Approval of Minutes

*Information* 2. California State University Quarterly Investment Report

*Information* 3. California State University Annual Debt Report

**Discussion**

*Information* 4. University Operational Effectiveness Initiatives

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

**1:00 p.m. Committee on Audit**

**Consent**

*Action* 1. Approval of Minutes

*Information* 2. Status Report on Current and Follow-up Internal Audit Assignments

**Discussion**

*Information* 3. Report of the Systemwide Financial Statements and Single Audit of Federal Awards Including the Report to Management

*Action* 4. Individual Consequences for Intentional Fiscal Improprieties at the CSU

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**TUESDAY, MARCH 19, 2019 (cont.)**

**1:45 p.m. Committee on Governmental Relations**

**Consent**

*Action* 1. Approval of Minutes

**Discussion**

*Information* 2. State Legislative Update

**2:30 p.m. Committee on Educational Policy**

**Consent**

*Action* 1. Approval of Minutes

*Action* 2. Academic Planning

**Discussion**

*Information* 3. Academic Preparation

*Information* 4. Student Financial Aid

*Information* 5. External Partnerships

**WEDNESDAY, MARCH 20, 2019**

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

**Consent**

*Action* 1. Approval of Minutes

**Discussion**

*Action* 2. Executive Compensation: President – California State University, Fullerton

*Action* 3. Executive Compensation: President – California State University San Marcos

*Action* 4. Approval of Recommended Revisions of Title 5, California Code of Regulations, Article 4.2, Catastrophic Leave Donation Program

*Action* 5. Recommended Amendment to Presidential Selection Policy

**9:20 a.m. Committee on Organization and Rules**

**Consent**

*Action* 1. Approval of Minutes

*Action* 2. Approval of the California State University Board of Trustees Meeting Dates for 2020

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**WEDNESDAY, MARCH 20, 2019 (cont.)**

**9:30 a.m. Committee of the Whole**

**Consent**

- Action* 1. Approval of Minutes
- Action* 2. Appointment of Five Members to the Committee on Committees for 2019-2020

*Information* 3. General Counsel’s Annual Litigation Report

**Discussion**

- Action* 4. Conferral of the Title of Trustee Emeritus—James Lawrence Norton

**10:00 a.m. Board of Trustees**

**Call to Order**

**Roll Call**

**Public Speakers**

**Chair’s Report**

**Chancellor’s Report**

**Report of the Academic Senate CSU: *Chair—Catherine Nelson***

**Report of the California State Student Association: *President— Mia Kagianas***

**Report of the California State University Alumni Council: *President—Manolo P.***

***Morales***

**Consent**

- Action* 1. Approval of the Minutes of the Board of Trustees Meeting of January 23, 2019
- Action* 2. Approval of Committee Resolutions as follows:

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

- 2. Categories and Criteria for the Five-Year Plan

**Committee on Educational Policy**

- 2. Academic Planning

**Committee on University and Faculty Personnel**

- 2. Executive Compensation: President – California State University, Fullerton
- 3. Executive Compensation: President – California State University San Marcos
- 4. Approval of Recommended Revisions of Title 5, California Code of Regulations, Article 4.2, Catastrophic Leave Donation Program
- 5. Recommended Amendment to Presidential Selection Policy

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**Committee on Organization and Rules**

2. Approval of the California State University Board of Trustees Meeting Dates for 2020

**Committee of the Whole**

2. Appointment of Five Members to the Committee on Committees for 2019-2020
4. Conferral of the Title of Trustee Emeritus—James Lawrence Norton

**11:30 a.m.     Board of Trustees—Closed Session**  
Executive Personnel Matters  
Government Code §11126(a)(1)

**Munitz Conference Room**

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## Addressing the Board of Trustees

Members of the public are welcome to address the Board of Trustees. Every committee provides an opportunity for members of the public to directly address the committee on each agenda item before or during the committee's discussion or consideration of the item. Comments made at committee meetings must relate to an item on the committee's agenda. Members of the public may also address the full Board of Trustees during the plenary session on any non-agendized topic that is related to the University. The public may also address the full board on agenda items, but only if an opportunity to address the agenda item was not provided when it came before the relevant committee, or if the agenda item has substantially changed since the committee heard the item. Written comments are also welcome and will be distributed to the members of the board. The purpose of public comments is to provide information to the board, and not to evoke an exchange with board members. Questions that board members may have resulting from public comments will be referred to appropriate staff for response.

Members of the public wishing to speak must provide written or electronic notice to the Trustee Secretariat no later than **the working day before the committee or board meeting** at which they desire to speak. The notice should identify the agenda item the speaker wishes to address, or if the speaker wishes to address the full Board in the plenary session, the notice should state the subject of the intended presentation.

In fairness to all speakers who wish to speak, and to allow the committees and Board to hear from as many speakers as possible, while at the same time conducting the public business of their meetings within the time available, the committee or board chair will determine and announce reasonable restrictions upon the time for each speaker, and may ask multiple speakers on the same topic to limit their presentations. In most instances, speakers will be limited to no more than three minutes. Ceding, pooling or yielding remaining time to other speakers is not permitted. The totality of time allotted for public comment at the board meeting will be 30 minutes, and speakers will be scheduled for appropriate time in accord with the numbers that sign up. Speakers are requested to make the best use of the public comment opportunity and to follow the rules established.

**Note:** Anyone wishing to address the Board of Trustees, who needs any special accommodation, should contact the Trustee Secretariat at least 48 hours in advance of the meeting so appropriate arrangements can be made.

Trustee Secretariat  
Office of the Chancellor  
401 Golden Shore  
Long Beach, CA 90802  
Phone: 562-951-4020  
Fax: 562-951-4949  
E-mail: [trusteesecretariat@calstate.edu](mailto:trusteesecretariat@calstate.edu)

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## AGENDA

### COMMITTEE ON COLLECTIVE BARGAINING

**Meeting: 9:30 a.m., Tuesday, March 19, 2019**  
**Munitz Conference Room—Closed Session**  
**Government Code §3596(d)**

**10:00 a.m., Tuesday, March 19, 2019**  
**Glenn S. Dumke Auditorium —Open Session**

Lateefah Simon, Chair  
John Nilon, Vice Chair  
Silas H. Abrego  
Emily Hinton  
Thelma Meléndez de Santa Ana  
J. Lawrence Norton  
Peter J. Taylor

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

- Consent** 1. Approval of Minutes of the Meeting of November 14, 2018, *Action*
- Discussion** 2. Adoption of Initial Proposals for a Successor Collective Bargaining Agreement with Bargaining Unit 13, the English Language Program at Los Angeles, *Action*
3. Adoption of Initial Proposals for a Successor Collective Bargaining Agreement with Bargaining Unit 14, the English Language Program at Monterey Bay, *Action*

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

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

**November 14, 2018**

**Members Present**

Lateefah Simon, Chair  
John Nilon, Vice Chair  
Silas H. Abrego  
J. Lawrence Norton  
Emily Hinton  
Peter J. Taylor  
Adam Day, Chairman of the Board  
Timothy P. White, Chancellor

Chair Simon called the Committee on Collective Bargaining to order.

**Approval of Minutes**

The minutes of the September 11, 2018 meeting were approved as submitted.

**Presentation of Action Item**

Vice Chancellor Evelyn Nazario presented the ratification of the successor collective bargaining agreement with Bargaining Unit 11, the United Auto Workers (UAW), Local 4123 (Agenda Item 2).

The tentative agreement has been ratified by the membership of the union and will run until September 30, 2020.

The highlights of the tentative agreements were: Teaching Associates and Graduate Assistants will receive a 3% GSI retroactive July 1, 2018, and July 1, 2019. The Instructional Student Assistants will also receive a GSI effective July 1, 2018, and July 1, 2019. A ten year vesting for full retiree medical and dental for new employees hired after July 1, 2019, was also part of the tentative agreement.



## **Discussion**

Trustee Sabalius asked if any of the teaching associates or graduate assistants stay around for 10 years and that the increase in vesting would eliminate these benefits for almost all of them.

Vice Chancellor Nazario responded by saying that we need to identify the individuals and whether they stay on in the CSU either teaching or entering in a different capacity. The CSU currently does not track this information, but may in the future.

Trustee Sabalius then asked if the benefits are transferable after the teaching associates or graduate assistant graduates. Vice Chancellor Nazario's responded, "Absolutely."

After Chair Simon asked for a motion, receiving the motion and a second, Trustee Faigin asked if it is only the Collective Bargaining Committee members who are only eligible to vote and it does not go to the whole Board.

Chair Simon responded that it is her understanding and Chairman Day confirmed.

## **Public Speakers**

The committee heard from 7 public speakers who spoke on various topics.

## **Action Items**

The committee then unanimously approved the following action items:

1. Approval of Minutes of the Meeting of November 14, 2018.
2. Ratification of the Successor Collective Bargaining Agreement with Bargaining Unit 11, the United Auto Workers (UAW).

Chair Simon then adjourned the committee meeting.

**COMMITTEE ON COLLECTIVE BARGAINING**

**Adoption of Initial Proposals for a Successor Collective Bargaining Agreement with Bargaining Unit 13, the English Language Program at Los Angeles**

**Presentation By**

Evelyn Nazario  
Vice Chancellor  
Human Resources

**Summary**

The initial proposals for a successor collective bargaining agreement between the California State University and Bargaining Unit 13, the English Language Program at Los Angeles, will be presented to the Board of Trustees for adoption.

**Recommended Action**

The following resolution is recommended for adoption:

**RESOLVED**, by the Board of Trustees of the California State University, that the initial proposals for a successor collective bargaining agreement between the California State University and Bargaining Unit 13, the English Language Program at Los Angeles is hereby adopted.

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

**Between**

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

**And**

**Bargaining Unit 13**  
**California State University Employees Union**

**February 2019**

**Bargaining Unit 13**  
**2019 Successor Agreement Negotiations**  
**California State University Bargaining Proposals**

**ARTICLE 24 – Duration and Implementation**

The CSU will make proposals to amend in relation to duration and implementation.

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



January 28, 2019

**SENT BY U.S. MAIL & E-MAIL**

John Swarbrick  
Chief Negotiator & Senior Labor Relations Advisory  
The California State University, Office of the Chancellor  
401 Golden Shore, 4th Floor  
Long Beach, CA 90802-4210  
[jswarbrick@calstate.edu](mailto:jswarbrick@calstate.edu)

**Re: Initial Proposals for CSUEU Bargaining Unit 13**

Dear Mr. Swarbrick:

Attached to this letter you will find the California State University Employees Union's (CSUEU) initial proposals for Bargaining Unit 13. These proposals are made in accordance with Government Code §3595 and Article 29, Section 29.2, of the current Collective Bargaining Agreement between the parties. CSUEU reserves the right to add to, modify or delete these proposals and to introduce new proposals in the course of negotiations.

We look forward to meeting with you and your team in the near future.

Sincerely,

Neil Jacklin  
CSUEU President

Enclosure

cc: Alexandra Soluk, Labor Relations Representative  
Roxana "Rocky" Sanchez, CSUEU Vice President for Representation  
Brian Bennett, CSUEU Bargaining Unit 13 Bargaining Team

s:\csueu\bargaining2019 - unit 13\1-28-2019 initial proposals for csueu bu 13 to john swarbrick.doc

**Initial Proposal to the CSU for CSUEU's Bargaining Unit 13  
January 28, 2019**

Pursuant to Article 24 of the Collective Bargaining Agreement for Bargaining Unit 13 between the California State University Employees Union (CSUEU or Union) and the Board of Trustees of the California State University (CSU), CSUEU presents this list of initial proposals to commence bargaining for a successor agreement between the parties that is set to expire on June 30,2019.

**CSUEU reserves the right to add to, modify or delete these proposals and to introduce new proposals during the course of negotiations.**

Article 15: Salary and Schedule

- The Union will propose amendments to the semester teaching schedule.
- The Union will propose salary for Core Instructors

Article 17: Professional Development

- The Union will propose amendments to improve access to job-related training and career development opportunities.

Article 24: Duration and Implementation

**COMMITTEE ON COLLECTIVE BARGAINING**

**Adoption of Initial Proposals for a Successor Collective Bargaining Agreement with Bargaining Unit 14, the English Language Program at Monterey Bay**

**Presentation By**

Evelyn Nazario  
Vice Chancellor  
Human Resources

**Summary**

The initial proposals for a successor collective bargaining agreement between the California State University and Bargaining Unit 14, the English Language Program at Monterey Bay, will be presented to the Board of Trustees for adoption.

**Recommended Action**

The following resolution is recommended for adoption:

**RESOLVED**, by the Board of Trustees of the California State University, that the initial proposals for a successor collective bargaining agreement between the California State University and Bargaining Unit 14, the English Language Program at Monterey Bay is hereby adopted.

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

**Between**

**The Board of Trustees**  
**Of**  
**The California State University**  
**And**  
**Bargaining Unit 14**  
**California State University Employees Union**

**January 2019**



**Bargaining Unit 14**  
**2019 Successor Agreement Negotiations**  
**California State University Bargaining**  
**Proposals**

**ARTICLE 2 – Definitions**

The CSU will make proposals to the existing definitions with the purpose of improving operational effectiveness and clarity.

**ARTICLE 5 – Union Rights**

The CSU will make proposals to amend in relation to union security and leave.

**ARTICLE 7 – Grievance Procedure**

The CSU will make proposals to amend in relation to the grievance procedure to increase operational efficiency.

**ARTICLE 8 – Employee Status**

The CSU will make proposals to amend in relation to employee status.

**ARTICLE 16 – Wage and Responsibilities**

The CSU will make proposals related to wages and responsibilities.

**ARTICLE 19 – Non-Discrimination**

The CSU will make proposals to bring the contract language into alignment with current executive orders regarding non-discrimination.

**ARTICLE 22 – Duration and Implementation**

The CSU will make proposals to amend in relation to duration and implementation.

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

The California State University Employees' Union's  
Initial Collective Bargaining  
Proposals  
Between  
The Board of Trustees  
Of  
The California State University  
And  
Bargaining Unit 14  
California State University Employees Union  
February 2019

Bargaining Unit 14

2019 Successor Agreement Negotiations

California State University Employees' Union Bargaining Proposals

ARTICLE 2 – Definitions

CSUEU will make proposals for improvements to help clarify intent of language.

ARTICLE 3 – Management Rights

CSUEU will make proposals to allow for greater harmonious relations between CSUEU and CSU.

ARTICLE 8 – Employee Status

CSUEU will make proposals to help ensure that procedures in this section are better defined so as to be more easily followed by all parties involved.

ARTICLE 16 – Wages and Responsibility

CSUEU will make proposals surrounding wages and responsibilities.

ARTICLE 19 – Non-Discrimination

CSUEU will propose language clarifying the ability of individuals to utilize other state agencies when filing a whistleblower complaint and/or retaliation in deference to current policy seemingly to solely allow filing through executive orders 929 and 1058.

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

## AGENDA

### COMMITTEE ON CAMPUS PLANNING, BUILDINGS AND GROUNDS

**Meeting:** 10:30 a.m., Tuesday, March 19, 2019  
Glenn S. Dumke Auditorium

Rebecca D. Eisen, Chair  
Romey Sabalius, Vice Chair  
Jane W. Carney  
Wenda Fong  
John Nilon  
Christopher Steinhauser  
Peter J. Taylor

- Consent** 1. Approval of Minutes of the Meeting of January 22, 2019, *Action*  
2. Categories and Criteria for the Five-Year Plan, *Action*
- Discussion** 3. Campus Emergency Preparedness and Response, *Information*

**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 Conference Center  
401 Golden Shore  
Long Beach, California**

**January 22, 2019**

**Members Present**

Rebecca D. Eisen, Chair  
Romey Sabalius, Vice Chair  
Jane W. Carney  
Wenda Fong  
John Nilon  
Peter J. Taylor  
Adam Day, Chairman of the Board  
Timothy P. White, Chancellor

Trustee Rebecca D. Eisen called the meeting to order.

**Public Speakers**

Public comment was made relating to parking demand on the California State University, Los Angeles campus.

**Consent Agenda**

The minutes of the November 13, 2018 meeting of the Committee on Campus Planning, Buildings and Grounds were approved as submitted.

**California Polytechnic State University, San Luis Obispo—Science and Agriculture  
Teaching and Research Complex**

Information about the proposed Science and Agriculture Teaching and Research Complex at Cal Poly San Luis Obispo was presented.

Following the presentation the trustees asked questions about the sources of funding for the project. The committee recommended approval of the proposed resolution (RCPBG 01-19-01).

Trustee Eisen adjourned the meeting.

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

### **Categories and Criteria for the Five-Year Plan**

#### **Presentation By**

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

#### **Summary**

The California State University Board of Trustees has typically annually adopted categories and criteria used to set priorities for academic project requests in the Capital Outlay Program. In light of the minor changes that have been made to the categories and criteria over the last ten or more years, it is proposed that the Categories and Criteria be approved for application in preparing the Five-Year Plan without regard to the fiscal year the plan is proposed for the Board of Trustees' consideration. If adopted by the Board of Trustees, the proposed Categories and Criteria for the Five-Year Plan will remain in place for the development of future budget requests and return to the board only for approval of significant changes.

The proposed changes to the categories and criteria approved by the Board of Trustees last year for the 2019-2020 through 2023-2024 program development are shown in Attachment A using *italics* and ~~strike through~~ to denote changes.

#### **General**

Priorities will be determined based upon the strategic needs of the system in consideration of existing deficiencies in the type, amount and/or condition of campus space to serve the academic master plan. Priority will be given to projects that address critical infrastructure deficiencies. Projects to modernize existing facilities or construct new replacement buildings in response to academic needs or enrollment demand will be considered on a case-by-case basis. Campuses are encouraged to identify funding sources for projects to receive priority consideration, however, such funding will not guarantee a higher prioritization for the project based on the strategic needs of the system.

#### **Proposed Changes**

Attachment A contains the proposed categories and criteria for the Five-Year Plan.

**Recommendation**

The following resolution is presented for approval:

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

1. The Categories and Criteria for the Five-Year Plan in Attachment A of Agenda Item 2 of the March 18-20, 2019 meeting of the Committee on Campus Planning, Buildings and Grounds be approved; and
2. The chancellor is directed to use these categories and criteria to prepare the Five-Year Plan for 2020-2021 through 2024-2025, and thereafter.
3. Any significant changes to the categories and criteria used for the capital improvement program priority setting needed or recommended in the future will return to the board for consideration.



## **Categories and Criteria to Set Capital Program Priorities**

### **General Criteria**

Capital priorities will be determined based upon the strategic needs of the system in consideration of existing deficiencies of campus space to serve the academic master plan. Priority will be given to projects that address critical seismic and infrastructure deficiencies, including fire life safety, utility infrastructure critical to campuswide operations, reductions in GHG emissions, and ~~capital~~ deferred renewal in existing facilities. Projects to modernize existing facilities or construct new replacement buildings in response to academic needs or enrollment demand will be considered on a case-by-case basis. Campuses are encouraged to identify funding sources for projects that reduce total project financing costs to receive priority consideration; however, additional funding does not guarantee a higher prioritization for the project based on the strategic needs of the system.

A campus may submit a maximum of one major debt financed academic facility or academic support project for the action year. Up to three academic projects and three self-support projects per year can be proposed for the remaining four planning years, including health and safety projects. This approach aims to encourage campuses to identify their facility needs and not impose a one-project limit across all five years that may inadvertently understate the true funding level needed for academic and self-support project funding.

Projects submitted for inclusion in the Systemwide Infrastructure Improvement program, equipment, seismic strengthening, donor-funded projects, certain public-private-partnerships, and reserve-funded projects are excluded from the project limits. Exceptions to these limits will also be considered on an individual project basis. Seismic strengthening projects will be prioritized according to recommendations from the CSU Seismic Review Board.

Approval of multi-phase projects may require the project funding to be allocated over more than one year. Campuses are encouraged to use designated capital reserves to co-fund projects. Campus requests for preliminary plans, working drawings, and construction (PWC) lump sum funding will be considered on an individual project basis based on its complexity, scope, schedule, and the availability of campus funds to co-fund the project.

Current Board of Trustee-approved campus physical master plan enrollment ceilings apply to on-campus seat enrollment only. These numbers are to be used as the basis of comparison for justifying capital projects that address enrollment demand to be accommodated on campus. Enrollment estimates that exceed these figures should be accommodated through distributed learning, state-supported summer session, and other off-campus instructional means. Campus utilization of space, along with relative deficits of space, demand for space and/or deficiencies of space will also be considered.

### **Individual Categories and Criteria**

Projects will be placed within each category based on the established criteria and predominant purpose of the project.

## **I. Existing Facilities/Infrastructure**

### **A. Critical Infrastructure Deficiencies – CD (Critical Deficiencies)**

These projects correct structural and health and safety code deficiencies by addressing fire and life safety problems and promoting code compliance in existing facilities. Projects include seismic strengthening, correcting building code deficiencies and failing infrastructure, and addressing regulatory changes which impact campus facilities or equipment. This category also includes the systemwide Infrastructure Improvements program.

### **B. Modernization/Renovation – FIM (Facilities Infrastructure/Modernization)**

These projects modernize existing facilities or construct new replacement buildings in response to academic and support program needs; and replace utility services/building systems to improve facilities and the campus infrastructure. This category includes group II equipment (furnishings) to make remodeled and replacement facilities operable.

## **II. Growth/New Facilities – ECP (Enrollment/Caseload/Population)**

These funds eliminate instructional and support deficiencies to support campus growth, including new buildings and their group II equipment, additions, land acquisitions, and site/infrastructure development.

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

**Campus Emergency Preparedness and Response**

**Presentation By**

Steve Relyea  
Executive Vice Chancellor and  
Chief Financial Officer

Erika D. Beck  
President  
CSU Channel Islands

Gayle E. Hutchinson  
President  
CSU Chico

Judy K. Sakaki  
President  
Sonoma State University

Michael P. Redmond  
Assistant Vice Chancellor  
Business and Finance Operations Support

Elvyra F. San Juan  
Assistant Vice Chancellor  
Capital Planning, Buildings and Grounds

**Summary**

This item provides an overview of the California State University's strategies to prepare for emergencies. Reports from CSU Channel Islands, CSU Chico, and Sonoma State on their recent emergency experiences, and next steps to improve CSU readiness will be presented at the March 18-20, 2019 meeting of the Committee on Campus Planning, Buildings, and Grounds. Campus and Chancellor's Office emergency preparedness plans are activated whenever a natural disaster or hazardous conditions reaches proportions beyond the capacity of routine operations. CSU continues to develop and implement proactive strategies to safeguard the campus community.

## **Background**

Campus Emergency Operations Centers (EOC) are activated upon identification of an impending or existing emergency that may affect a campus, multiples campuses, or surrounding area. Often, all departments are required to contribute to an overall emergency response. The CSU organizes its emergency teams following the Incident Command System (ICS) which is an essential component of both the State Standardized Emergency Management System (SEMS) and the National Incident Management System (NIMS). ICS provides a nationally recognized and proven system to coordinate activities during a disaster, emergency, or continuity event, and in response to any kind of threat or hazard. The CSU follows the National Preparedness Goal mission areas that encompass prevention, protection, mitigation, response, and recovery. To achieve these goals, EOCs are staffed and operated in a manner appropriate for the demands of the event. When activated, the EOC guides emergency response and transitions to continuity in business operations after the emergency. When the response to an emergency exceeds campus capability or resources, other CSU campuses and the Chancellor's Office may assist along with local, state, and federal authorities if available.

Specific measures taken by the CSU to ensure the best response to emergencies, include:

- Requiring campuses and the Chancellor's Office to prepare emergency management plans, including supporting tools, checklists, and reference materials. The plans include specific hazards that have the potential to occur, i.e. planning for earthquakes or weapons on campus.
- Preparation of campus training and exercise plans to ensure that EOC team members know their roles and to test/improve emergency planning, processes, and capabilities.
- Commitment of law enforcement support for emergencies and incidents, including a Critical Response Unit (CRU) consisting of university police officers from every campus ready and able to maintain security/mitigate disturbances associated with events.
- Establishment of a systemwide virtual EOC that provides situational awareness for CSU leadership and enables coordination of support.
- Collaboration and coordination of campus staff across the system during emergencies such as; emergency managers, risk managers, environmental, health and safety officers, facilities and communications personnel, health professionals, etc.
- Mutual Aid agreements with local and state agencies, including the State Office of Emergency Services (Cal OES) and Federal Emergency Management Agency (FEMA).

- Establishment of contracts for essential services and supplies in the event of an incident, i.e. assistance from national experts; emergency response contractors and property restoration providers; ready psychological and counseling support for campuses.
- Annual review of facility fire safety compliance. Installation of fire sprinklers and alarms connected to centralized systems. Upgrading of water distribution systems.
- Continual progress on seismically strengthening facilities. Maintains an emergency response plan for seismic evaluation. Participating in State Earthquake Early Warning System (EEWS) Development (via Cal OES). The group is evaluating mass notification schemes of an eminent seismic event and the technical limitations involved.

### **Next Steps**

To further improve our readiness based on recent emergencies, information is being gathered from the Sonoma, Channel Islands, and Chico campuses. The lessons learned will be used to update vulnerability assessments at other campuses. The goal is to identify how to better adapt campuses to natural disasters like increased fire risks, update campus vulnerability assessments and work to improve our ability to withstand potential future natural disasters.

## AGENDA

### COMMITTEE ON FINANCE

**Meeting:** 11:15 a.m., Tuesday, March 19, 2019  
Glenn S. Dumke Auditorium

John Nilon, Chair  
Peter J. Taylor, Vice Chair  
Jane W. Carney  
Douglas Faigin  
Emily Hinton  
Jack McGrory  
Hugo N. Morales  
Lateefah Simon  
Christopher Steinhauser

- Consent**
1. Approval of Minutes of the Meeting of January 22, 2019, *Action*
  2. California State University Quarterly Investment Report, *Information*
  3. California State University Annual Debt Report, *Information*
- Discussion**
4. University Operational Effectiveness Initiatives, *Information*

**MINUTES OF THE MEETING OF THE  
COMMITTEE ON FINANCE**

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

**January 22, 2019**

**Members Present**

John Nilon, Chair  
Peter J. Taylor, Vice Chair  
Jane W. Carney  
Douglas Faigin  
Emily Hinton  
Jack McGrory  
Lateefah Simon  
Adam Day, Chairman of the Board  
Timothy P. White, Chancellor

Trustee John Nilon called the meeting to order.

**Public Comment**

Four public comments were received regarding successful advocacy efforts that resulted in additional funding for the CSU and the need for additional funding for mental health services.

**Consent Agenda**

The minutes of the November 13, 2018 meeting of the Committee on Finance were approved as submitted.

**2019-2020 Operating Budget Update**

An update on the governor's proposal to allocate \$562 million to the CSU for the 2019-2020 Operating Budget was provided.

Fin.

Agenda Item 1

March 18-20, 2019

Page 2 of 2

Following the presentation, the trustees expressed gratitude to CSU students, faculty, staff, and administration for their collective advocacy efforts, and to Governor Newsom for making the CSU a priority in his proposed budget. They asked questions about funding alternatives to address mental health and program impactions.

Trustee Nilon adjourned the meeting on Finance Committee.



## **COMMITTEE ON FINANCE**

### **California State University Quarterly Investment Report**

#### **Presentation By**

Steve Relyea  
Executive Vice Chancellor and  
Chief Financial Officer

Robert Eaton  
Assistant Vice Chancellor  
Financing, Treasury, and Risk Management

#### **Summary**

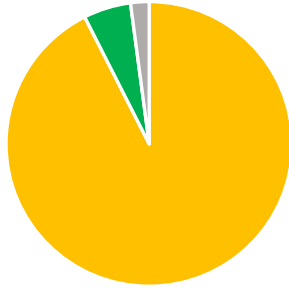
This item provides the quarterly investment report to the California State University Board of Trustees for the fiscal quarter ended September 30, 2018. The information in Attachment A provides the entire quarterly investment report regarding CSU investments as required by Education Code 89726.

#### **Background**

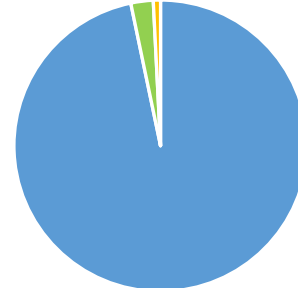
Pursuant to the California State University Master Investment Policy (included as Attachment B) CSU investments as of September 30, 2018 consisted of investments in the Liquidity Portfolio (Systemwide Investment Fund Trust or SWIFT), the Total Return Portfolio (TRP), and the State of California Surplus Money Investment Fund (SMIF). Except for amounts held at the State in SMIF, all CSU investments are held by US Bank, the custodian bank for the CSU. Neither state general fund nor CSU auxiliary funds are included in CSU investments. In addition, this report does not include approximately \$1.29 billion in bond proceeds, which by state law are required to be held by the state and are invested in SMIF.

**CSU Investments – Balances, Allocations, and Returns  
 September 30, 2018**

	<b>Balance</b>	<b>% of CSU Investments</b>	<b>Twelve Month Returns</b>
Liquidity Portfolio (SWIFT)	\$4.30 billion	92.6%	1.04%
Total Return Portfolio (TRP)	\$248 million	5.4%	5.03% <sup>1</sup>
Surplus Money Investment Fund (SMIF)	\$97 million	2.1%	1.46%
<b>CSU Investments</b>	<b>\$4.64 billion</b>	<b>100%</b>	



- Liquidity Portfolio (SWIFT) - 92.6%
- Total Return Portfolio (TRP) - 5.4%
- Surplus Money Investment Fund (SMIF) - 2.1%



- Fixed Income - 96.7%
- Equity - 2.5%
- Real Assets - 0.8%

**CSU Investment Portfolios**

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

CSU Liquidity Portfolio (Systemwide Investment Fund Trust or SWIFT)

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

The Liquidity Portfolio is managed through contracts with two investment management firms, US Bancorp Asset Management and Wells Capital Management, each of whom provides investment management services for the program. While the custodian, US Bank, holds the funds invested in

<sup>1</sup> Initial investment in the TRP was made on April 1, 2018, thus return information for the TRP is only for the six months ended September 30, 2018.

the Liquidity Portfolio, for investment management purposes additions to the portfolio are split evenly between the investment managers and invested according to permitted investments outlined in the Government Code of the State and the Liquidity Portfolio investment policy. Consistent with state law, the Liquidity Portfolio is restricted to high quality, fixed income securities.

### CSU Total Return Portfolio (TRP)

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

The purpose of the TRP is to provide opportunity for additional risk adjusted returns on CSU funds over a full market cycle. The investment objective is to achieve a prudent return within a moderate risk level.

Under State law, investment of funds in the TRP is subject to the CSU meeting certain conditions regarding investment oversight, reporting, and use of earnings, and may not be more than \$600 million as of June 2019, nor more than thirty percent of eligible CSU investments thereafter. The CSU Investment Advisory Committee (IAC), established by the Board of Trustees in September 2017, oversees the TRP and focuses on key issues such as investment policy, asset allocation, investment manager oversight, and investment performance.

The TRP investment policy provides a framework for the investment of portfolio funds in the TRP and includes the following key elements as further described in the TRP Investment Policy:

Investment Objectives	Investment Manager Selection
Spending Policy	Roles & Responsibilities
Time and Investment Horizon	Environmental, Social and Governance
Risk Tolerance	Framework
Expected Return	Risk Management
Asset Allocation	Monitoring and Control Procedures
Benchmarks	

The IAC has adopted an investment schedule for the TRP that utilizes a dollar-cost averaging approach and provides regular monthly contributions to the TRP. An initial investment of \$33.5 million was made into the TRP on April 1, 2018, with the goal of reaching the fiscal year 2018-2019 statutory limit of \$600 million in the first half of 2019. After June 30, 2019, the investment schedule will be re-assessed by the IAC and staff, as the TRP can be increased to as much as thirty percent of CSU investments at that time. The investment schedule may also be adjusted by the IAC at any time depending on market conditions. Consistent with state law and specifically, Education Code 89726, additional moneys earned through investments in the TRP shall be used only for capital outlay or maintenance and shall not be used for ongoing operations.

Given that the purpose of the TRP is to provide opportunity for additional risk adjusted returns on CSU funds, for the 6 months ending September 30, 2018, the TRP total return exceeded the Liquidity Portfolio (SWIFT) total return by 4.07% or \$2.27 million.

#### Surplus Money Investment Fund (SMIF)

The State Treasurer also provides investment vehicles that may be used for CSU funds. The Surplus Money Investment Fund (SMIF) is used by the State Treasurer to invest state funds, or funds held by the state on behalf of state agencies, in a short-term pool. In order to facilitate certain expenditures, the CSU maintains small amounts of funds with the State. The portfolio includes Certificates of Deposit, Treasuries, Commercial Paper, Corporate Bonds, and U.S. Government Agencies.

#### **Next Steps**

Staff will continue implementing the TRP investment schedule with oversight from the IAC. Staff will also begin working on developing the Intermediate Duration Portfolio, consistent with the CSU Master Investment Policy, with the goal of implementing this portfolio in the first half of 2019. The next investment report to the board is scheduled for the May 2019 meeting and will provide information on the fiscal quarter ending December 31, 2018.

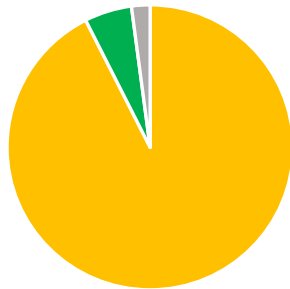
## CSU Quarterly Investment Report

### For the Quarter Ended September 30, 2018

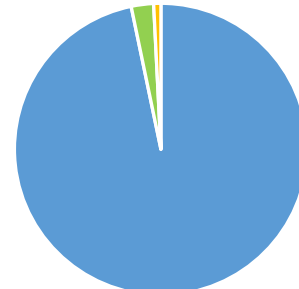
CSU investments as of September 30, 2018 consisted of investments in the CSU Liquidity Portfolio (Systemwide Investment Fund Trust or SWIFT), the Total Return Portfolio (TRP), and the State of California Surplus Money Investment Fund (SMIF). All CSU investments (except for funds invested in SMIF) are held by US Bank, the custodian bank for the CSU. Neither state general fund nor CSU auxiliary funds are included in CSU investments. In addition, this report does not include approximately \$1.29 billion in bond proceeds, which by state law are required to be held by the state and are invested in SMIF.

#### Balances and Allocations as of September 30, 2018

	<u>Balance</u>	<u>% of CSU Investments</u>
Liquidity Portfolio (SWIFT)	\$4.30 billion	92.6%
Total Return Portfolio (TRP)	\$248 million	5.4%
Surplus Money Investment Fund (SMIF)	\$97 million	2.1%
<b>CSU Investments</b>	<b>\$4.64 billion</b>	<b>100%</b>



- Liquidity Portfolio (SWIFT) - 92.6%
- Total Return Portfolio (TRP) - 5.4%
- Surplus Money Investment Fund (SMIF) - 2.1%



- Fixed Income - 96.7%
- Equity - 2.5%
- Real Assets - 0.8%

For the quarter ended September 30, 2018, direct investment management fees<sup>1</sup>, advisory, and custodial fees totaled just under \$0.57 million, or about 0.012 percent (1.2 basis points) on CSU investments total balance as of September 30, 2018.

<sup>1</sup> Direct investment management fees exclude TRP mutual fund investment management fees. TRP mutual fund investment management fees are included as mutual fund expenses and reported as a percent of total fund assets. See TRP Fund Expense Ratio (Fee) in the table on page 3.

### CSU Liquidity Portfolio (Systemwide Investment Fund Trust or SWIFT)

The purpose of the Liquidity Portfolio is to provide sufficient and immediate liquidity to meet the operating needs of the CSU. The investment objective is safety of principal and liquidity. Consistent with state law, the portfolio is restricted to high quality, fixed income securities.

	CSU Liquidity Portfolio	Benchmark <sup>2</sup>
1 Year Annualized Return <sup>3</sup>	1.04%	0.51%
3 Year Annualized Return	0.93%	0.55%
5 Year Annualized Return	0.87%	0.58%
Annualized Since Inception Return <sup>4</sup>	1.25%	1.48%
Yield	2.55%	2.67%
Duration (Years)	0.88	1.42
Average Credit Rating	AA-	Aaa/AA+

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

U.S. Government Agencies	30.73%	CD's and Cash Equivalents	7.74%
Treasuries	27.23%	Asset-Backed Securities	6.08%
U.S. Corporate Bonds	27.04%	Municipal Obligations	1.18%

### CSU Total Return Portfolio (TRP)

The purpose of the Total Return Portfolio is to provide opportunity for additional risk adjusted returns on CSU funds over a full market cycle. The investment objective is to achieve a prudent return within a moderate risk level. Consistent with state law, the TRP is invested in mutual funds subject to registration by, and under the regulatory authority of the United States Securities and Exchange Commission or in United States registered real estate investment trusts.

	CSU Total Return Portfolio	Strategic Benchmark <sup>5</sup>	Policy Benchmark <sup>6</sup>
3 Months Return	1.96%	1.39%	2.07%
6 Months Return	5.03%	2.95%	3.11%
Annualized Since Inception Return <sup>7</sup>	5.03%	2.95%	3.11%

<sup>2</sup> Benchmark for the CSU Liquidity Portfolio (SWIFT) is the Bank of America Merrill Lynch 0-3 Year Treasury Index.

<sup>3</sup> All Returns reported gross of fees and as total return, including income and gains (realized and unrealized).

<sup>4</sup> Inception Date for the CSU Liquidity Portfolio (SWIFT) was July 1, 2007.

<sup>5</sup> The TRP Strategic Benchmark is Inflation (Core Consumer Price Index) plus 4.5% per annum. The long-term rate of inflation is assumed at 2.5% per annum.

<sup>6</sup> The TRP Policy Benchmark is a blend of passive indices whose weights match the TRP target asset allocation.

<sup>7</sup> TRP Inception Date was April 1, 2018.

Given that the purpose of the TRP is to provide opportunity for additional risk adjusted returns on CSU funds, for the 6 months ending September 30, 2018, the TRP total return exceeded the Liquidity Portfolio (SWIFT) total return by 4.07% or \$2.27 million.

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

Equity Mutual Funds	46.05%
Fixed Income Mutual Funds	39.09%
Real Asset Mutual Funds	14.86%

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

Asset Class	Strategy Name	Ticker	Value (millions)	% of Total Return Portfolio	TRP Fund Expense Ratio (Fee)	Universe Median Expense Ratio (Fee)
<b>Fixed Income</b>						
	Vanguard Total Bond Market Index Fund	VBTIX	54.8	22%	0.040%	0.490%
	Vanguard Inflation-Protected Securities Fund	VIPIX	12.4	5%	0.070%	0.430%
	Lord Abbett High Yield Fund	LHYOX	14.9	6%	0.600%	0.730%
	Pacific Funds Floating Rate Income Fund	PLFRX	7.5	3%	0.720%	0.760%
	Vanguard Emerging Markets Government Bond Index Fund	VGAVX	7.5	3%	0.320%	0.860%
<b>Equity</b>						
	Vanguard Total Stock Market Index Fund	VITSX	59.4	24%	0.035%	0.800%
	Vanguard Developed Markets Index Fund	VTMNX	29.8	12%	0.060%	0.920%
	Vanguard Emerging Markets Stock Index Fund	VEMIX	25.2	10%	0.110%	1.180%
<b>Real Assets</b>						
	Vanguard Real Estate Index Fund	VGSNX	17.2	7%	0.100%	0.920%
	Vanguard Energy Index Fund	VENAX	4.9	2%	0.100%	1.010%
	Vanguard Materials Index Fund	VMIAX	4.9	2%	0.100%	1.040%
	First State Global Listed Infrastructure Fund	FLIIX	9.9	4%	0.950%	0.990%
<b>Cash</b>			0.0	0%	NA	NA
<b>Total</b>			248.3	100.00%		

**Surplus Money Investment Fund (SMIF)**

The Surplus Money Investment Fund (SMIF) is managed by the State Treasurer to invest State funds, or funds held by the State on behalf of State agencies, in a short- term pool. The portfolio includes Certificates of Deposit, Treasuries, Commercial Paper, Corporate Bonds, and U.S. Government Agencies.

<b>Apportionment Annual Yield<sup>8</sup></b>	
FYE 09/30/18	1.46%
Average (FYE 06/30/07 – FYE 09/30/18)	1.04%

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<sup>8</sup> Annual Yield calculated by CSU Treasury Operations based on the quarterly apportionment yield rates published by the State Controller's Office.





# Master Investment Policy For The California State University

Approved on November 8, 2017  
By The Board of Trustees of The California State University

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## **I. Scope and Purpose**

This California State University Master Investment Policy (“MIP”) governs the investment of California State University (“CSU”) funds. CSU investments are centrally managed on behalf of the CSU System and its campuses.

The purpose of the MIP, together with investment policies that govern individual Portfolios (as defined in Section IV) and are created pursuant to delegated authority contained herein, is to provide a framework for the investment of CSU funds consistent with the goals of the CSU Board of Trustees (the “Board”) and the educational mission of the CSU.

The MIP sets forth objectives, guidelines, and responsibilities that the Board deems to be appropriate and prudent in consideration of the needs of, and the legal requirements applicable to, the CSU’s investment program. The MIP is also intended to ensure that the Board, and any parties to whom the Board delegates authority, are fulfilling their fiduciary responsibilities in the oversight of CSU investments.

The MIP is a dynamic document and will be reviewed from time to time. The MIP will be modified, if necessary, to reflect the changing nature of the CSU’s assets and investment program, organizational objectives, and economic conditions.

## **II. Compliance with Law and Adherence to Policy**

CSU investments are to be managed in full compliance with all applicable laws, rules, and regulations from various local, state, federal, and international political entities that may impact the CSU’s assets, including but not limited to the provisions of the California Education Code and California Government Code applicable to the investment of CSU funds, and in accordance with the policy objectives, guidelines, and responsibilities expressed herein.

## **III. Background and Investment Objectives**

The investment objectives for the investment of CSU funds have been established in conjunction with a comprehensive review of current and projected financial requirements. The Board desires to provide the Chancellor, the Chancellor’s Staff, and the IAC (as defined in Section V) with the greatest possible flexibility to maximize investment opportunities. However, as agents of the Board, the Chancellor, the Chancellor’s Staff, and the IAC must recognize the fiduciary responsibility of the Board to conserve and protect the assets of the CSU investment program, and, by prudent management, prevent exposure to undue and unnecessary risk.

The following objectives shall govern the investment of CSU funds:

1. Safeguard the principal.
2. Meet the liquidity needs of the CSU.
3. Obtain the best possible return commensurate with the degree of risk the CSU is willing to assume in obtaining such return.

The Board acknowledges that these objectives may be weighted or prioritized differently for individual Portfolios depending upon the purpose of the Portfolio.

#### **IV. Investment Portfolios**

Consistent with its investment objectives, the Board has determined that CSU funds may be invested in three investment portfolios (individually, a “Portfolio” and together, the “Portfolios”) created by the CSU, with oversight by the Chancellor, the Chancellor’s Staff, and the IAC, and each with its own investment policy.

The three Portfolios and general purpose of each Portfolio are as follows:

##### **Liquidity Portfolio (Systemwide Investment Fund—Trust or “SWIFT”)**

The purpose of this Portfolio is to provide sufficient and immediate liquidity to meet the operating needs of the CSU. The investment objectives for this Portfolio shall be safety of principal and liquidity. The existing CSU Systemwide Investment Fund—Trust (SWIFT) shall serve as the Liquidity Portfolio and shall be comprised of investments authorized pursuant to California Government Code Sections 16330 or 16430.

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

The purpose of this Portfolio is to provide opportunity for modest, additional risk adjusted returns on CSU funds not needed for immediate liquidity. The investment objectives for this Portfolio shall be safety of principal, liquidity and return. The Intermediate Duration Portfolio shall be comprised of investments authorized pursuant to California Government Code Sections 16330 or 16430.

##### **Total Return Portfolio (TRP)**

The purpose of this Portfolio is to provide opportunity for additional risk adjusted returns on CSU funds over a full market cycle. The investment objectives for this Portfolio shall be to achieve a prudent total return within a moderate risk level. The Total Return Portfolio shall be comprised of investments authorized pursuant to

California Government Code Sections 16330, or 16430 or California Education Code Sections 89724 or 89725.

The acceptable allocations for the Portfolios are as follows:

<b><u>Portfolio</u></b>	<b><u>Min – Target – Max</u></b>
Liquidity – Systemwide Investment Fund Trust (“SWIFT”)	<b>5% - 20% - 100%</b>
Intermediate Duration Portfolio (“IDP”)	<b>0% - 52% - 95%</b>
Total Return Portfolio (“TRP”)	<b>0% - 28% - 30%<sup>1</sup></b>

In addition, the CSU may invest any amount (from 0% to 100%), in any California State Treasury investment option, available now, or in the future, that the IAC and the Staff deem prudent, including, but not limited to:

- Surplus Money Investment Fund (SMIF)
- Local Agency Investment Fund (LAIF)

## **V. Roles and Responsibilities**

### **Board of Trustees**

The Board assumes fiduciary responsibility to conserve and protect the investment assets of the CSU, and by prudent management, to prevent exposure to undue and unnecessary risk. However, the Board also acknowledges investments are inherently risky with risk of loss and, as such, are viewed with a long-term time horizon.

As a fiduciary, the primary responsibilities of the Board are to:

1. Maintain and approve the MIP.

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<sup>1</sup> Percentage allocations to the TRP are subject to annual phase-in restrictions through June 30, 2020 per state law.

2. Ensure that CSU investments are prudently diversified in order to obtain the best possible return commensurate with the degree of risk that the CSU is willing to assume.
3. Report annually to the California state legislature and the California Department of Finance regarding the investment of CSU funds.

The Board shall have oversight responsibility for investment of the assets and has delegated investment authority to the Chancellor, the Chancellor's Staff, and the IAC.

### **Chancellor and Chancellor's Staff**

As agents of the Board, the Chancellor, the Executive Vice Chancellor and Chief Financial Officer, the Assistant Vice Chancellor responsible for CSU investments, and their designees (the "Chancellor's Staff"), recognize the fiduciary responsibility of the Board to conserve and protect the investment assets of the CSU and, by prudent management, to prevent exposure to undue and unnecessary risk.

The Chancellor and the Chancellor's Staff are hereby authorized to establish policies and procedures to implement the provisions of this MIP, including, but not limited to, the following activities:

1. Overseeing and implementing general administrative and investment operations for the Portfolios.
2. Informing the IAC on the overall investments of the CSU and each of the Portfolios to assist the IAC in fulfilling its duties.
3. Developing and implementing policies that are suitable for achieving the strategic objectives for each Portfolio, including coordination with the IAC in developing and implementing policies for the TRP.
4. Selecting, contracting with, and monitoring third party service providers, including, but not limited to, investment advisors, investment managers, and custodians. For the TRP, such actions will be based on the recommendations of the IAC.
5. Directing the investment of funds, including the ordering of purchase and sale transactions to, from and between the Portfolios to meet investment objectives and strategic asset allocations.

6. Monitoring and reviewing the performance of the Portfolios to their stated objectives.
7. Reporting to the Board regarding the investment of CSU funds as requested, but no less than quarterly.
8. Controlling and accounting for all investment, record keeping, and administrative expenses associated with the Portfolios.
9. Identifying the need for updates, monitoring the Portfolios for legal and policy compliance, and acting on the recommendations of the IAC, as appropriate.
10. All other duties designated or delegated by the Board or the IAC.

### **Investment Advisory Committee**

As required by state law, the CSU has created an Investment Advisory Committee (the "IAC"), to provide investment advice and expertise to the Board, particularly with respect to the management of the TRP.

The IAC shall be an advisory body and shall make recommendations, as appropriate, to the Board for approval or to the Chancellor and the Chancellor's Staff for implementation. The IAC shall be responsible for overseeing all aspects of the TRP and is hereby authorized to recommend policies and procedures for the creation and implementation of the TRP, including, but not limited to, the following activities:

1. Understanding the overall investments of the CSU and each of the Portfolios as informed by the Chancellor's Staff, investment advisors and/or investment managers.
2. Developing and approving an IAC charter to establish guidelines for operations of the IAC.
3. Developing, approving, and overseeing the implementation of an investment policy statement for the TRP.
4. Reviewing and approving target asset allocations and ranges for the TRP.
5. Monitoring and reviewing the performance of the TRP to its stated objectives.
6. Prudently reviewing, selecting, monitoring, and replacing investment management firms engaged to manage the TRP's assets.
7. Monitoring and supervising all service vendors and fees for the TRP.

8. Any other investment or administrative duties deemed necessary to prudently oversee the investment program for the TRP.

### **Prudence, Ethics and Conflict of Interest**

All participants in the investment process shall act responsibly. The standard of prudence applied by the Board, the Chancellor, the Chancellor's Staff, and the IAC, as well as any external service providers, shall be the "prudent investor" rule. The "prudent investor" rule in part, states, "A trustee shall invest and manage trust assets as a prudent investor would, by considering the purposes, terms, distribution requirements, and other circumstances of the trust. In satisfying this standard, the trustee shall exercise reasonable care, skill and caution. A trustee's investment and management decisions respecting individual assets must be evaluated not in isolation but in the context of the trust portfolio as a whole and as part of an overall investment strategy having risk and return objectives reasonably suited to the trust."

Furthermore, all participants in the investment process shall use the same care, skill, prudence, and due diligence under the circumstances then prevailing that a prudent person acting in a like capacity and fully familiar with such matters would use in the conduct of an enterprise of like activities for like portfolios with like aims and in accordance and compliance and all other applicable laws, rules and regulations.

All investment personnel shall refrain from personal business activity which could create a conflict with proper execution of the investment program, or which could impair the ability to execute impartial investment decisions. All investment personnel shall disclose to the Chancellor's Staff or the IAC any material financial interests in financial institutions which conduct business within the jurisdiction and shall disclose any material financial investment positions which could be related in a conflicting manner to the performance of the Portfolios. All investment personnel shall report any potential conflicts of interest consistent with Government Code Section 87200. Further, the Chancellor shall report to the Board in writing any issues that could reflect any conflict in the performance of the Portfolios.

### **Document Acceptance of the Investment Policy Statement**

The Chancellor's Staff shall provide a copy of this MIP, and the relevant Portfolio investment policy, to each firm retained to provide investment services to the CSU and each such firm shall acknowledge in writing receipt of the document and accept its content.

## **VI. Environmental, Social and Governance Framework**



The Board acknowledges the importance of understanding the potential risks and value that environmental, social, and governance (“ESG”) factors may have on CSU investments. Therefore, the Board expects that the consideration of ESG factors shall be integrated into the investment decision processes of the CSU.

Approved:

The California State University Board of Trustees  
November 8, 2017

## **COMMITTEE ON FINANCE**

### **California State University Annual Debt Report**

#### **Presentation By**

Robert Eaton  
Assistant Vice Chancellor  
Financing, Treasury, and Risk Management

#### **Summary**

This item reports on the debt of the California State University Systemwide Revenue Bond program in accordance with the CSU Policy on Financing Activities (RFIN/CPBG 11-14-01).

#### **Background**

The Systemwide Revenue Bond (SRB) program, under the provisions and authorities of The State University Revenue Bond Act of 1947 (Education Code Sections 90010-90083), was established by the CSU Board of Trustees at its March 2002 meeting. Since the inception of the SRB program, the CSU Policy on Financing Activities has set forth the principles that serve as the basis for the SRB program and has provided the chancellor with authority to establish procedures for the management of the SRB program consistent with the board's objectives for the use of debt. The chancellor has established such procedures through the issuance of executive orders. The current CSU Policy on Financing Activities (RFIN/CPBG 11-14-01) was amended by the Board of Trustees in November 2014 and is included as Attachment A. The current executive order governing the SRB program (Executive Order 994) is included as Attachment B.

The SRB program provides capital financing for projects of the CSU approved by the trustees, including student housing, parking, student union, health center, continuing education facilities, certain auxiliary projects, and other academic facilities. Revenues from these programs and revenues approved by the trustees, including CSU operating funds, are used to meet operational requirements for the projects and to pay debt service on the debt issued to finance the projects. A strength of the SRB program is its consolidated pledge of gross revenues to the bondholders, which has resulted in strong credit ratings and low borrowing costs for the CSU.

Since the inception of the SRB program, the CSU has also issued commercial paper (CP) primarily to provide campuses with short term, lower cost capital financing on projects until long term bonds are sold. The CSU Institute, a systemwide auxiliary of the CSU, issues the CP, which is secured by Bond Anticipation Notes issued by the CSU. The CSU currently has a CP program in the amount of \$300 million, although both the board and the CSU Institute have authorized a CP program up to \$500 million. The CP program is supported by letters of credit from State Street and Wells Fargo N.A. that expire in June 2020.

### SRB and CP Portfolio Profile

As of June 30, 2018 and December 31, 2018, outstanding SRB debt of the CSU was approximately \$5.7 billion and approximately \$6.2 billion, respectively.

Key characteristics of the SRB portfolio are as follows:

Debt Ratings:	Aa2 (Moody's) AA- (Standard & Poor's)
Weighted Average Cost of Capital:	3.67%
Weighted Average Maturity:	15.1 Years
Interest Rate Mix:	96% Long Term Fixed Rate 4% Short Term Fixed Rate

As of December 31, 2018, outstanding CP was \$59.5 million at a weighted average interest rate of 1.72 percent.

### SRB Operating Performance and Debt Service Coverage Ratios

For the fiscal years ended June 30, 2016, June 30, 2017, and June 30, 2018, operating performance and debt service coverage ratios for the SRB program were as follows (amounts in millions):

	<u>June 30, 2016</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>
Operating Revenues <sup>1</sup>	\$4,852	\$4,939	\$5,250
Operating Expenses <sup>1</sup>	<u>1,502</u>	<u>1,688</u>	<u>1,794</u>
Net Revenues	3,350	3,251	3,456
Annual Debt Service	\$274	\$301	\$363
Debt Service Coverage <sup>2</sup>	<b>12.23</b>	<b>10.80</b>	<b>9.52</b>

(1) Operating Revenues and Operating Expenses reflect the addition of student tuition fee revenue to the SRB pledge of gross revenues and the addition of associated expenses, effective April 2016.

(2) The minimum benchmark for the system, as established by Executive Order 994, is 1.45.

## **Activity since the March 2018 Annual Debt Report**

### Series 2018A and Series 2018B SRB Issuance

In July 2018 the CSU issued \$663,690,000 of SRBs (Series 2018A \$492,690,000 tax-exempt and Series 2018B \$171,000,000 taxable). Of this amount, \$654,680,000 was issued for new money projects at an all-in true interest cost of 3.77 percent (3.64 percent tax-exempt and 4.14 percent taxable). The CSU also issued \$9,010,000 in bonds to refund existing SRB debt, producing net present value savings of \$1.7 million.

### Projects Approved for Financing under Delegated Authority

In March 2018, the Board of Trustees amended Section II.f. of its Standing Orders in order to delegate authority to the Chancellor to, among other things, authorize debt financing for projects valued up to \$40 million and authorize debt financing for all remodels, parking structures, and utilitarian projects, regardless of cost.

In May 2018, under this delegation of authority, the Chancellor authorized debt financing for the following two projects:

- California State University, Northridge G6 Parking Structure project with a not-to-exceed financing amount of \$30,845,000
- San Diego State University Maya Olmeca Maintenance project with a not-to-exceed financing amount of \$17,405,000

Both projects met CSU debt financing benchmarks and were included in the CSU's Series 2018A SRB issuance in July 2018.

**CSU Policy for Financing Activities**  
**Board of Trustees' Resolution**  
**RFIN/CPBG 11-14-01**

**WHEREAS**, The Board of Trustees of the California State University ("the Board" or "the Trustees") finds it appropriate and necessary to use various debt financing programs afforded to it through the methods statutorily established by the legislature, and to use to its advantage those programs available to it through debt financing by recognized auxiliary organizations of the California State University; and

**WHEREAS**, The Board recognizes the capital needs of the CSU require the optimal use of all revenues to support its academic mission; and

**WHEREAS**, The Board wishes to establish and maintain policies that provide a framework for the approval of financing transactions for the various programs that enable appropriate oversight and approval by the Trustees; and

**WHEREAS**, Within a policy framework, the Board desires to establish appropriate delegations that enable the efficient and timely execution of financing transactions for the CSU and its recognized auxiliary organizations in good standing; and

**WHEREAS**, The Board recognizes that there is a need from time to time to take advantage of rapidly changing market conditions by implementing refinancings or restructurings; and

**WHEREAS**, The Board finds it appropriate to use the limited debt capacity of the CSU in the most prudent manner; and

**WHEREAS**, There are certain aspects of the tax law related to the reimbursement of up-front expenses from tax-exempt financing proceeds that would be more appropriately satisfied through a delegation to the Chancellor without affecting the Trustees' ultimate approval process for such financings; now, therefore be it

**RESOLVED**, by the Board of Trustees of the California State University as follows:

**Section 1. General Financing Policies**

**1.1** The State University Revenue Bond Act of 1947 (1947 Bond Act) and Education Code Sections 89770-89774 (EC 89770-89774) (collectively, the "CSU Bond Acts") provide the Board of Trustees with the ability to acquire,

construct, finance, or refinance projects funded with debt instruments repaid from various revenue sources.

**1.2** The long-term debt programs of the Board of Trustees established pursuant to the CSU Bond Acts shall be managed by the Chancellor, to the greatest extent possible, to credit rating standards in the "A" category, at minimum.

**1.3** The intrinsic rating of any debt issued by the Trustees shall be at investment grade or better.

**1.4** The Trustees' debt programs should include the prudent use of variable rate debt and commercial paper to assist with lowering the overall cost of debt.

**1.5** The Trustees' programs shall be designed to improve efficiency of access to the capital markets by consolidating bond programs where possible.

**1.6** The Chancellor shall develop a program to control, set priorities, and plan the issuance of all long-term debt consistent with the five-year capital outlay program.

**1.7** The Chancellor shall annually report to the Trustees on the activity related to the issuance of long-term debt.

## **Section 2. Financing Structure of the CSU's Debt Programs**

**2.1** To use the limited debt capacity of CSU in the most cost effective and prudent manner, all on-campus student, faculty, and staff rental housing, parking, student union, health center, and continuing education capital projects will be financed by the Trustees using a broad systemwide multi-source revenue pledge under the authority of the CSU Bond Acts in conjunction with the respective authority of the Trustees to collect and pledge revenues.

Other on-campus and off-campus projects, including academic and infrastructure support projects, will also be financed through this structure under the authority of the CSU Bond Acts, unless there are compelling reasons why a project could not or should not be financed through this structure (see Section 3 below).

**2.2** The Chancellor is hereby authorized to determine which revenues may be added to the broad systemwide multi-source revenue pledge under the authority granted by the CSU Bond Acts, to determine when such revenues may be added,

and to take appropriate action to cause such additional revenues to be pledged to CSU debt in accordance with the CSU Bond Acts.

**2.3** The Chancellor shall establish minimum debt service coverage and other requirements for financing transactions undertaken under the CSU Bond Acts and/or for the related campus programs, which shall be used for implementation of the Trustees' debt programs. The Chancellor shall also define and describe the respective campus program categories.

**2.4** The Chancellor, the Executive Vice Chancellor and Chief Financial Officer, the Assistant Vice Chancellor Financial Services, the Deputy Assistant Vice Chancellor for Financing, Treasury, and Risk Management, and each of them (collectively, "Authorized Representatives of the Trustees"), are hereby authorized and directed, for and in the name and on behalf of the Trustees, to take any and all actions necessary to issue bonds pursuant to the CSU Bond Acts to acquire or construct projects. Authorized Representatives of the Trustees, with the advice of the General Counsel, are authorized to execute, acknowledge and deliver, and to prepare and review, as each of them deems appropriate, all bond resolutions, bond indentures, official statements and all other documents, certificates, agreements and information necessary to accomplish such financing transactions.

**2.5** The Chancellor, the Executive Vice Chancellor and Chief Financial Officer, the Assistant Vice Chancellor Financial Services, the Deputy Assistant Vice Chancellor for Financing, Treasury, and Risk Management, and each of them (collectively, "Authorized Representatives of the Trustees"), are hereby authorized and directed, for and in the name and on behalf of the trustees, to take any and all actions necessary to refinance any existing bonds issued pursuant to the CSU Bond Acts. Authorized Representatives of the Trustees, with the advice of the General Counsel, are authorized to execute, acknowledge and deliver, and to prepare and review, as each of them deems appropriate, all bond resolutions, bond indentures, official statements and all other documents, certificates, agreements and information necessary to accomplish such refinancing transactions.

### **Section 3. Other Financing Programs**

**3.1** The Board recognizes that there may be projects, or components of projects, that a campus wishes to construct that are not advantaged by, or financing is not possible for, or are inappropriate for financing under the CSU Bond Acts. A campus president may propose that such a project be financed as an auxiliary organization or third party entity financing, if there is reason to believe that it is more advantageous for the transaction to be financed in this manner than through the CSU Bond Acts financing program.

**3.1.1** Such financings and projects must be presented to the Chancellor for approval early in the project's conceptual stage in order to proceed. The approval shall be obtained prior to any commitments to other entities.

**3.1.2** These projects must have an intrinsic investment grade credit rating, and shall be presented to the Trustees to obtain approval before the financing transaction is undertaken by the auxiliary organization or other third party entity.

**3.1.3** If a project is approved by the Trustees, the Chancellor, the Executive Vice Chancellor and Chief Financial Officer, the Assistant Vice Chancellor Financial Services, the Deputy Assistant Vice Chancellor for Financing, Treasury, and Risk Management, and each of them (collectively, "Authorized Representatives of the Trustees") are hereby authorized and directed, for and in the name and on behalf of the Trustees, to execute, acknowledge and deliver, and to prepare and review, as each of them deems appropriate, any and all documents and agreements with such insertions and changes therein as such Authorized Representatives of the Trustees, with the advice of the General Counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof, in order to assist with the planning, design, acquisition, construction, improvement, financing, and refinancing of the projects.

**3.2** The Chancellor may require campus presidents to establish campus procedures applicable to campus auxiliary organizations for the issuance of debt instruments to finance or to refinance personal property with lease purchase, line-of-credit, or other tax-exempt financing methods. The procedures issued by the



Chancellor need not contain a requirement for approval of the Trustees or the Chancellor but may include authority for campus presidents to take all actions to assist the auxiliary organization on behalf of the Trustees to complete and qualify such financing transactions as tax-exempt.

#### **Section 4. State Public Works Board Lease Revenue Financing Program**

**4.1** The authorizations set forth in this section shall be in full force and effect with respect to any State Public Works Board project which has been duly authorized by the legislature in a budget act or other legislation and duly signed by the Governor and which is then in full force and effect.

**4.2** The Chancellor, the Executive Vice Chancellor and Chief Financial Officer, the Assistant Vice Chancellor Financial Services, the Deputy Assistant Vice Chancellor for Financing, Treasury, and Risk Management, and Assistant Vice Chancellor for Capital Planning, Design and Construction each of them (collectively, "Authorized Representatives of the Trustees") are hereby authorized and directed, for and in the name and on behalf of the Trustees, to execute, acknowledge and deliver, and to prepare and review, as each of them deems appropriate, any and all construction agreements, equipment agreements, equipment leases, site leases, facility leases and other documents and agreements with such insertions and changes therein as such Authorized Representatives of the Trustees, with the advice of the General Counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof, in order to provide for the planning, design, acquisition, construction, improvement, financing, and refinancing of the projects.

#### **Section 5. Credit of the State of California**

**5.1** The delegations conferred by this resolution are limited and do not authorize the Chancellor or other Authorized Representatives of the Trustees to establish any indebtedness of the State of California, the Board of Trustees, any CSU campus, or any officers or employees of any of them. Lending, pledging or otherwise using the credit established by a stream of payments to be paid from funds appropriated from the State of California for the purpose of facilitating a financing transaction associated with a capital project is permitted only if specifically authorized by a bond act or otherwise authorized by the legislature.

## **Section 6. Tax Law Requirement for Reimbursement of Project Costs**

**6.1** For those projects which may be financed under the authority of the Trustees, the Chancellor, the Executive Vice Chancellor and Chief Financial Officer, the Assistant Vice Chancellor Financial Services, the Deputy Assistant Vice Chancellor for Financing, Treasury, and Risk Management, and each of them (collectively, "Authorized Representatives of the Trustees"), are hereby authorized to make declarations on behalf of the Trustees solely for the purposes of establishing compliance with the requirements of Section 1.150-2 of the U.S. Treasury Regulations; provided, however that any such declaration:

**6.1.1** Will not bind the Trustees to make any expenditure, incur any indebtedness, or proceed with the project or financing; and

**6.1.2** Will establish the intent of the Trustees at the time of the declaration to use proceeds of future indebtedness, if subsequently authorized by the Trustees, to reimburse the Trustees for expenditures as permitted by the U.S. Treasury Regulations.

## **Section 7. Effective Date and Implementation**

**7.1** Within the scope of this financing policy, the Chancellor is authorized to further define, clarify and otherwise make and issue additional interpretations and directives as needed to implement the provisions of this policy.

**7.2** This resolution supersedes RFIN 03-02-02 and shall take effect immediately.

THE CALIFORNIA STATE UNIVERSITY  
OFFICE OF THE CHANCELLOR



BAKERSFIELD

CHANNEL ISLANDS

October 23, 2006

CHICO

**MEMORANDUM**

DOMINGUEZ HILLS

EAST BAY

**TO:** CSU Presidents

FRESNO

**FROM:** Charles B. Reed  
Chancellor

FULLERTON

**SUBJECT:** Financing and Debt Management Policy – Project Development and the Systemwide Revenue Bond Program Executive Order No 994

HUMBOLDT

LONG BEACH

Attached is a copy of Executive Order No 994 relating to the CSU's Financing and Debt Management Policy.

LOS ANGELES

MARITIME ACADEMY

In accordance with policy of the California State University, the campus president has the responsibility for implementing executive orders where applicable and for maintaining the campus repository and index for all executive orders.

MONTEREY BAY

NORTHBRIDGE

If you have questions regarding this executive order, please contact Colleen Nickles, Senior Director, Financing & Treasury, at (562) 951-4570 or [cnickles@calstate.edu](mailto:cnickles@calstate.edu).

POMONA

SACRAMENTO

CBR/tr

SAN BERNARDINO

Attachment

SAN DIEGO

cc: Vice Presidents for Business/Administration  
Executive Staff, Office of the Chancellor

SAN FRANCISCO

SAN JOSÉ

SAN LUIS OBISPO

SAN MARCOS

SONOMA

STANISLAUS

**THE CALIFORNIA STATE UNIVERSITY**  
**Office of the Chancellor**  
**401 Golden Shore**  
**Long Beach, California 90802-4210**  
**(562) 951-4570**

**Executive Order:** 994  
**Effective Date:** October 23, 2006  
**Supersedes:** Executive Order No. 876  
**Title:** Financing and Debt Management Policy — Project Development and the Systemwide Revenue Bond Program

**Section 1: General Policies Regarding Financing Activities of the CSU**

**1.1 Authority:** This policy statement provides information and procedures in connection with financing activities of campuses and auxiliary organizations. It is issued pursuant to Standing Orders of the Board of Trustees, Section 2, and the authority delegated to the Chancellor in the Trustees CSU Policy for Financing Activities, (RFIN 03-02-02; see Attachment B).

**1.2 General Rule:** Use of the capital markets to finance revenue-based, and in some limited cases, non-revenue-based non-state funded capital outlay projects of CSU campuses, auxiliaries, and other affiliated organizations shall be limited to the use of the Chancellor's Office tax-exempt or taxable commercial paper programs and the issuance of notes, bonds and other instruments, as approved by the Trustees, within the CSU Systemwide Revenue Bond Program as described below, hereafter referred to as the SRB Program. Additionally, the tax-exempt or taxable commercial paper program may also be used for the purpose of financing Chancellor's Office, campus, auxiliaries, and other affiliated organizations' personal property needs. The aspects of the Systemwide Revenue Bond Program and this policy are based on the fact that debt management is a dynamic undertaking, that evaluation of debt capacity and credit quality involves many different measures, and that the choice to use the specific criteria and measures in this policy may require change over time.

**1.3 Types of Debt:** The Trustees have traditionally issued variable-rate, short-term commercial paper for the construction period of a project, and fixed-rate, long-term debt for the permanent financing of a project. With the introduction of the commercial paper program use for personal property financing, the Trustees may not refinance these commercial paper issuances with long-term, fixed-rate debt, and the financed amounts will be amortized while the issuance remains in commercial paper.

Given this change in approach, the Trustees will establish a parameter that not more than 25% of its debt be unhedged variable rate debt, including commercial paper, to be consistent with rating agency expectations and market targets appropriate for the CSU's debt rating.

**1.4 Alternative Financing Activities:** An alternative financing structure to Section 1.2 above may be utilized if the Chancellor's Office or the campus is able to demonstrate significant benefits and if the Trustees approve the alternative structure. The Chancellor's Office or campus must not only demonstrate benefits for the use of an alternative structure, but must

also identify the detailed structure of the proposed financing. In reviewing the proposed structure, the Trustees shall evaluate such things as 1) impacts on the CSU's financial statements, 2) the extent to which the financing will be counted as a use of the Trustees' credit, 3) the relative cost of the proposed financing, 4) the proposed use of financing techniques that involve greater repayment risk than are typically used in the SRB Program, and 5) any other short-term or long-term impacts to the Trustees' credit profile.

## **Section 2: Definitions**

**2.1 "Project":** Construction of a facility or group of facilities related to the same use and constructed at the same approximate time (example; one or more dormitories constructed with one construction contract). Project may also be defined as personal property with a dollar value greater than \$100,000.

**2.2 "Stand-Alone Project":** For a campus, a Stand-alone Project is a campus self-supporting activity supported by an Established CSU Fee that provides the source for repayment of debt for only one campus-related Project (e.g. the first campus-operated student housing facility). For an auxiliary organization a Stand-alone Project is a single Project operated by the auxiliary that is supported by the project-related revenue, or all of the auxiliary organization's available revenue (e.g. the first auxiliary-operated bookstore facility).

**2.3 "Debt Program":** For a campus, a Debt Program is a campus self-supporting activity funded by an Established CSU Fee that provides the source for repayment of debt for more than one campus-related Project (e.g. two or more separately financed campus-operated student housing facilities). For an auxiliary organization, a Debt Program is a program operated by the auxiliary that provides the source for repayment of debt for more than one auxiliary-operated Project (e.g. two separately financed auxiliary-operated food service facilities). Note that a general revenue pledge of all available auxiliary organization revenue makes it possible for the entire auxiliary organization program to be classified as a single Debt Program.

**2.4 "Established CSU Fees":** The following fee categories established in the Education Code have been pledged to the repayment of bonds issued by the SRB Program:

- Parking Fees (Education Code Section 89701)
- Student Body Center Fees (i.e., Student Union Fees) (Education Code Section 89304)
- Rental Housing Fees (Education Code Section 89703)
- Health Center Facility Fees (Education Code Section 89702)
- Continuing Education Revenue Fund Fees (Education Code Section 89704)

**2.5 "Net Revenue Debt Service Coverage Ratios" (DSCR):** A DSCR consists of annual gross revenue, less annual operating expenses divided by annual debt service. This ratio serves as a benchmark at the systemwide and campus level for decisions about new debt and the management of debt (See Section 4).

**2.6 "Operating Expenses":** For a Project or Program, Operating Expenses are defined as all costs related to providing a good or service, including regular maintenance charges, expenses of reasonable upkeep, a properly allocated share of charges for insurance, direct or special administrative expenses directly chargeable to the Project or Program, and all other expenses incident to the operation of the Project or Program, but excluding depreciation expense and

other non-cash charges, general administrative expenses of the Board or the State, Extraordinary Expenses and Major Maintenance and Repairs, and Debt Service.

**2.7 "Extraordinary Expenses and Major Maintenance and Repairs":** For a Project or Program, Extraordinary Expenses and Major Maintenance and Repairs will not be included in the DSCR, and the expenses are expected to be paid from Building Maintenance and Equipment Reserves or from Prior Year Fund Balances.

**Note:** Operating Expenses, as defined in the SRB indenture, include extraordinary repairs in the calculation of debt service coverage; the indenture requires the Board to set rates, charges, and fees for all Projects so that Net Income Available for Debt Service is at least equal to Aggregate Debt Service for all indebtedness. Sections 2.5, 2.6, and 2.7 are intended for internal operations purposes and shall not result in a conflict with indenture requirements. Campuses are expected to monitor their Programs to ensure overall compliance with the indenture requirements for annual DSCR tests.

### **Section 3: Systemwide Revenue Bond Program (SRB)**

**3.1 Trustee Approval:** Each issuance of debt instruments under the SRB Program shall be approved by the Trustees.

**3.2 Gross Revenue Pledge:** Bonds issued under the SRB Program are secured by a gross revenue pledge of all Established CSU Fees.

**3.2.1** Lawfully available revenue may be pledged from a campus, auxiliary, or other organization through a formal binding agreement if approved by the Trustees.

**3.3 Commercial Paper Program:** Within the capacity of the CSU Chancellor's Office commercial paper program, each non-state funded capital outlay or personal property project may receive acquisition or construction funding through the issuance of commercial paper.

**3.4 Auxiliary Organization Projects:** Except as indicated in Section 1.3, Projects of auxiliary or other organizations (special purpose governmental units, such as a joint powers authority) shall be financed through the SRB Program.

**3.4.1** Each auxiliary or other organization SRB project financing shall be supported by the execution of a financing lease between the auxiliary organization and the CSU with a legal structure that is permitted by the provisions of the State University Bond Act and the SRB Master Resolution.

**3.4.1.1** For auxiliary or other organizations with no existing debt obligations, the lease shall contain provisions that 1) pledge all available corporation revenue to the Trustees for payment of the lease obligations; 2) require deposit of all pledged revenues (i.e., all revenues) into a pledged "gross revenue fund" bank account; 3) establish criteria for issuance of additional bonds; and 4) covenant that the auxiliary or other organization will set rates or otherwise maintain pledged income that will generate the required net revenue (See Section 4.4).

**3.4.1.2** For auxiliary or other organizations with existing debt obligations, the lease shall contain provisions that 1) require the corporation to abide by the criteria of existing bonds for the issuance of "parity" debt; 2) establish that Trustees share in

pledged revenue with all other bondholders on a parity basis; and 3) require that Trustees receive the same covenants as existing bondholders for the issuance of additional bonds and the same coverage required for a rate covenant for the existing bonds.

**3.4.1.3** The financing lease shall be considered parity debt with all other, existing auxiliary or other organization debt.

**3.4.1.4** The financing lease payment from the auxiliary or other organization to the CSU shall be calculated to include: 1) debt service associated with the bonds including the cost of participation in the commercial paper program, interest and principal on bonds issued to permanently finance the project and other debt management related costs of the CSU; and 2) any costs incurred by the auxiliary organization's campus for operation and maintenance for the financed facility. (See Executive Order No. 753)

**3.4.2** At each campus the aggregate annual direct and indirect debt service for other third-party financings and for auxiliary or other financings that are either part of or separate from the SRB Program is limited to a maximum amount of 25% of the respective allocation of debt capacity to the respective campus (See Section 5).

**3.5 Structure and Timing of Bond Transactions:** The structure and timing of each issuance of SRB bonds shall be determined by the Chancellor's Office.

**3.6 Allocation of Costs:** Debt service and other debt management costs shall be allocated to campuses on the basis of a formula determined by the Chancellor's Office.

#### **Section 4: DSCR Benchmarks**

**4.1 Systemwide (DSCR):** For the system, the DSCR is computed using the total of the gross revenue of the Established CSU Fee plus any pledged revenue supporting SRB capital lease payments from auxiliary or other organizations. Operating expenses and debt service for the computation consist of the total operating expenses and debt service relating to these programs. The systemwide DSCR should be maintained at or above 1.45. If the SRB systemwide DSCR falls below 1.45, the campus benchmarks may be changed to strengthen the credit position of the Program. (See also Attachment A)

**4.2 Combined Campus and Auxiliary Organizations (DSCR):** At the combined campus and auxiliary organization level, the DSCR is similar to the systemwide DSCR test except that the amounts of pledged revenue, operating expenses, and debt service are related to the combined pledged revenues of the campus and auxiliary organizations' Established CSU Fees plus pledged revenue, operating expense and debt service that is related to the specific auxiliary organization Debt Program. The minimum requirement of the DSCR for a Combined Campus and its Auxiliary Organizations is 1.35.

**4.3 Campus Debt Program (DSCR):** The DSCR for a campus Debt Program must be equal to a minimum of 1.10. The DSCR for a campus Stand-alone Project must be equal to a minimum of 1.10. For these requirements the DSCR is computed from pledged revenue, operating expense and debt service that is related to the specific Debt Program or the Stand-alone Project.

**4.4 Auxiliary Organization Project and Debt Program (DSCR):** The DSCR for a campus auxiliary organization Debt Program must be equal to a minimum of 1.25. The DSCR for a campus SRB auxiliary organization Stand-alone Project must equal a minimum of 1.25. For these requirements the DSCR is computed from pledged revenue, operating expense and debt service that is related to the specific auxiliary organization Debt Program or the Stand-alone Project.

**4.5 DSCR and Effective Year:** The chief financial officer of a campus is responsible to implement plans and budgets so that the required DSCRs for campus CSU Established Fee programs and campus auxiliary organizations be supportable and maintained at or above the minimum level for the first operating year, and at or above the minimum for all subsequent years of operation for Stand-alone or Debt Program Projects.

## **Section 5: Debt Capacity**

**5.1 General Rule:** Financing shall not be recommended by the Chancellor's Office if the issuance of new bonds will cause the total amount of issued and outstanding SRB bonds to exceed the CSU's debt capacity as determined by the Trustees.

**5.2 Calculation of the CSU's Debt Capacity:** Debt service on all issued and outstanding SRB bonds shall not at any time exceed an amount that would cause the quality of the CSU's credit to fall below a minimum level as determined by the Trustees.

**5.3 Allocation of Debt Capacity to Campuses:** Capacity, as measured by debt service on campus debt, shall be allocated to CSU campuses as follows:

**5.3.1 Campus general allocation:** The aggregate debt service related to a campus' individual projects shall not exceed an amount computed from its net unrestricted expenditures times two-thirds (2/3) of the same ratio that the Trustees have recognized as appropriate for the system.

**5.3.2 Chancellor's Office special allocation:** With concurrence of the Trustees, the Chancellor's Office may allocate portions of up to an additional one-third (1/3) of the CSU's debt service capacity to individual campuses for special priority purposes.

## **Section 6: General Financial Planning Principles For Projects**

**6.1 Project Size:** The CSU SRB Program is intended to provide a mechanism to finance revenue based, and in some limited cases, non-revenue-based non-state capital outlay projects pursuant to the State University Revenue Bond Act of 1947 and the issuance of debt to the public through a complex legal structure and financial marketing process. As such, the Program is suitable for projects of greater than \$3 million, and with a useful life of greater than ten years. For personal property financed through the commercial paper program, financings should be \$100,000 to \$5,000,000, with a useful life of 1-8 years. See Section 7 for program-related costs that should be funded through a reserve plan rather than through the issuance of debt.

**6.2 Allocation of Debt Service:** The plan of finance for SRB Projects shall assume level debt service and allocation of long-term debt over 25 or 30 years unless the useful life of the asset



financed is less. In some cases, the debt service may be structured to allow for accelerating debt service, bullet repayments of principal, shorter repayment terms, or other special arrangements as determined appropriate for a project. The Trustees will be notified in the Financing item at the time of approval if an alternative debt service repayment schedule will be utilized.

**6.3 Timing of Bond Sale:** The plan of finance shall assume the sale of long-term debt at the time of initiation of construction (i.e., including capitalized construction period interest) to meet net revenue debt coverage ratio tests.

**6.4 Interest Rate Assumptions:** The plan of finance for Projects shall incorporate a moderate interest rate contingency for unfavorable changes in interest rates between the time of the initial financial plan and the time long-term bonds will be sold.

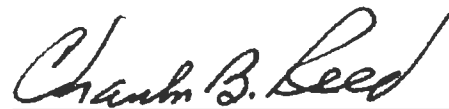
**6.5 Consistency of Computations:** Upon request the Chancellor's Office will provide the debt service information to be used in all financial plans relating to debt issuance in order to ensure that information regarding the debt is consistently prepared.

#### **Section 7: Reserves**

**7.1 Reserve Development:** The campus president and chief financial officer are responsible for developing and maintaining a campus policy to provide reserves from Project revenues for projects funded by debt issued by the Board of Trustees. The campus reserve policies, at a minimum, should address the following needs:

- Major Maintenance and Repair/Capital Renovation and Upgrade
- Working Capital
- Capital Development for New Projects
- Catastrophic Events

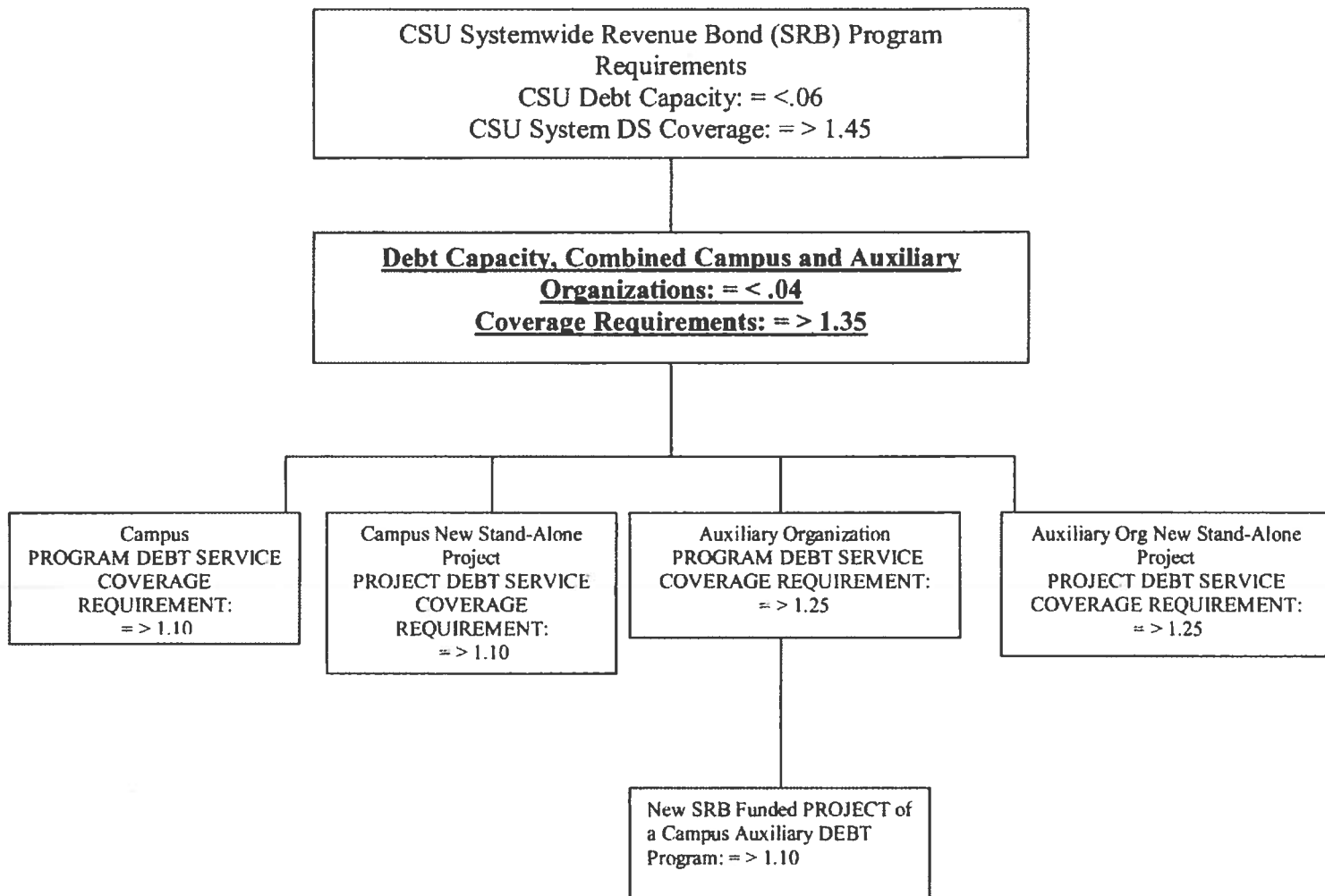
**7.2 Reserve Review:** At a minimum of once every three years, each campus shall conduct an in-depth review to assess the adequacy of the reserves and the campus reserve policies applicable to the projects funded by debt, and shall make necessary adjustments and changes to account for changing conditions. For Major Maintenance and Repair/Capital Renovation and Upgrade Reserves, the reviews should include formal studies of facility systems and necessary funding levels to cover all aspects of cost of replacement through the reserve-funding plan.



Charles B. Reed, Chancellor

Date: October 23, 2006

**Attachment A**



## **Attachment B**

### **CSU Policy for Financing Activities Board of Trustees' Resolution RFIN 03-02-02**

**WHEREAS**, The Board of Trustees of The California State University ("the Board" or "the Trustees") finds it appropriate and necessary to use various debt financing programs afforded to it through the methods statutorily established by the legislature, and to use to its advantage those programs available to it through debt financing by recognized auxiliary organizations of the California State University; and

**WHEREAS**, The Board wishes to establish and maintain policies that provide a framework for the approval of financing transactions for the various programs that enable appropriate oversight and approval by the Trustees; and

**WHEREAS**, Within a policy framework the Board desires to establish appropriate delegations that enable the efficient and timely execution of financing transactions for the CSU and its recognized auxiliary organizations in good standing; and

**WHEREAS**, The Board recognizes that there is a need from time to time to take advantage of rapidly changing market conditions by implementing refinancings that will lower the cost of debt financing for the CSU and its auxiliary organizations and that such refinancings could be better implemented by reducing the time required to authorize such refinancings; and

**WHEREAS**, The Board finds it appropriate to establish the lowest cost debt financing programs for the CSU, and to use the limited debt capacity of the CSU in the most prudent manner; and

**WHEREAS**, There are certain aspects of the tax law related to the reimbursement of up-front expenses from tax-exempt financing proceeds that would be more appropriately satisfied through a delegation to the Chancellor without affecting the Trustees' ultimate approval process for such financings; now, therefore be it

**RESOLVED**, by the Board of Trustees of The California State University as follows:

#### **Section 1. General Financing Policies**

**1.1** The State University Revenue Bond Act of 1947 (Bond Act) provides the Board of Trustees with the ability to acquire, construct, or refinance projects funded with debt instruments repaid from various revenue sources.

**1.2** The long-term debt programs of the Board of Trustees established pursuant to the Bond Act shall be managed by the Chancellor to credit rating standards in the "A"e category.

**1.3** The intrinsic rating of any debt issued by the Trustees shall be at investment grade or better.

**1.4** The Trustees debt programs should include the prudent use of variable rate debt and commercial paper to assist with lowering the overall cost of debt.

1.5 The Trustees programs shall be designed to improve efficiency of access to the capital markets by consolidating revenue bond programs where possible.

1.6 The Chancellor shall develop a program to control, set priorities and plan the issuance of all long-term debt consistent with the five-year non-state capital outlay program.

1.7 The Chancellor shall annually report to the Trustees on the activity related to the issuance of long-term debt.

## **Section 2. Financing Program Structure of the CSU's Debt Program**

2.1 To use the limited debt capacity of CSU in the most cost effective and prudent manner, all on-campus student, faculty and staff rental housing, parking, student union, health center, and continuing education capital projects will be financed by the Trustees using a broad systemwide multi-source revenue pledge under the authority of the Bond Act in conjunction with the respective authority of the Trustees to collect and pledge revenues.

Other revenue-based on-campus and off-campus projects will also be financed through this program and the Bond Act unless there are compelling reasons why a project could not or should not be financed through this program (see Section 3 below).

2.2 The Chancellor shall establish minimum debt service coverage and other requirements for Bond Act financing transactions and/or for the related campus programs, which shall be used for implementation of the Trustees' debt programs. The Chancellor shall also define and describe the respective campus program categories.

2.3 The Chancellor, the Executive Vice Chancellor and Chief Financial Officer, the Assistant Vice Chancellor Financial Services, the Senior Director of Financing and Treasury, and each of them (collectively, "Authorized Representatives of the Trustees"), are hereby authorized and directed, for and in the name and on behalf of the trustees, to take any and all actions necessary to refinance any existing bonds issued pursuant to the Bond Act of 1947 if the refinancing transaction will result in net present value savings, as determined by an Authorized Representative of the Trustees and which determination shall be final and conclusive. Authorized Representatives of the Trustees are authorized to execute, acknowledge and deliver, and to prepare and review, as each of them deems appropriate, all bond resolutions, bond indentures, official statements and all other documents, certificates, agreements and information necessary to accomplish such refinancing transactions.

## **Section 3. Other Financing Programs**

3.1 The Board recognizes that there may be projects, or components of projects, that a campus wishes to construct that are not advantaged by, or financing is not possible, or is inappropriate for the Bond Act financing program. A campus president may propose that such a project be financed as an auxiliary organization or third party entity financing if there is reason to believe that it is more advantageous for the transaction to be financed in this manner than through the Bond Act financing program.

3.1.1 Such financings and projects must be presented to the Chancellor for approval early in

the project's conceptual stage in order to proceed. The approval shall be obtained prior to any commitments to other entities.

**3.1.2** These projects must have an intrinsic investment grade credit rating, and shall be presented to the Trustees to obtain approval before the financing transaction is undertaken by the auxiliary organization or other third party entity.

**3.1.3** If a project is approved by the Trustees, the Chancellor, the Executive Vice Chancellor and Chief Financial Officer, the Assistant Vice Chancellor Financial Services, the Senior Director of Financing and Treasury, and each of them (collectively, "Authorized Representatives of the Trustees") are hereby authorized and directed, for and in the name and on behalf of the Trustees, to execute, acknowledge and deliver, and to prepare and review, as each of them deems appropriate, any and all documents and agreements with such insertions and changes therein as such Authorized Representatives of the Trustees, with the advice of the General Counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof, in order to assist with the planning, design, acquisition, construction, improvement, financing, and refinancing of the projects.

**3.2** The Chancellor may require campus presidents to establish campus procedures applicable to campus auxiliary organizations for the issuance of debt instruments to finance or to refinance personal property with lease purchase, line-of-credit, or other tax-exempt financing methods. The procedures issued by the Chancellor need not contain a requirement for approval of the Trustees or the Chancellor but may include authority for campus presidents to take all actions to assist the auxiliary organization on behalf of the Trustees to complete and qualify such financing transactions as tax-exempt.

#### **Section 4. State Public Works Board Lease Revenue Financing Program**

**4.1** The authorizations set forth in this section shall be in full force and effect with respect to any State Public Works Board project which has been duly authorized by the Legislature in a budget act or other legislation and duly signed by the Governor and which is then in full force and effect.

**4.2** The Chancellor, the Executive Vice Chancellor and Chief Financial Officer, the Assistant Vice Chancellor Financial Services, the Senior Director of Financing and Treasury, and each of them (collectively, "Authorized Representatives of the Trustees") are hereby authorized and directed, for and in the name and on behalf of the Trustees, to execute, acknowledge and deliver, and to prepare and review, as each of them deems appropriate, any and all construction agreements, equipment agreements, equipment leases, site leases, facility leases and other documents and agreements with such insertions and changes therein as such Authorized Representatives of the Trustees, with the advice of the General Counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof, in order to provide for the planning, design, acquisition, construction, improvement, financing, and refinancing of the projects.

#### **Section 5. Credit of the State of California**

**5.1.** The delegations conferred by this resolution are limited and do not authorize the Chancellor or other Authorized Representatives of the Trustees to establish any indebtedness

of the State of California, the Board of Trustees, any CSU campus, or any officers or employees of any of them. Lending, pledging or otherwise using the credit established by a stream of payments to be paid from funds appropriated from the State of California for the purpose of facilitating a financing transaction associated with a capital project is permitted only if specifically authorized by a bond act or otherwise authorized by the legislature.

#### **Section 6. Tax Law Requirement for Reimbursement of Project Costs**

**6.1** For those projects which may be financed under the authority of the Trustees, the Chancellor, the Executive Vice Chancellor and Chief Financial Officer, the Assistant Vice Chancellor Financial Services, the Senior Director of Financing and Treasury, and each of them (collectively, "Authorized Representatives of the Trustees"), are hereby authorized to make declarations on behalf of the Trustees solely for the purposes of establishing compliance with the requirements of Section 1.150-2 of the U.S. Treasury Regulations; provided, however that any such declaration:

**6.1.1** Will not bind the Trustees to make any expenditure, incur any indebtedness, or proceed with the project or financing; and

**6.1.2** Will establish the intent of the Trustees at the time of the declaration to use proceeds of future indebtedness, if subsequently authorized by the Trustees, to reimburse the Trustees for expenditures as permitted by the U.S. Treasury Regulations.

#### **Section 7. Effective Date and Implementation**

**7.1** Within the scope of this financing policy, the Chancellor is authorized to further define, clarify and otherwise make and issue additional interpretations and directives as needed to implement the provisions of this policy.

**7.2** This resolution supercedes RFIN 11-98-18 and shall take effect immediately. However, the Chancellor shall have the authority to authorize on a individual basis, auxiliary organization projects that are in the planning stage as of the adoption of this policy to proceed under the previous policy in order to prevent situations that would result in additional project costs or additional time-to-completion.

## **COMMITTEE ON FINANCE**

### **University Operational Effectiveness Initiatives**

#### **Presentation By**

Steve Relyea  
Executive Vice Chancellor and  
Chief Financial Officer

Thomas A. Parham  
President  
California State University, Dominguez Hills

Arun Casuba  
Executive Director, Strategic Sourcing and  
Chief Procurement Officer

#### **Summary**

This item provides an update on operational effectiveness initiatives since the last presentation to the California State University Board of Trustees Committee on Finance in January 2018.

The CSU continuously evaluates and improves university operations to support the academic mission. Recent improvements include exploring and implementing strategic procurement, simplifying and streamlining administrative processes, and organizing services in order to maintain proper stewardship of funds and enhance student services.

#### **Current Initiatives**

Campuses regularly search for means to reduce costs and enhance quality using a deliberate approach that incorporates process improvement, data-driven decision making, intersegmental collaboration, and strategic planning.

For example, the CSU uses best value methods in purchasing goods and services to maximize benefits to the institution and leverage the size and scope of the CSU through internal and external collaboration. Significant benefits are gained by sharing agreements with the University of California and California Community Colleges as well as other higher education consortia agreements. Many initiatives have been pursued to reduce costs while maintaining or improving the ability to deliver the core educational services of the CSU.

Construction is a significant component of the CSU's total expenditures and several methods have been developed to improve efficiencies in the management of construction projects at the campuses. Improvements in this area include sponsored legislation to support electronic bids, consolidated bids for multiple projects, commodity pricing and purchasing strategies, and improved production planning scheduling approaches.

Facilities operations and energy is another area the CSU has targeted for cost savings and avoidance through direct purchase agreements with utility providers, energy efficiency and sustainability projects, and energy information systems, all designed to save money, avoid costs, and improve sustainability.

The CSU has also delivered significant cost reductions in the area of information technology through initiatives including the CSU Common Network Initiative that provides equipment and services to all campuses, systemwide hardware purchases and software licenses, and a systemwide data center that relies on a combination of a physical data center and cloud services.

Academic support efforts include coordinated insurance and risk management services; systemwide agreements for financial auditors, bank card services, office supplies, and printers; and a common shopping website for catalog-based purchasing. Other efforts focused on providing the proper infrastructure and delivering services to students geared towards assisting them in achieving their educational goals include coordinated purchase of electronic library resources across the system and consolidated contracts for academic technology systems and learning management systems.

In all these areas, the CSU continues to improve its sustainable practices in purchasing and recently published a policy to eliminate the use and sale of all single-use plastics. The CSU is also working with suppliers to mitigate environmental impact, control costs, and focus on making the supply chain more sustainable.

### **Future Initiatives**

The CSU will continue to explore opportunities for reducing costs and enhancing effectiveness through additional multi-campus agreements, leveraging cloud services, increasing access to direct utility purchase agreements, continuing our collaboration with campus constituents through initiatives such as our procurement strategic plan, furthering enhancement of UC and CCC collaborations, expanding sustainable procurement initiatives, and broadening the use of systemwide administrative tools.



## AGENDA

### COMMITTEE ON AUDIT

**Meeting:** 1:00 p.m., Tuesday, March 19, 2019  
Glenn S. Dumke Auditorium

Douglas Faigin, Chair  
Hugo N. Morales, Vice Chair  
Jack McGrory  
Lateefah Simon

- Consent** 1. Approval of Minutes of the Meeting of January 22, 2019, *Action*  
2. Status Report on Current and Follow-up Internal Audit Assignments, *Information*
- Discussion** 3. Report of the Systemwide Financial Statements and Single Audit of Federal Awards Including the Report to Management, *Information*  
4. Individual Consequences for Intentional Fiscal Improprieties at the CSU, *Action*

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

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

**January 22, 2019**

**Members Present**

Douglas Faigin, Chair  
Jack McGrory  
Lateefah Simon  
Adam Day, Chairman of the Board

Trustee Douglas Faigin called the meeting to order.

**Public Comments**

The committee heard from Rich McGee of the California State University Employees Union and Ejmin Hakobian who both commented on procedural matters related to campus audits.

**Approval of Minutes**

The minutes of November 14, 2018, were approved as submitted.

**Status Report on Current and Follow-up Internal Audit Assignments**

Mr. Larry Mandel, vice chancellor and chief audit officer, provided a status on the 2018 audit plan and follow-up on past audit assignments. Mr. Mandel explained that updates to the status report are displayed in green numerals and indicate progress toward or completion of recommendations since the distribution of the agenda. All audit assignments for 2018 are currently in process or complete.

Mr. Mandel reported that the campuses and the Office of the Chancellor continue to complete recommendations on a timely basis and that Audit and Advisory Services is working with the Office of the Chancellor to clear the remaining recommendation from their systemwide student organizations audit. Consultative reviews continue to be offered through the advisory services function, the continuous audit initiative proceeds, and investigations are performed as needed. Additionally, Audit and Advisory Services' investigations unit tracks intergovernmental audits conducted by the California State Auditor and other governmental entities, providing support and services to the Office of the Chancellor and campuses undergoing such audits.

Aud.  
Agenda Item 1  
March 18-20, 2019  
Page 2 of 2

Trustee John Nilon inquired as to whether all 23 campuses will be included in the continuous auditing initiative credit card reviews and it was clarified that 12 campuses were reviewed in 2018 and that 12 campuses (including the Office of the Chancellor) will be reviewed in 2019.

### **Calendar Year 2019 Audit Plan**

Mr. Mandel presented information on the calendar year 2019 audit plan, highlighting that the plan constitutes year three of the four year phase-in period for the redesign of Audit and Advisory Services. The redesign has led to a better optimized audit function. Implementation activities proceed as planned and culminate with the addition of two remaining audit positions to be added in fiscal year 2019-20, which is reflected in the 2019 audit plan.

Mr. Mandel shared information on the risk assessment process and provided an overview of the audit plan allocation. Audits represent the largest portion of the plan at 68 percent and consist of general audits, information technology audits, sponsored programs audits, and construction audits. The next largest portion of the plan, representing 15 percent is advisory services, and the goal of advisory services is to proactively prevent risk, rather than conducting audits to detect problems after the fact. Mr. Mandel noted that the final components of the plan include investigations representing 7 percent, audit support representing 9 percent, and staff time for committees and special projects representing 1 percent. It was also noted that the percentage allocations for advisory services and investigations, respectively, have increased year-over-year.

Trustee Jane Carney inquired about protocols related to when a misuse of funds is discovered in the course of an audit and Mr. Mandel described the process that is followed in such instances. Trustee Carney also inquired as to whether there is a systemwide standard for disciplinary action if there is a substantiated instance of employee misappropriation of funds. Mr. Andrew Jones, executive vice chancellor and general counsel, clarified that misuse of public funds would be grounds for discipline while noting that there is not a policy that stipulates the specific level of discipline for various circumstances. Chancellor Timothy P. White explained that practice is driven by policy and is dependent on the magnitude of the issue.

Trustee Jack McGrory asked if a comprehensive cybersecurity audit has been conducted and if there is adequate protection. It was noted that as part of the information technology audit program, information security audits are consistently performed and have resulted in improved controls.

Trustee Faigin called for a motion to approve the committee resolution. A motion was made, there was a second, and the resolution was approved.

Trustee Faigin adjourned the Committee on Audit.

## **COMMITTEE ON AUDIT**

### **Status Report on Current and Follow-up Internal Audit Assignments**

#### **Presentation By**

Larry Mandel  
Vice Chancellor and Chief Audit Officer  
Audit and Advisory Services

#### **Summary**

This item includes both a status report on the 2019 audit plan and follow-up on past assignments. For the 2019 year, assignments were made to develop and execute individual campus audit plans; conduct audits of Information Technology (IT), Sponsored Programs and Construction; use continuous auditing techniques; provide advisory services and investigation reviews; and continue implementation activities for the redesign of Audit and Advisory Services. Follow-up on current and past assignments was also being conducted on approximately 30 completed campus reviews. Attachment A summarizes the audit assignments in tabular form.

## **AUDITS**

### General Audits

The organizational redesign for Audit and Advisory Services provides for individual campus audit plans that are better aligned with campus and auxiliary organization risks and systemwide goals and strategies. Risk assessments and initial audit plans have been completed for all campuses. Audit plans include a Health and Safety audit at each campus as a follow-up to the health and safety audits performed by the California State Auditor in 2018. Fieldwork is being conducted at two campuses, and report writing is being completed for seven campuses.

### Information Technology Audits

The initial audit plan indicated that reviews of Information Security, IT Disaster Recovery, Cloud Computing, and Accessible Technology would be performed at those campuses where a greater degree of risk was perceived for each topic. Scheduled reviews may also include campus-specific concerns or follow-up on prior campus issues. Fieldwork is being completed at one campus, and report writing is being completed for one campus.

### Sponsored Programs

The initial audit plan indicated that reviews of both post-award and pre-award activities would be performed. Post-award reviews emphasize review of operational, administrative, and financial controls to determine whether processes and expenditures are in accordance with both sponsor terms and conditions, and applicable policies, procedures, and regulations. Pre-award reviews emphasize compliance with conflict-of-interest and training requirements. Scheduled reviews may also include campus-specific concerns or follow-up on prior campus issues relating to sponsored programs activities. Fieldwork is being completed at one campus, and report writing is being completed for one campus.

### Construction

The initial audit plan indicated that reviews of recently completed construction projects, including activities performed by the campus, general contractor, and selected subcontractors would be performed. Areas to be reviewed include, but are not limited to approval of project design, budget and funding; administration of the bid and award process; the closeout process; and overall project accounting and reporting. Report writing is being completed for one review.

## 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

Audit and Advisory Services is periodically called upon to provide investigative reviews, which are often the result of alleged misappropriations or conflicts of interest. Further, whistleblower investigations are being performed on an ongoing basis, both by referral from the state auditor and directly from the CSU Chancellor's Office. In addition, the investigations unit tracks external audits being conducted by state and federal agencies, acts as a liaison for the system throughout the audit process, and offers assistance to campuses undergoing such audits.

## CONTINUOUS AUDITING TECHNIQUES

The initial audit plan indicated that continuous auditing techniques would be used to review credit card data for the twelve campuses not reviewed in 2018 to identify potential risks and to evaluate compliance with policies and procedures. Continuous auditing uses data analytics tools and techniques to analyze large volumes of data, look for anomalies and trends, and complement the existing risk assessment process. Reviews are ongoing.

## COMMITTEES/SPECIAL PROJECTS

Audit and Advisory Services is periodically called upon to provide consultation to the campuses and/or to participate on committees such as those related to information systems implementation and policy development, and to perform special projects.

## AUDIT SUPPORT

### Annual Risk Assessment

Audit and Advisory Services annually performs individual campus risk assessments, using management interviews, surveys, audit history, and other factors to score an audit universe of topics in order to determine the topics of highest risk to each campus and the system. Periodically, other audit topics are selected for review due to their high profile nature in order to assure the board that appropriate policies and procedures are in place to mitigate risk to the system.

### Administration

Day-to-day administration of the Audit and Advisory Services division includes such tasks as scheduling, personnel administration, maintenance of department standards and protocols, administration of the department's automated workpaper system and SharePoint website, and department quality assurance and improvement.

Status Report on Current and Past  
Audit Assignments  
(as of 3/15/2019)

Campus	Audit Topic	Audit Plan Year	Audit Status	Follow-up on Current and Past Audit Assignments	
				*Recs	**Mo.
Bakersfield	Sponsored Programs - Post Award	2018	AC	0/5	1
	Information Security	2018	AI		
	Const. - Humanities Office Bldg. & Humanities Classrooms	2019	RW		
Channel Islands	Counseling & Psychological Services	2018	AC	8/8	-
	University Auxiliary Services	2018	AI		
Chico	Academic Department Fiscal Review	2018	AC	10/10	-
	Information Security	2018	AC	7/7	-
	Student Health Services	2018	AC	0/6	5
	Centers and Institutes	2018	AI		
Dominguez Hills	Centers and Institutes	2018	AC	3/6	7
	International Activities	2018	AC	0/9	5
East Bay	Cloud Computing	2018	AC	0/3	5
	Educational Foundation	2019	AI		
Fresno	Fresno Athletic Corporation	2018	AC	10/10	-
	Cloud Computing	2018	AC	1/2	3
Fullerton	Const. - One Banting	2018	AC	5/5	-
	Cal State Fullerton Philanthropic Fdn.	2018	AC	0/3	2
	Sponsored Programs	2019	RW		
Humboldt	Information Security	2018	AC	5/5	-
	Cashiering	2018	AC	2/2	-
Long Beach	Cashiering	2018	AC	2/3	5
	The Forty-Niner Shops, Inc.	2018	AI		
	Information Security	2019	RW		
Los Angeles	Decentralized Computing	2018	AC	0/4	3
	Facilities Management	2018	AC	2/2	-
	Health and Safety	2019	RW		
Maritime Academy	Associated Students	2018	AC	5/5	-
Monterey Bay	IT Disaster Recovery	2018	AC	3/3	-
	Foundation of CSU Monterey Bay	2018	AC	2/8	3
	University Corporation	2019	FW		
Northridge	Sponsored Programs - Post Award	2019	FW		
	Northridge Foundation	2018	AC	8/8	-
Pomona	Sponsored Programs	2018	AC	0/5	4
	Associated Students Incorporated	2018	AC	2/4	3
Sacramento	Sponsored Programs - Post Award	2018	AC	2/3	10 <sup>1</sup>
	IT Disaster Recovery	2018	AC	2/4	5
	Associated Students of CSU, Sacramento	2018	AC	0/10	1
	Const. - Student Housing, Phase II	2018	AI		
	Cashiering	2019	RW		

Status Report on Current and Past  
 Audit Assignments  
 (as of 3/15/2019)

Campus	Audit Topic	Audit Plan Year	Audit Status	Follow-up on Current and Past Audit Assignments	
				*Recs	**Mo.
San Bernardino	Emergency Management	2018	AC	3/5	7
	Const. - Std. Housing & Dining Commons	2018	AC	1/1	-
	Health and Safety	2019	RW		
San Diego	Decentralized Computing	2018	AC	0/11	3
	The Campanile Foundation	2019	FW		
San Francisco	Centers and Institutes	2018	AC	4/4	-
	Sponsored Programs - Pre Award	2018	AC	2/2	-
	Accounts Receivable	2018	AC	0/4	3
	Student Organizations	2018	AC	0/7	3
	Health and Safety	2019	RW		
San Jose	Housing and Residential Services	2018	AC	6/9	5
	The Student Union of San Jose State Univ.	2018	AC	0/7	1
	Health and Safety	2019	RW		
San Luis Obispo	IT Disaster Recovery	2018	AC	4/4	-
	Student Health Services	2018	AC	4/4	-
	Cal Poly Corporation	2018	AC	0/7	4
	Health and Safety	2019	RW		
San Marcos	Sponsored Programs - Pre Award	2018	AC	3/3	-
Sonoma	IT Disaster Recovery	2018	AC	9/10	6
	Sonoma State Enterprises	2018	AC	0/5	3
Stanislaus	Instructionally Related Activity Fees	2018	AC	1/1	-
	Information Security	2018	AC	0/9	1
Chancellor's Office	Emergency Management	2018	AC	3/4	5
	Accessible Technology	2019	FW		
Systemwide	Student Organizations	2017	AC	0/1	12 <sup>2</sup>

**Status**  
 FW - Field Work In Progress  
 RW - Report Writing in Progress  
 AI - Audit Incomplete (awaiting formal exit conference and/or campus response)  
 AC - Audit Complete

**Follow-Up**  
 \* The number of recommendations satisfactorily addressed followed by the number of recommendations in the original report.  
 \*\* The number of months recommendations have been outstanding from date of report.  
<sup>1</sup> Approved extended completion date of 12/31/19.  
<sup>2</sup> Approved extended completion date of 12/31/18.  
 Numbers/letters in green are updates since the agenda mailout.



## **COMMITTEE ON AUDIT**

### **Report of the Systemwide Financial Statements and Single Audit of Federal Awards Including the Report to Management**

#### **Presentation By**

Steve Relyea  
Executive Vice Chancellor and  
Chief Financial Officer

Mary Ek  
Assistant Vice Chancellor/Controller  
Financial Services

#### **Summary**

Financial statements audits are performed annually for the California State University (CSU) and for its discretely presented component units (i.e., auxiliary organizations) that separately issue stand-alone audited financial statements by 18 certified public accounting firms. The CSU systemwide financial statements for fiscal year ended June 30, 2018, included as Attachment A, were issued with an unmodified opinion on March 8, 2019. There was an audit finding related to the CSU systemwide financial statements. Highlights of the systemwide financial statements and significant changes from last year will be presented at the March 2019 meeting.

Significant changes in 2018 include the adoption of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The changes in the accounting policy are designed to improve transparency by requiring recognition of the net other postemployment benefits (OPEB) liability, and report costs associated with OPEB as they are earned by employees rather than based on cash funding. Prior to this adoption, the costs associated with OPEB were equal to the actuarially determined Annual Required Contribution and accrued unfunded portion. This change in accounting policy was the primary reason for the significant decrease in net position.

The CSU Single Audit Report was also issued on March 8, 2019 and is included as Attachment B. The Single Audit Report covers federal awards received by the CSU, including student financial aid, subject to both compliance and internal control audit procedures as required by the Office of Management and Budget Compliance Supplement and the Uniform Guidance. There were two audit findings related to internal controls over administration of federal financial aid programs at several campuses. Corrective actions are in progress and a status update will be provided at a future board meeting.

**CSU** The California State University

# FINANCIAL STATEMENTS

## June 30, 2018



CAL POLY POMONA



CSU MONTEREY BAY



CSU CHICO



CSU FULLERTON



SAN FRANCISCO STATE

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

# CALIFORNIA STATE UNIVERSITY

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## **Letter from the Executive Vice Chancellor, Chief Financial Officer**

The California State University is an extraordinary system of 23 campuses providing an outstanding education to over 477,000 students in the college year 2017-18. The University is dedicated to providing opportunities and opening doors for our students to learn and grow. As the nation's largest and most diverse university, it has become the economic engine for California; creating jobs, companies, and innovation. With more than three million degrees awarded since inception, the majority of California's leaders and policymakers received their degrees from one of the 23 campuses of the California State University.

The investment of tax dollars into the California State University is the best investment Californians can make in their future. For every \$1 invested in the California State University, \$5.43 is invested by the University back into California's economy. This investment helps ensure an educated and successful California populace that leads to economic and social prosperity.

The University has embarked on an ambitious goal to significantly decrease the time it takes for our students to earn their degree. As part of this initiative, we will double the number of students earning a degree in four years, and more importantly, decrease the time it takes for all students to earn a degree. Additional investments in the California State University by the State will ensure our success in this transformational initiative.

I am happy to say that the California State University's financial position is very strong, and the new financial authority granted to the University by the State will allow us to optimally use our resources for our highest priorities. While we continue to increase our enrollment capacity, the demand for admission to our campuses continues to increase at a much higher rate.

The campuses and University system are working hard to improve and streamline our operations so that we can best serve our students. We are investing in innovative new ways to provide students with tools to shorten the time it takes to get their degree, and provide faculty with the resources they need to be successful.

Our commitment to the people of California is to build on the foundation of a great University; to increase access to a high-quality education, and to help solve the State's greatest challenges in the years ahead.

**STEVE RELYEA**  
**EXECUTIVE VICE CHANCELLOR, CFO**  
**THE CALIFORNIA STATE UNIVERSITY**





KPMG LLP  
Suite 700  
20 Pacifica  
Irvine, CA 92618-3391

## Independent Auditors' Report

The Board of Trustees  
California State University:

### Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of the California State University (the University), an agency of the State of California (the State), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the University's basic financial statements 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 audit. We did not audit the financial statements of 87 of the 89 aggregate discretely presented component units, which reflect total assets constituting 93% and total revenues constituting 95% of the aggregate discretely presented component units totals. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the 87 discretely presented component units, is 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*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of 45 discretely presented component units were not audited in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States.

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.



### *Opinion*

In our opinion, based on our audits and the reports of 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 California State University, as of June 30, 2018, 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.

### *Emphasis of Matters*

As discussed in the notes to the financial statements, in fiscal year 2018, the California State University adopted Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*. Our opinion is not modified with respect to this matter.

### **Other Matters**

#### *Required Supplementary Information*

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 5–28, the Schedules of University's proportionate share of the net pension liability and related ratios, and employer contributions related to pensions in Schedules 1 and 2, and the Schedule of University's net 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 Standard 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 as a whole. The supplementary information included in Schedules 5 through 7 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Schedule 5 is the responsibility of management and were derived from and relate 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, based on our audit, Schedule 5 is fairly stated in all material respects, in relation to the basic financial statements that collectively comprise the University's basic financial statements.

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 them.



*Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 8, 2019 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 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 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

Orange County, California  
March 8, 2019

## CALIFORNIA STATE UNIVERSITY

### Management's Discussion and Analysis

June 30, 2018

(Unaudited)

The Management's Discussion and Analysis 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, 2018, including 23 campuses and the Office of the Chancellor (collectively referred to as the University), and 89 discretely presented component units. The discussion has been prepared by management and should be read in conjunction with the 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 are primarily recognized auxiliary organizations. These nonprofit 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

#### **Financial Statements**

The financial statements of the University as of and for the year ended June 30, 2018 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 sources of revenue, in a manner similar to the private



## CALIFORNIA STATE UNIVERSITY

### Management's Discussion and Analysis

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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.

#### *Statement of Net Position*

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

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

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

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

#### *Statement of Cash Flows*

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

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

The University's routine activities appear in the operating and noncapital financing categories. Noncapital financing activities include borrowing money for purposes other than to acquire, construct, or improve capital assets and repaying 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.

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

**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:

	<u>University</u>		<u>Discretely presented component units</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	(In thousands)			
Assets:				
Current assets	\$ 3,788,535	3,579,682	1,559,753	1,250,207
Capital assets, net	9,056,572	8,569,643	833,650	826,412
Other noncurrent assets	<u>1,915,548</u>	<u>2,469,600</u>	<u>2,358,674</u>	<u>2,308,958</u>
Total assets	<u>14,760,655</u>	<u>14,618,925</u>	<u>4,752,077</u>	<u>4,385,577</u>
Deferred outflows of resources	<u>3,752,587</u>	<u>1,829,367</u>	<u>37,782</u>	<u>29,972</u>
Liabilities:				
Current liabilities	1,426,526	1,385,123	517,734	340,458
Noncurrent liabilities	<u>29,756,004</u>	<u>15,007,323</u>	<u>1,014,903</u>	<u>981,540</u>
Total liabilities	<u>31,182,530</u>	<u>16,392,446</u>	<u>1,532,637</u>	<u>1,321,998</u>
Deferred inflows of resources	<u>1,504,986</u>	<u>17,394</u>	<u>45,034</u>	<u>13,058</u>
Net position:				
Net investment in capital assets	3,485,290	3,443,607	259,778	264,544
Restricted:				
Nonexpendable	1,708	1,746	1,274,214	1,174,814
Expendable	135,223	256,809	1,025,148	1,001,637
Unrestricted	<u>(17,796,495)</u>	<u>(3,663,710)</u>	<u>653,048</u>	<u>639,498</u>
Total net position	<u>\$ (14,174,274)</u>	<u>38,452</u>	<u>3,212,188</u>	<u>3,080,493</u>

The University's net position decreased by \$14.21 billion in 2018. The University adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, in 2018. The changes in the accounting policy is designed to improve transparency by requiring recognition of the net other postemployment benefits (OPEB) liability, deferred inflows of resources, deferred outflows of resources, and report costs associated with OPEB as they are earned by employees instead of based on cash funding. Prior to this adoption, the costs associated with OPEB were equal to the actuarially determined Annual Required

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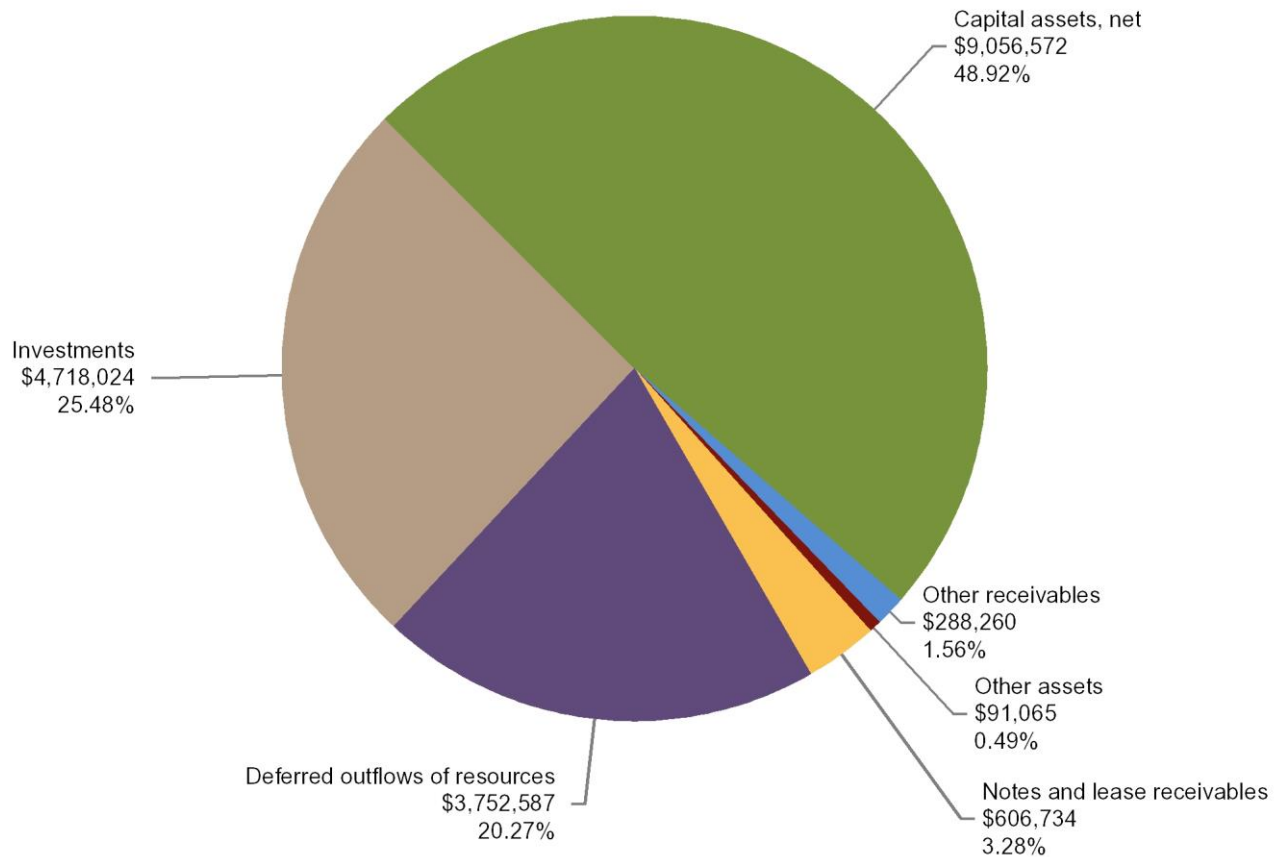
Contribution and recognized accrual of unfunded required contributions. This change in accounting policy was the primary reason for the decrease in net position.

**The University's Financial Position**

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

Total assets increased from \$14.62 billion in 2017 to \$14.76 billion in 2018. Deferred outflows of resources increased from \$1.83 billion in 2017 to \$3.75 billion in 2018.

**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 capital assets, net of accumulated depreciation and amortization, are as follows:

	<u>2018</u>	<u>2017</u>
	(In thousands)	
Land and land improvements	\$ 273,340	268,821
Buildings and building improvements	6,468,331	6,432,766
Improvements other than buildings	211,300	202,100
Infrastructure	648,478	654,440
Equipment	232,830	225,538
Library books and materials	30,877	32,178
Works of art and historical treasures	47,231	44,713
Intangible assets	59,928	50,961
Construction work in progress	<u>1,084,257</u>	<u>658,126</u>
Total	<u>\$ 9,056,572</u>	<u>8,569,643</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 services, recreation centers, and housing facilities. Major projects in 2018 included the Pomona Student Housing Replacement, the San Bernardino Student Housing and Dining Commons, the San Diego Engineering and Interdisciplinary Sciences Complex, the Sacramento Student Housing, Phase II, and the San Luis Obispo Student Housing South project.

*Investments*

The University invests its funds mainly through the CSU Consolidated Investment Pool, whose objective is to maximize current income while ensuring asset safety and liquidity. In addition, funds are invested in Surplus Money Investment Fund (SMIF), which is managed by the State Treasurer to invest funds in a short-term pool.

Investments decreased from \$4.99 billion in 2017 to \$4.72 billion in 2018. Investments decreased due to capital project spending and debt service payments. This is offset by proceeds from issuance of Bond Anticipation Notes (BAN) and an increase in operating resources provided by the State through noncapital appropriations. The University's endowment investments comprise \$1.71 million of the total investments, with no significant change from prior year.

## CALIFORNIA STATE UNIVERSITY

### Management's Discussion and Analysis

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(Unaudited)

Effective January 1, 2017, changes were enacted to the Education and Government Code to expand the allowable investments, which resulted in establishment of the CSU Total Return Portfolio (TRP). Allowable investments now include mutual funds, including equity mutual funds. 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 is to be phased in at no more than \$400 million as of June 2018, \$600 million as of June 2019, and thirty percent of eligible investments thereafter.

The University made an initial TRP investment of \$33.5 million in March 2018, and a subsequent investment of \$91.5 million in June 2018, with the goal of reaching the aggregate statutory limit of \$600 million in the first half of 2019. With the establishment of the TRP, the University expects that exposure in the value of its investments as a result of illiquidity or volatility in certain investment sectors of the financial markets will increase for a portion of its investments, but that such exposure is not expected to have a material adverse impact on gross investment income. Funds held in the University's investment program are subject to changes in market valuation.

Additional earnings from investment under the new authority (if any) shall be used only for capital outlay or maintenance, and shall not be used for ongoing operations.

#### *Notes and Leases 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 to repay the loan to the University. The outstanding loan balance is carried by the University as notes receivable. Notes receivable from discretely presented component units increased from \$341.25 million in 2017 to \$376.75 million in 2018. The increase of \$35.49 million is due mainly to the new loan agreements for construction of facilities in the University amounting to \$46.23 million. Current year notes receivable collections were \$10.74 million.

In a lease arrangement, the financed lease facility is leased from the University, as lessor, to discretely presented component units, as lessee. Under the lease arrangement, the lessee agrees to operate the facility and to make certain rental payment to the University. The leases receivable from discretely presented component units decreased from \$242.71 million in 2017 to \$220.58 million in 2018. The decrease is due to the current year leases receivable collections of \$22.13 million.

#### *Other Receivables*

Other receivables include accounts receivable, student loans receivable, and pledges receivable. The other receivables decreased from \$374.12 million in 2017 to \$288.26 million in 2018.

## CALIFORNIA STATE UNIVERSITY

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The accounts receivable from the State Public Works Board (SPWB) Lease Revenue Bond program for the capital outlay projects amounted to \$2.61 million and \$66.31 million in 2018 and 2017, respectively. The decrease of \$63.70 million is due mainly to restructuring of the agreement with SPWB which resulted in the change in capital outlay funding from SPWB Lease Revenue Bond program to the SRB program.

Accounts receivable from student accounts increased from \$68.44 million in 2017 to \$71.55 million in 2018 due to enrollment growth and higher tuition and fees effective in academic year 2017-2018.

The accounts receivable from the State for capital and noncapital appropriations decreased from \$54.95 million in 2017 to \$32.52 million in 2018. The decrease of \$22.42 million was primarily due to appropriation funds spent for constructions during the fiscal year.

Student loans receivable, decreased from \$77.24 million in 2017 to \$70.65 million in 2018. Receivable from students' Perkins loans decreased by \$8.17 million, offset by \$1.58 million increase in California Dream loans.

#### *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:

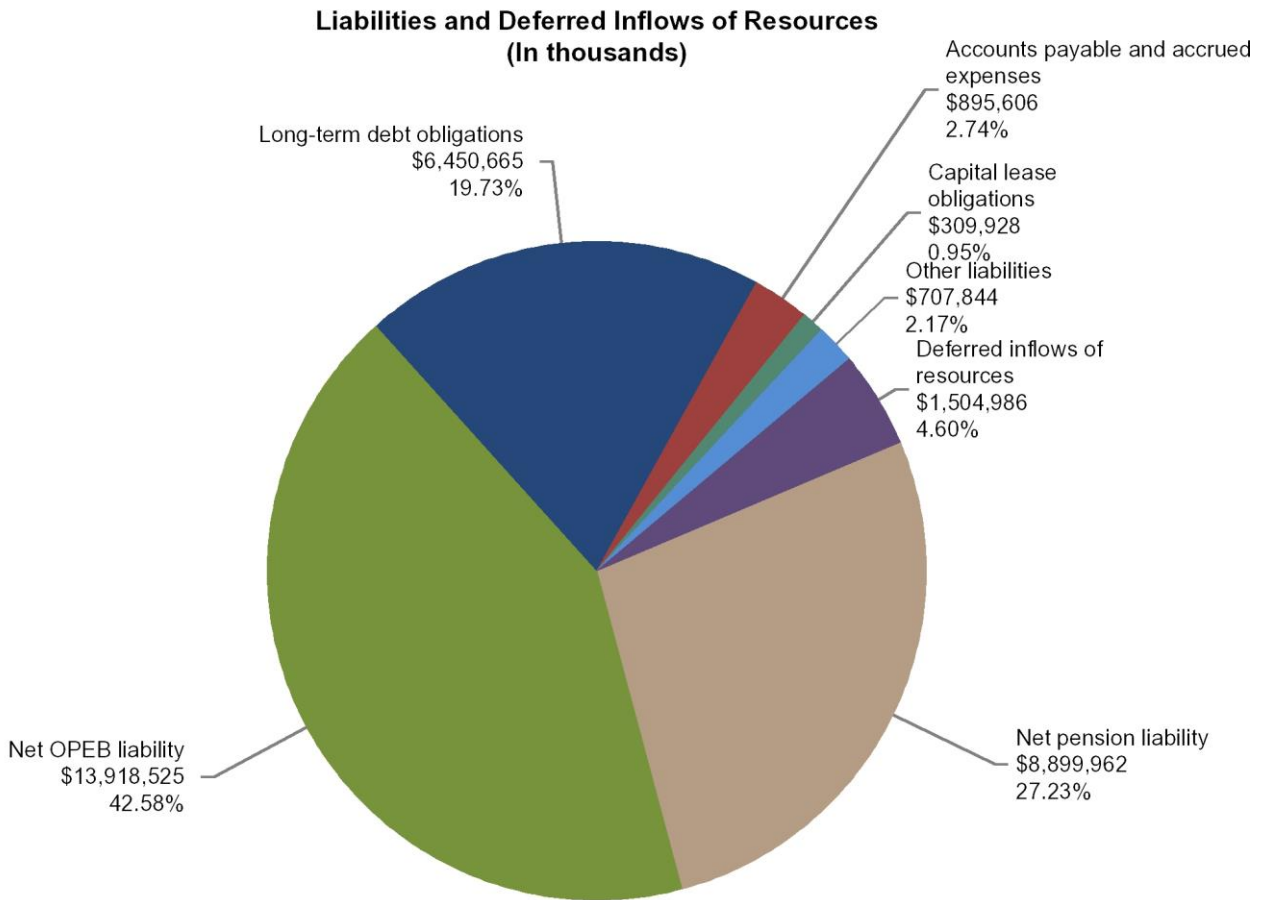
- *Loss on Debt Refunding* – The defeasance of previously outstanding systemwide revenue bonds results in deferring refunding losses. These deferred losses are recognized as a component of interest over the remaining life of the old debt or the life of the new debt, whichever is shorter.
- *Net Pension Liability* – Increases in the net pension liability that are not recognized as pension expenses for the reporting period are reported as deferred outflows of resources. The difference between expected and actual experience with regard to economic or demographic factors used by an actuary to determine total pension liability; and increases in the University's proportionate share of net pension liability, are recognized as pension expenses over the average of the expected remaining service lives of participating employees. A deferred outflow of resources is also reported when projected earnings on pension plan investments exceed actual earnings, with the net difference amortized to pension expense over a five-year period beginning in the current period. 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.
- *Net Other Postemployment Benefits (OPEB) Liability* – The employer contributions subsequent to measurement date are recognized as deferred outflows of resources and a reduction of net OPEB liability in the following year.

Deferred outflows of resources increased by \$1.92 billion from \$1.83 billion in 2017 to \$3.75 billion in 2018. In 2018, the deferred outflows of resources increased due to the University's share in the State's one-time supplemental pension contribution made subsequent to the measurement date, the OPEB contribution made subsequent to measurement date associated with the implementation of GASB Statement No. 75, the impact of higher proportionate share related to net pension liability in 2018, and the impact of the change in assumptions including the lowering of the discount rate in calculating the net pension liability.

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Management's Discussion and Analysis  
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**Liabilities and Deferred Inflows of Resources**

Total liabilities of \$31.18 billion represent an increase of \$14.79 billion compared to \$16.39 billion in 2017. Deferred inflows of resources increased from \$17.39 million in 2017 to \$1.50 billion in 2018. The increase in liabilities and deferred inflows of resources were primarily due to implementation of GASB Statement No. 75.



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, net OPEB liability, capital lease obligations, and other liabilities.

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*Net 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 University implemented the new accounting standard for other postemployment benefits which requires recognition of the net OPEB liability. The ending net OPEB liability, recognized as a result of the implementation of GASB Statement No. 75, was \$13.92 billion. The OPEB benefits are funded on a pay-as-you-go basis as eligible participants retire and receive those benefits.

*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 \$7.73 billion in 2017 to \$8.90 billion in 2018. The \$1.17 billion increase is primarily due to a lower discount rate used to estimate net pension liability. The discount rate was reduced from 7.65% in 2017 to 7.15% in 2018.

*Long-Term Debt Obligations*

The University's capital assets are financed using the State's capital appropriations, SRB, leases, and reserves. BANs provide short-term financing for capital assets during the construction period. The University's total long-term debt obligations increased by \$9.09 million in 2018. The University's long-term debt obligations are summarized as follows:

	<b>2018</b>	<b>2017</b>
	(In thousands)	
Systemwide revenue bonds	\$ 5,692,563	5,826,473
Bond anticipation notes	169,205	600
Other long-term debt obligations	12,813	8,583
Total	5,874,581	5,835,656
Unamortized net bond premium	576,084	605,917
Total long-term debt obligations	6,450,665	6,441,573
Less current portion	(144,174)	(122,026)
Long-term debt obligations, net of current portion	\$ 6,306,491	6,319,547



## CALIFORNIA STATE UNIVERSITY

### Management's Discussion and Analysis

June 30, 2018

(Unaudited)

- *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 continuing education program, as well as payments from various auxiliary organizations and special purpose government entities.

Historically, the State has funded academic facilities with proceeds from issuance of SPWB Lease Revenue Bonds and State General Obligation (GO) Bonds for which, in each case, the State made all debt service payments directly or through appropriations to the University.

Education Code Section 89770 provided the University with statutory authority to issue bonds to finance academic facilities, as well as providing the University with the ability to pledge additional revenues to support its debt obligations, including but not limited to student tuition fees. The student tuition fees were added to the gross revenues pledged to secure outstanding SRB.

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, and certain maturities in 2008A 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 decreased by \$133.91 million due to repayment of outstanding debt.

- *Bond Anticipation Notes*

New issuances of BANs amounted to \$169.64 million. Proceeds were used as short-term financing to acquire and construct capital assets.

- *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 \$2.32 billion in 2017 to \$2.24 billion in 2018. 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.

## CALIFORNIA STATE UNIVERSITY

### Management's Discussion and Analysis

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#### *Accounts Payable and Accrued Expenses*

Accrued expenses for salaries, benefits, and compensated absences decreased from \$638.34 million in 2017 to \$621.40 million in 2018.

Accounts payable increased from \$267.49 million in 2017 to \$274.20 million in 2018. The increase of \$6.71 million is due mainly to the increase in the number of capital projects that are currently in progress. These capital projects were primarily funded by SRB.

#### *Capital Lease Obligations*

The University has capital leases for campus facilities including computer, energy efficiency, and telecommunications equipment. The majority of the capital lease obligations are with the SPWB Lease Revenue Bond program for academic campus facilities. Capital lease obligations of the University decreased by \$43.52 million in 2018 due to current year payments of \$46.38 million and amortization of related premiums of \$0.27 million, offset by new capital lease obligations of \$3.12 million.

#### *Other Liabilities*

Other liabilities include unearned revenues, grants refundable, and depository accounts, increased from \$531.77 million in 2017 to \$707.84 million in 2018. In 2018, the State made a one-time \$6 billion supplemental pension payment to CalPERS as authorized by Government Code Section 20825. The supplemental pension payment is funded through a cash loan from mainly the State's Surplus Money Investment Fund (SMIF), which will be paid back by June 30, 2030. The loan was apportioned to the State retirement plans, including State Miscellaneous and Peace Officer and Firefighters. As a result, the University recognized \$156.28 million of loan payable to the State representing the University's share of the loan.

#### *Deferred Inflows of Resources*

Deferred inflows of resources are related to certain changes in net pension and net OPEB liabilities. Deferred inflows of resources increased related to changes in actuarial assumptions used in the OPEB liability actuarial valuation and the difference between expected and actual experience related to pension by \$1.42 billion and \$66.70 million, respectively.

#### *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.

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Net position by category is as follows:

	<b>2018</b>	<b>2017</b>
	(In thousands)	
Net investment in capital assets	\$ 3,485,290	3,443,607
Restricted:		
Nonexpendable	1,708	1,746
Expendable	135,223	256,809
Unrestricted	(17,796,495)	(3,663,710)
Total net position	\$ (14,174,274)	38,452

- *Net Investment in Capital Assets*

The net position category "Net investment in capital assets" represents the University's capital assets, net of accumulated depreciation and amortization, and also net of outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets and any related deferred outflows of resources. The net investment in capital assets increased from \$3.44 billion in 2017 to \$3.49 billion in 2018. The increase in 2018 reflects greater additions to net capital assets during the year than the associated increase in capital asset-related debt.

- *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,

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loans, capital projects, and debt service funds. The restricted expendable net position decreased due to spending for capital outlay projects and debt service payments.

- *Unrestricted*

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

These designated 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. The undesignated resources are mainly from the operating fund.

At June 30, 2018, unrestricted net position reflects a deficit of \$17.80 billion due primarily to the implementation of GASB Statement No. 68 (pension) during 2015, and the implementation of GASB Statement No. 75 (OPEB) in the current year. Unrestricted net position decreased \$14.13 billion in 2018, primarily due to the impact of implementing GASB Statement No. 75. These Statements require the University to record its share of the State's actuarially determined liabilities for pension and OPEB. Excluding the impact of these accounting changes, unrestricted net position increased by \$84.06 million or 3.02%, in 2018.

Unrestricted net position consisted of the following:

	<u>2018</u>	<u>2017</u>
	(In thousands)	
Unrestricted net position, as reported	\$ (17,796,495)	(3,663,710)
Impact of pension related activities	5,678,261	6,025,459
Impact of OPEB related activities	<u>14,989,933</u>	<u>425,888</u>
Unrestricted net position, excluding pension and OPEB	<u>\$ 2,871,699</u>	<u>2,787,637</u>
Designated unrestricted net position	\$ 2,070,901	2,146,228
Undesignated unrestricted net position	<u>800,797</u>	<u>641,409</u>
Unrestricted net position, excluding pension and OPEB	<u>\$ 2,871,698</u>	<u>2,787,637</u>

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#### **Discretely Presented Component Units' Financial Position**

In 2018, the discretely presented component units managed \$4.75 billion, representing 24.35% of the University's \$19.51 billion combined total assets. In 2017, \$4.39 billion of assets were managed by the discretely presented component units, representing 23.08% 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 \$1.73 billion in 2017 to \$1.86 billion in 2018. This represents 9.53% and 9.12% of the combined total assets for 2018 and 2017, respectively.

The claims liability for losses and loss adjustment expenses decreased from of \$74.57 million in 2017 to \$68.69 million in 2018. 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 \$2.30 billion, representing 94.38% of the combined restricted net position in 2018. In 2017, the restricted net position of discretely presented component units was \$2.18 billion, representing 89.38% of the combined restricted net position.

The combined University and discretely presented component units' net position reflects a deficit of \$10.96 billion in 2018 primarily due to the impact of implementing GASB Statement No. 75 when compared to \$3.12 billion in 2017.

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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:

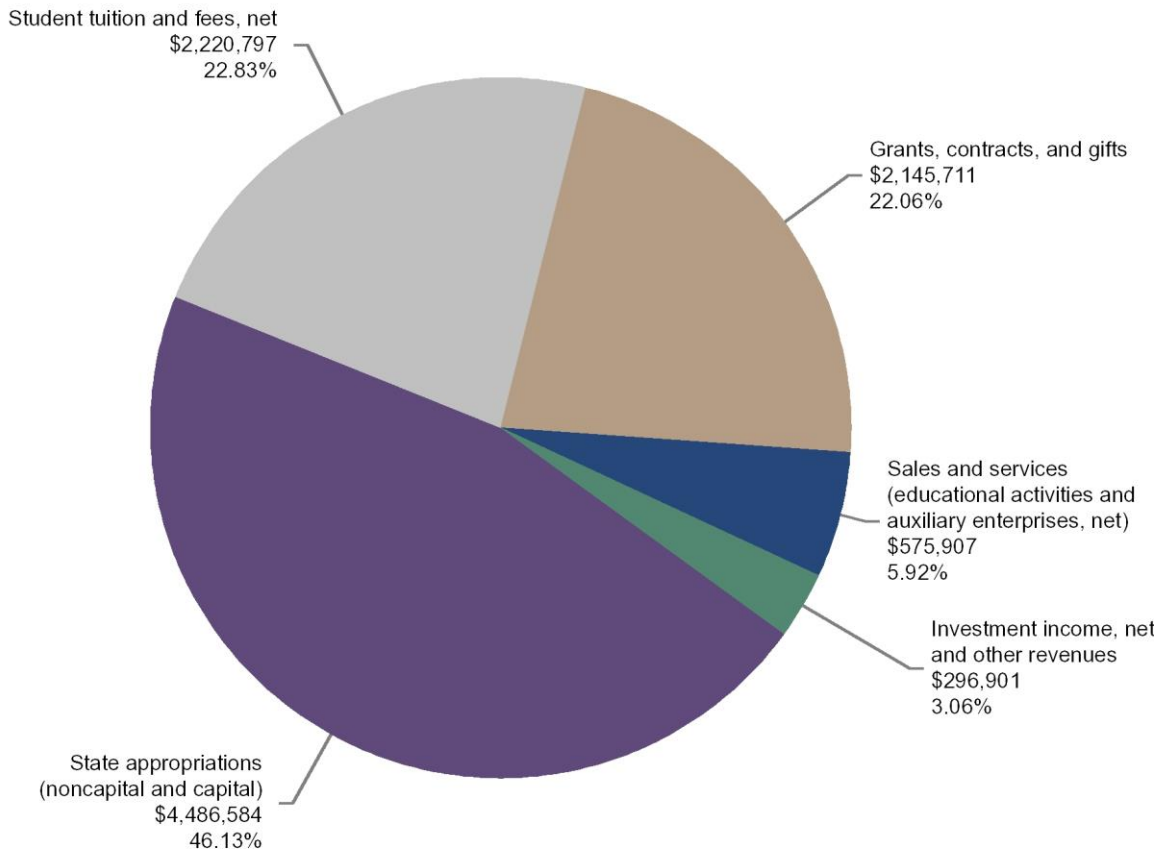
	<u>University</u>		<u>Discretely presented component units</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	(In thousands)			
Operating revenues:				
Student tuition and fees, net	\$ 2,220,797	2,185,444	186,827	193,227
Grants and contracts, noncapital	77,792	71,277	569,289	526,196
Sales and services of educational activities	52,403	48,198	51,367	49,997
Sales and services of auxiliary enterprises, net	523,504	499,383	511,877	526,139
Other operating revenues	229,550	208,480	242,584	284,413
Total operating revenues	<u>3,104,046</u>	<u>3,012,782</u>	<u>1,561,944</u>	<u>1,579,972</u>
Operating expenses	<u>9,726,004</u>	<u>7,986,652</u>	<u>1,768,584</u>	<u>1,723,859</u>
Operating loss	<u>(6,621,958)</u>	<u>(4,973,870)</u>	<u>(206,640)</u>	<u>(143,887)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	4,486,584	3,258,252	—	—
Financial aid grants, noncapital	1,928,555	1,751,263	3,285	3,839
Grants and gifts, noncapital	65,411	58,413	194,827	197,152
Investment income, net	67,351	52,662	64,081	91,231
Endowment income, net	—	15	69,622	121,341
Interest expense	(224,909)	(204,095)	(21,343)	(19,001)
Other nonoperating expenses	(64,009)	(23,739)	(37,347)	(24,262)
Net nonoperating revenues	<u>6,258,983</u>	<u>4,892,771</u>	<u>273,125</u>	<u>370,300</u>
Income (loss) before other revenues (expenses)	<u>(362,975)</u>	<u>(81,099)</u>	<u>66,485</u>	<u>226,413</u>
State appropriations, capital	—	34,946	—	—
Grants and gifts, capital	73,953	50,256	13,643	11,372
Additions (reductions) to permanent endowments	<u>—</u>	<u>(6,876)</u>	<u>96,080</u>	<u>90,897</u>
Change in net position	<u>(289,022)</u>	<u>(2,773)</u>	<u>176,208</u>	<u>328,682</u>
Net position – beginning of year, as restated	<u>(13,885,252)</u>	<u>41,225</u>	<u>3,035,980</u>	<u>2,751,811</u>
Net position – end of year	<u>\$ (14,174,274)</u>	<u>38,452</u>	<u>3,212,188</u>	<u>3,080,493</u>

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**Revenues (Operating and Nonoperating)**

The University's two largest sources of revenues are state appropriations and student tuition and fees, net, which accounted for a combined 68.96% and 66.72% of total revenues in 2018 and 2017, respectively. State appropriations are received for both noncapital and capital purposes.

**Revenues (Operating and Nonoperating)  
(In thousands)**



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The University's total revenues consisted of the following:

	<u>2018</u>	<u>Percentage of total</u>	<u>2017</u>	<u>Percentage of total</u>
	(In thousands)		(In thousands)	
State appropriations (noncapital and capital)	\$ 4,486,584	46.13 %	\$ 3,293,198	40.10 %
Student tuition and fees, net	2,220,797	22.83	2,185,444	26.61
Grants, contracts, and gifts	2,145,711	22.06	1,924,333	23.43
Sales and services (educational activities and auxiliary enterprises), net	575,907	5.92	547,581	6.67
Investment income, net and other revenues	296,901	3.06	261,157	3.19
Total revenues (operating and nonoperating)	<u>\$ 9,725,900</u>	<u>100.00 %</u>	<u>\$ 8,211,713</u>	<u>100.00 %</u>

*State Appropriations (Noncapital and Capital)*

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

	<u>2018</u>	<u>2017</u>
	(In thousands)	
State appropriations, noncapital	\$ 3,451,874	3,258,252
State's contribution on behalf of the University for pension benefits	720,559	—
State's contribution on behalf of the University for OPEB	314,151	—
Total state appropriations, noncapital	4,486,584	3,258,252
State appropriations, capital	—	34,946
Total state appropriations (noncapital and capital)	<u>\$ 4,486,584</u>	<u>3,293,198</u>

The state noncapital appropriations increased from \$3.26 billion in 2017 to \$4.49 billion in 2018. The general state appropriations increased by \$193.62 million for Graduation Initiative 2025, State University Grants (SUG), employee compensation, SPWB capital lease obligations debt service, mandatory cost increases, and other miscellaneous support.

In addition to the general state appropriations, the State, on behalf of the University, contributed \$720.56 million of one-time supplemental payment to CalPERS to help reduce the net pension liability in accordance with



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Government Code Section 20825. In 2018, the State also contributed \$314.15 million to pay for University retirees' health benefits.

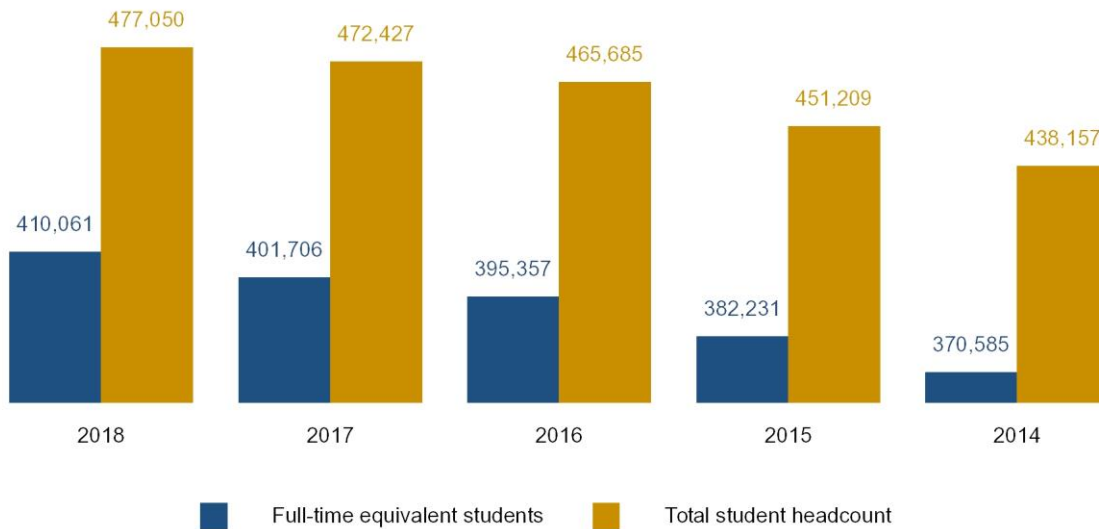
There was no state capital appropriations allocated in 2018; the \$34.95 million in 2017 was mainly for deferred maintenance projects.

*Student Tuition and Fees, Net*

Gross student tuition and fees increased from \$3.74 billion in 2017 to \$3.99 billion in 2018. The increase is due to student enrollment growth and higher tuition rates effective in academic year 2017-2018. Student headcount enrollment grew by 0.98% from 472,427 in 2017 to 477,050 in 2018, as reflected in the following chart. Full-time equivalent students grew by 2.08% from 401,706 in 2017 to 410,061 in 2018.

The following chart displays the University's historical enrollment data by fiscal year:

**5-Year Enrollment**



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The increase in gross student tuition and fees was partially offset by an increase in scholarship allowances. The net student and tuition fees revenue increased by \$35.35 million in 2018 as a result of tuition increase for the Fall 2017 term together with growing student enrollment.

Scholarship allowances, mainly financial aid reported as an offset to the gross student tuition and fees, are the difference between the tuition and fees and the amount paid by the student and third parties on behalf of the student. The University's support for 2018 included an increase in aid to reduce the impact of the approved tuition increase. Scholarship allowances of \$1.77 billion and \$1.55 billion in 2018 and 2017, respectively, were netted against student tuition and fees. The increase is a combination of the effect of increases in eligible students and allowable aid per student.

#### *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 \$52.40 million, an increase from \$48.20 million in 2017.

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 \$523.50 million, which is a \$24.12 million increase when compared to 2017. The increase is due mainly to new student housing facilities which operated for the first time in 2018 and increases in housing occupancy, space rentals, and parking permits issued to students, faculty, and employees.

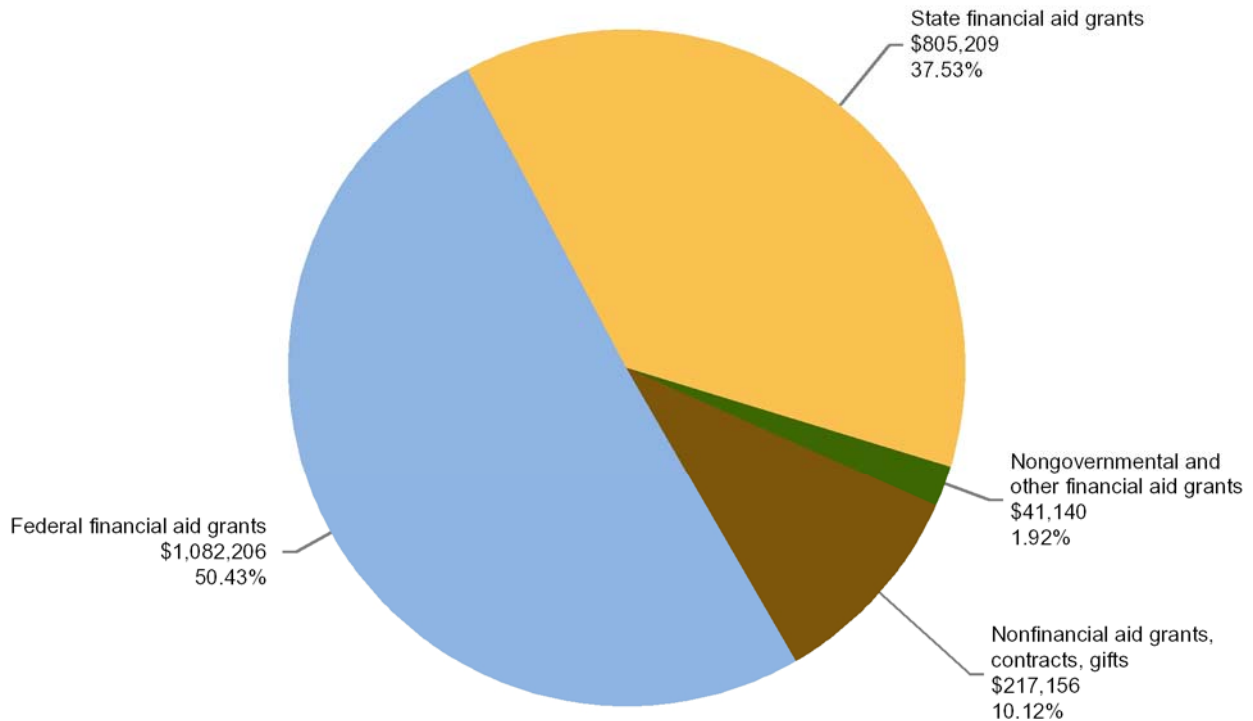
#### *Grants, Contracts and Gifts*

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

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Grant, Supplemental Educational Opportunity Grant, and College Work Study. Major state financial aid grants came from Cal Grants and Middle Class Scholarship.

**Grants, Contracts and Gifts  
(In thousands)**



Student financial aid grants of \$1.93 billion represent 89.88% of the University's total grants, contracts, and gifts revenues of \$2.15 billion for 2018. Federal and state agencies contributed \$1.89 billion representing 97.87% of the University's total student financial aid grants in 2018 and \$1.71 billion representing 97.81% in 2017. The financial aid increases are due to more eligible students and higher aid per student.

The remainder of the grants, contracts and gifts include nonfinancial aid grants, contracts, changes to permanent endowments, and gifts (capital and noncapital), which amounted to \$217.16 million, or 10.12%, of total grants, contracts, and gifts. It increased by \$44.09 million due mainly to new one-time grants and gifts from third parties received in 2018. Further, gifts received from discretely presented component units amounted to \$101.45 million, which is \$21.75 million higher compared to 2017. The University transferred endowment investments of \$6.88 million in 2017 to its discretely presented component units.

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*Investment Income, Net and Other Revenues*

Other operating revenues for the fiscal year of \$229.55 million is an increase of \$21.07 million compared to the prior year. This is mainly due to increase in revenues from cost recoveries from discretely presented component units and from special noncapital related projects.

Investment income for the fiscal year is \$67.35 million, which is \$14.69 million higher when compared to the prior year. This includes the return on investments from the CSU Consolidated Investment Pool and SMIF investments, realized gains or losses on the sale of securities, unrealized gains or losses in the fair value of securities, investment income from capital leases receivable, and capital related loans with discretely presented component units, and is offset by investment service charges.

**Expenses (Operating and Nonoperating)**

The University's total expenses of \$10.01 billion is comprised of operating expenses of \$9.73 billion, or 97.12%, and nonoperating expenses of \$288.92 million, or 2.88%.

*Operating Expenses*

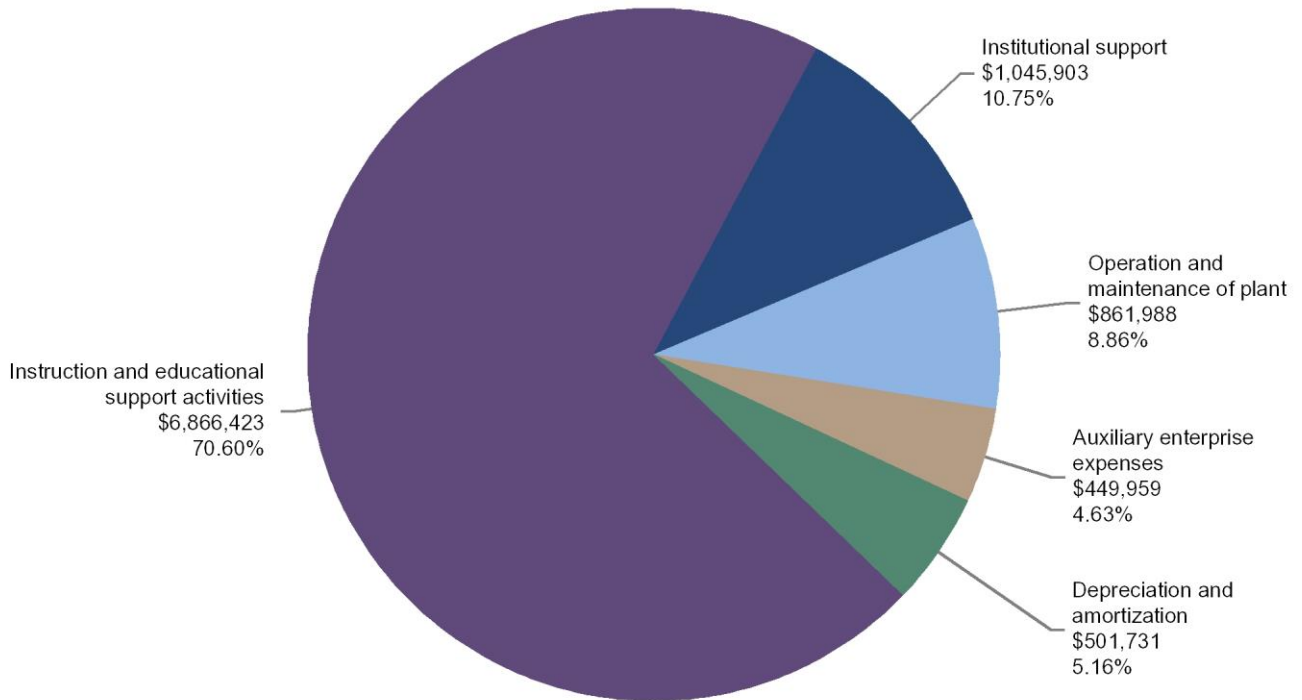
When the mission-critical educational support activities of student services, academic support, student grants and scholarships, public service, and research are added to direct classroom instruction, the total instruction and educational support activities account for 70.60% of the 2018 total operating expenses of the University which was an increase from 2017, as shown below:

	<b>2018</b>	<b>Percentage of total</b>	<b>2017</b>	<b>Percentage of total</b>
	(In thousands)		(In thousands)	
Instruction	\$ 3,767,929	38.74 %	\$ 2,853,923	35.73 %
Research	71,377	0.74	54,468	0.68
Public service	61,543	0.63	47,013	0.59
Academic support	982,493	10.10	810,610	10.15
Student services	1,091,912	11.23	885,908	11.09
Student grants and scholarships	891,169	9.16	844,019	10.57
Total instruction and educational support activities	6,866,423	70.60	5,495,941	68.81
Institutional support	1,045,903	10.75	903,730	11.31
Operation and maintenance of plant	861,988	8.86	720,859	9.03
Auxiliary enterprise expenses	449,959	4.63	385,618	4.83
Depreciation and amortization	501,731	5.16	480,504	6.02
Total operating expenses	<u>\$ 9,726,004</u>	<u>100.00 %</u>	<u>\$ 7,986,652</u>	<u>100.00 %</u>

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The total operating expenses increased by \$1.74 billion in 2018. This is due primarily to an increase in benefits expense due primarily to the implementation of GASB Statement No. 75 and changes in assumptions related to pension, as well as overall growth in the University's operation.

**Operating Expenses  
 (In thousands)**



- **Salaries**

The University's salaries increased from \$3.37 billion in 2017 to \$3.61 billion in 2018. The increase of \$234.51 million is mainly comprised of \$184.26 million, or 78.57%, for instruction and educational support; \$22.85 million, or 9.75%, for institutional support; \$17.77 million, or 7.58%, for operation and maintenance of plant; and \$9.62 million, or 4.10%, for auxiliary enterprise. The combination of employee salary rate increases during the year and higher employee headcount contributed to the change in salary expenses.

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- *Benefits*

The University's benefits increased from \$1.79 billion in 2017 to \$3.19 billion in 2018. The increase of \$1.40 billion is mainly comprised of \$1.13 billion, or 81.01%, for instruction and educational support; \$112.10 million, or 8.01%, for institutional support; \$118.56 million, or 8.48%, for operation and maintenance of plant; and \$35.03 million, or 2.50%, for auxiliary enterprise.

Benefits expense increased in 2018 primarily due to the implementation of GASB Statement No. 75. Expenses associated with OPEB benefits were previously recorded as a current year expense based on cash funding paid to the OPEB plan administrator. Implementation of GASB Statement No. 75 requires the University to record its share of the State's actuarially determined OPEB expense, representing OPEB subsidies earned during the year by eligible employees, together with interest on the total OPEB liability and current amortization of deferred changes in the liability. For 2018, the increase in expense due to the implementation of GASB Statement No. 75 was \$894.76 million. Benefits expense related to pension increased in 2018 by \$514.92 million due to amortization of deferred changes in liability, and higher service costs and related interest resulted from a lower discount rate in 2018.

- *Scholarships and Fellowships*

The scholarship and fellowship, which represents financial aid directly paid to students, increased from \$844.02 million in 2017 to \$891.17 million in 2018. The increase of \$47.15 million is mainly due to an increase in the number of students eligible for financial aid.

- *Supplies and Services*

The University's supplies and services increased from \$1.49 billion in 2017 to \$1.53 billion in 2018. The increase of \$37.64 million is mainly comprised of \$5.94 million, or 15.78%, for instruction and educational support; \$7.22 million, or 19.18%, for institutional support; \$4.80 million, or 12.74%, for operation and maintenance of plant; and \$19.69 million, or 52.30%, for auxiliary enterprise.

- *Depreciation and Amortization*

The depreciation and amortization expense increased from \$480.50 million in 2017 to \$501.73 million in 2018. The increase of \$21.23 million was due to the completion of construction projects for building, building improvements, improvements other than building, and infrastructure.

*Other Nonoperating Expenses, Net*

The University's other nonoperating expenses, net increased from \$23.74 million in 2017 to \$64.01 million in 2018. The change is mainly due to restructuring of the agreement with SPWB which resulted in the change in capital outlay funding from SPWB Lease Revenue Bond program to SRB program.

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

The discretely presented component units managed \$2 billion of revenues, representing 17.08% of the University's \$11.73 billion combined total revenues. This is lower compared to the 20.33% in prior year due to decrease in endowment income of \$51.72 million resulted from changes in investment market conditions.

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The discretely presented component units managed \$781.04 million grants contracts, and gifts revenues, representing 26.69% of the \$2.15 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

##### *University Support Budget Plan for Fiscal year 2018–2019*

The University's \$6.82 billion total operating budget for fiscal year 2018-2019 is funded primarily from two sources: \$3.75 billion from State general fund appropriations and \$3.07 billion of net tuition and fee revenues.

The fiscal year 2018-2019 budget includes an augmentation of \$317.27 million for the following:

- \$120 million for one-time enrollment support
- \$106.64 million for employee compensation
- \$75 million for the Graduation Initiative 2025
- \$15.63 million for mandatory cost increases (e.g., health benefits, operation and maintenance of new facilities)

##### *University Support Budget Plan for Fiscal year 2019–2020*

In the proposed 2019-20 budget released in January 2019, the Governor proposed an ongoing increase of \$300 million for the University to fund Graduation Initiative 2025, enrollment growth and employee compensation and mandatory costs. The governor is also proposing one-time allocation of \$247 million to assist the University in addressing a growing backlog of maintenance for aging facilities across the 23 campuses, and \$15 million to help support the basic needs of students.

#### Subsequent Events

The following information describes significant events that occurred subsequent to June 30, 2018, but prior to the date of the auditor's report.

- *SRB Issuance*

In August 2018, the University issued \$492.69 million of SRB Series 2018A (Tax Exempt) and \$171 million of SRB Series 2018B (Taxable). The new bonds were issued to fund various capital projects, redeem maturing BANs, refund outstanding SRB Series 2008A bonds, and pay related issuance costs.

- *BAN Issuance*

In October 2018 and December 2018, the University issued \$20 million of BANs to finance the various capital outlay projects and \$36.52 million of BANs for the Sonoma State Petaluma Acquisition project, respectively. In January 2019, the University issued \$52.15 million of BANs for the Five-Year Facilities Renewal and Improvement Plan.

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Statement of Net Position

June 30, 2018

(In thousands)

<b>Assets</b>	<b>University</b>	<b>Discretely presented component units</b>	<b>Total</b>
	<u>          </u>	<u>          </u>	<u>          </u>
Current assets:			
Cash and cash equivalents	\$ 2,721	267,648	270,369
Short-term investments	3,513,293	785,290	4,298,583
Accounts receivable, net	178,036	221,644	399,680
Capital lease receivable, current portion	11,384	1,857	13,241
Notes receivable, current portion	14,783	170,145	184,928
Pledges receivable, net	2,240	77,896	80,136
Prepaid expenses and other current assets	66,078	35,273	101,351
Total current assets	<u>3,788,535</u>	<u>1,559,753</u>	<u>5,348,288</u>
Noncurrent assets:			
Restricted cash and cash equivalents	103	39,908	40,011
Accounts receivable, net	37,337	18,378	55,715
Capital lease receivable, net of current portion	218,229	61,275	279,504
Notes receivable, net of current portion	362,338	25,712	388,050
Student loans receivable, net	70,647	557	71,204
Pledges receivable, net	—	126,477	126,477
Endowment investments	1,708	1,616,205	1,617,913
Other long-term investments	1,203,023	433,293	1,636,316
Capital assets, net	9,056,572	833,650	9,890,222
Other assets	22,163	36,869	59,032
Total noncurrent assets	<u>10,972,120</u>	<u>3,192,324</u>	<u>14,164,444</u>
Total assets	<u>14,760,655</u>	<u>4,752,077</u>	<u>19,512,732</u>
<b>Deferred Outflows of Resources</b>			
Deferred outflows of resources	<u>3,752,587</u>	<u>37,782</u>	<u>3,790,369</u>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	274,204	92,403	366,607
Accrued salaries and benefits	395,409	30,022	425,431
Accrued compensated absences, current portion	126,093	15,424	141,517
Unearned revenues	327,235	77,605	404,840
Capital lease obligations, current portion	19,783	11,492	31,275
Long-term debt obligations, current portion	144,174	184,597	328,771
Claims liability for losses and loss adjustment expenses, current portion	—	19,385	19,385
Depository accounts	9,850	14,416	24,266
Other liabilities	129,778	72,390	202,168
Total current liabilities	<u>\$ 1,426,526</u>	<u>517,734</u>	<u>1,944,260</u>



**CALIFORNIA STATE UNIVERSITY**

Statement of Net Position

June 30, 2018

(In thousands)

	<u>University</u>	<u>Discretely presented component units</u>	<u>Total</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	\$ 99,900	5,554	105,454
Unearned revenues	10,149	15,036	25,185
Grants refundable	69,919	3,404	73,323
Capital lease obligations, net of current portion	290,145	237,440	527,585
Long-term debt obligations, net of current portion	6,306,491	429,426	6,735,917
Claims liability for losses and loss adjustment expenses, net of current portion	—	49,303	49,303
Depository accounts	2,283	21,253	23,536
Net other postemployment benefits liability	13,918,525	121,645	14,040,170
Net pension liability	8,899,962	82,280	8,982,242
Other liabilities	158,630	49,562	208,192
	<u>29,756,004</u>	<u>1,014,903</u>	<u>30,770,907</u>
Total noncurrent liabilities			
Total liabilities	<u>31,182,530</u>	<u>1,532,637</u>	<u>32,715,167</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflows of resources	<u>1,504,986</u>	<u>45,034</u>	<u>1,550,020</u>
<b>Net Position</b>			
Net position:			
Net investment in capital assets	3,485,290	259,778	3,745,068
Restricted for:			
Nonexpendable – endowments	1,708	1,274,214	1,275,922
Expendable:			
Scholarships and fellowships	19,631	261,958	281,589
Research	111	21,046	21,157
Loans	18,426	3,279	21,705
Capital projects	47,929	75,162	123,091
Debt service	27,974	8,260	36,234
Others	21,152	655,443	676,595
Unrestricted	<u>(17,796,495)</u>	<u>653,048</u>	<u>(17,143,447)</u>
Total net position	<u>\$ (14,174,274)</u>	<u>3,212,188</u>	<u>(10,962,086)</u>

See accompanying notes to financial statements.

**CALIFORNIA STATE UNIVERSITY**

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2018

(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 \$1,772,436)	\$ 2,220,797	186,827	(16,350)	2,391,274
Grants and contracts, noncapital:				
Federal	44,527	372,831	(172)	417,186
State	14,785	103,387	(588)	117,584
Local	4,148	24,525	—	28,673
Nongovernmental	14,332	68,546	(1,610)	81,268
Sales and services of educational activities	52,403	51,367	(3,550)	100,220
Sales and services of auxiliary enterprises (net of University scholarship allowances of \$110,850)	523,504	511,877	(108)	1,035,273
Other operating revenues	229,550	242,584	(5,678)	466,456
Total operating revenues	<u>3,104,046</u>	<u>1,561,944</u>	<u>(28,056)</u>	<u>4,637,934</u>
Expenses:				
Operating expenses:				
Instruction	3,767,929	157,329	(1,605)	3,923,653
Research	71,377	222,053	(12)	293,418
Public service	61,543	189,865	(3,814)	247,594
Academic support	982,493	83,694	(3,859)	1,062,328
Student services	1,091,912	186,605	(15,086)	1,263,431
Institutional support	1,045,903	262,572	(29,675)	1,278,800
Operation and maintenance of plant	861,988	54,077	(9,626)	906,439
Student grants and scholarships	891,169	70,329	(37,047)	924,451
Auxiliary enterprise expenses	449,959	489,456	(19,337)	920,078
Depreciation and amortization	501,731	52,604	—	554,335
Total operating expenses	<u>9,726,004</u>	<u>1,768,584</u>	<u>(120,061)</u>	<u>11,374,527</u>
Operating loss	<u>(6,621,958)</u>	<u>(206,640)</u>	<u>92,005</u>	<u>(6,736,593)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	4,486,584	—	—	4,486,584
Federal financial aid grants, noncapital	1,082,206	1,510	(29)	1,083,687
State financial aid grants, noncapital	805,209	1,266	—	806,475
Local financial aid grants, noncapital	—	170	—	170
Nongovernmental and other financial aid grants, noncapital	41,140	339	(21,519)	19,960
Other federal nonoperating grants, noncapital	4,025	—	—	4,025
Gifts, noncapital	61,386	194,827	(46,065)	210,148
Investment income, net	67,351	64,081	—	131,432
Endowment income, net	—	69,622	—	69,622
Interest expense	(224,909)	(21,343)	—	(246,252)
Other nonoperating expenses	(64,009)	(37,347)	30,995	(70,361)
Net nonoperating revenues	<u>6,258,983</u>	<u>273,125</u>	<u>(36,618)</u>	<u>6,495,490</u>
Income (loss) before other revenues	<u>(362,975)</u>	<u>66,485</u>	<u>55,387</u>	<u>(241,103)</u>
Grants and gifts, capital	73,953	13,643	(55,387)	32,209
Additions to permanent endowments	—	96,080	—	96,080
Increase (decrease) in net position	<u>(289,022)</u>	<u>176,208</u>	<u>—</u>	<u>(112,814)</u>
Net position:				
Net position at beginning of year, as restated	<u>(13,885,252)</u>	<u>3,035,980</u>	<u>—</u>	<u>(10,849,272)</u>
Net position at end of year	<u>\$ (14,174,274)</u>	<u>3,212,188</u>	<u>—</u>	<u>(10,962,086)</u>

See accompanying notes to financial statements.

**CALIFORNIA STATE UNIVERSITY**

Statement of Cash Flows

Year ended June 30, 2018

(In thousands)

	<u>University</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 2,226,545
Federal grants and contracts	48,136
State grants and contracts	13,972
Local grants and contracts	4,147
Nongovernmental grants and contracts	14,303
Payments to suppliers	(1,539,156)
Payments to employees	(5,332,515)
Payments to students	(892,485)
Collections of student loans	621
Sales and services of educational activities	52,714
Sales and services of auxiliary enterprises	517,109
Other receipts	236,114
	<hr/>
Net cash used in operating activities	(4,650,495)
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Cash flows from noncapital financing activities:	
State appropriations	3,450,531
Federal financial aid grants	1,080,712
State financial aid grants	805,223
Nongovernmental and other financial aid grants	41,180
Other federal nonoperating grants	3,739
Gifts and grants received for other than capital purposes	61,830
Federal loan program receipts	1,507,207
Federal loan program disbursements	(1,506,832)
Monies received on behalf of others	146,862
Monies disbursed on behalf of others	(134,304)
Principal paid on long-term debt	(15,149)
Interest paid on long-term debt	(20,953)
Issuance of notes receivable	(46,706)
Principal collections on capital leases	5,235
Interest collections on capital leases	10,111
Principal collections on notes receivable	10,627
Interest collections on notes receivable	17,533
Other noncapital financing activities	(21,085)
	<hr/>
Net cash provided by noncapital financing activities	5,395,761
	<hr/>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	168,039
State appropriations	23,971
State appropriations – SPWB Lease Revenue Bond program	13,786
Capital grants and gifts	58,613
Proceeds from sale of capital assets	5,193
Acquisition of capital assets	(913,371)
Principal paid on capital debt and leases	(167,998)
Interest paid on capital debt and leases	(283,372)
Principal collection on capital leases	18,032
Interest collection on capital leases	1,022
	<hr/>
Net cash used in capital and related financing activities	(1,076,085)
	<hr/>

**CALIFORNIA STATE UNIVERSITY**

Statement of Cash Flows

Year ended June 30, 2018

(In thousands)

	<u>University</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 9,615,494
Purchases of investments	(9,359,378)
Investment income proceeds	67,758
	<hr/>
Net cash provided by investing activities	323,874
	<hr/>
Net decrease in cash and cash equivalents	(6,945)
Cash and cash equivalents at beginning of year	9,769
	<hr/>
Cash and cash equivalents at end of year	\$ 2,824
	<hr/>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 2,721
Restricted cash and cash equivalents	103
	<hr/>
Total cash and cash equivalents at end of year	\$ 2,824
	<hr/>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (6,621,958)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	501,731
Change in assets and liabilities:	
Accounts receivable, net	(13,213)
Student loans receivable, net	(2,329)
Prepaid expenses and other current assets	(10,109)
Other assets	2,182
Deferred outflows of resources	(404,597)
Accounts payable	1,604
Accrued salaries and benefits	18,700
Accrued compensated absences	(34,003)
Unearned revenues	9,608
Depository accounts	344
Net other postemployment benefits liability	(764,895)
Net pension liability	1,166,037
Other liabilities	12,812
Deferred inflows of resources	1,487,591
	<hr/>
Net cash used in operating activities	\$ (4,650,495)
	<hr/>
Supplemental schedule of noncash transactions:	
State's contribution for pension benefits	\$ 720,559
State's contribution for OPEB	314,151
Expenses resulting from restructuring agreement with SPWB	49,909
BAN proceeds paid directly to escrow agent by bank	48,706
Amortization of net bond premium	30,100
Change in accrued capital asset purchases	16,511
Contributed capital assets	15,580
Acquisition of capital assets through long term debt	8,055
Amortization of loss on debt refundings	6,198
Acquisition of capital assets through capital lease	2,448
Gifts in kind	1,398

See accompanying notes to financial statements.

# CALIFORNIA STATE UNIVERSITY

## Notes to Financial Statements

June 30, 2018

(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, 2018:

- 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
- 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, 2018

(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 89 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 78.91% 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 Union
- 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 University, Channel Islands Foundation
- Associated Students of California State University Channel Islands, Inc.
- CI University Auxiliary Services, Inc.
- California State University Channel Islands Financing Authority

## CALIFORNIA STATE UNIVERSITY

### Notes to Financial Statements

June 30, 2018

(In thousands)

- California State University Channel Islands Site Authority
- The CSU, Chico Research Foundation
- 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 Advancement 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, 2018

(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
- 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
- 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
- The University Corporation, San Francisco State
- San José State University Research Foundation
- Tower Foundation of San José State University



## CALIFORNIA STATE UNIVERSITY

### Notes to Financial Statements

June 30, 2018

(In thousands)

- 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 (formerly University Auxiliary and Research Services 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 Union of California State University, Stanislaus
- California State University, Stanislaus Auxiliary and Business Services

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

The accompanying financial statements also include the Stockton Center Site Authority, and Fullerton Arboretum Authority, which are included as blended component units. 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.

#### **(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.

## CALIFORNIA STATE UNIVERSITY

### Notes to Financial Statements

June 30, 2018

(In thousands)

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**

In November 2016, the GASB issued Statement No. 83, *Certain Asset Retirement Obligations*, effective for the University's fiscal year beginning July 1, 2018. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations (AROs). This Statement requires that recognition occur when the liability is both incurred and reasonably estimable. The determination of when the liability is incurred should be based on the occurrence of external laws, regulations, contracts, or court judgments, together with the occurrence of an internal event that obligates a government to perform asset retirement activities. Laws and regulations may require governments to take specific actions to retire certain tangible capital assets at the end of the useful lives of those capital assets, such as decommissioning nuclear reactors and dismantling and removing sewage treatment plants. Other obligations to retire tangible capital assets may arise from contracts or court judgments. Internal obligating events include the occurrence of contamination, placing into operation a tangible capital asset that is required to be retired, abandoning a tangible capital asset before it is placed into operation, or acquiring a tangible capital asset that has an existing ARO. The University is evaluating the effect GASB Statement No. 83 will have on its financial statements.

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*, effective for the University's fiscal year beginning July 1, 2019. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefits) trust funds, (2) investment trust funds, (3) private-purpose trust funds and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust fund or equivalent arrangement that meets specific criteria. The University is evaluating the effect GASB Statement No. 84 will have on its financial statements.

In June 2017, the GASB issued Statement No. 87, *Leases*, effective for the University's fiscal year beginning July 1, 2020. 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.

## CALIFORNIA STATE UNIVERSITY

### Notes to Financial Statements

June 30, 2018

(In thousands)

In March 2018, the GASB issued Statement No. 88, *Certain Disclosures Related to Debt*, including Direct Borrowings and Direct Placements, effective for the University's fiscal year beginning July 1, 2019. This Statement requires that additional essential information related to debt, arising from contractual obligations, be disclosed in notes to financial statements, including (1) unused lines of credit, (2) assets pledged as collateral for the debt, and (3) terms specified in debt agreements related to significant events of default with finance related consequences, and significant subjective acceleration clauses. It also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The University is evaluating the effect GASB Statement No. 88 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, 2020. 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.

In August 2018, the GASB issued Statement No. 90, *Majority Equity Interests*, effective for the University's fiscal year beginning July 1, 2019. This Statement modifies previous guidance for reporting a government's majority equity interest in a legally separate organization. When a majority equity interest meets the definition of an investment as defined by GASB, the equity interest is to be reported as an investment for financial reporting purposes and measured using the equity method. Majority equity interests that do not meet the definition of an investment are to be reported as a component unit. This Statement also provides guidance for valuing the acquisition of assets and liabilities of 100% equity interests that remain legally separate, and brings this reporting in line with existing standards that apply to acquisitions that do not remain legally separate. The University is evaluating the effect GASB Statement No. 90 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.

# CALIFORNIA STATE UNIVERSITY

## Notes to Financial Statements

June 30, 2018

(In thousands)

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

### **(f) Investments**

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

## CALIFORNIA STATE UNIVERSITY

### Notes to Financial Statements

June 30, 2018

(In thousands)

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 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 continuing education programs.

**(j) *Compensated Absences***

Compensated absences are recognized when the right to receive the compensation is earned by the employees. Vacation is accrued on a monthly basis. The University uses an employee's current pay rate as of July 1, 2017 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. 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, 2018. 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.

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

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

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

Changes in net pension liability not included in pension 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 and related to change in the University's proportionate share of pensionable compensation made subsequent to the measurement date 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 net 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 net pension 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

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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 retiree health benefits exceeding University assets available to pay such obligations.

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

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

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

Student tuition and fees revenue, and sales and services of auxiliary enterprises, including revenues from student housing programs, are presented net of scholarships and fellowships applied to student accounts. Certain other scholarship and fellowships are paid directly to, or refunded to, the student and are reflected as operating expenses.

### **(p) Net Other Postemployment Benefits (OPEB) Liability**

The University records the net OPEB liability equal to its share of the State's total OPEB liability. The total OPEB liability is an actuarial accrued liability that reflects the present value of future healthcare benefits earned by employees in prior fiscal years. The University's total net 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

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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 expense, 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.

#### **(s) Internal Services Activities**

Certain institutional internal service providers offer goods and services to University departments, as well as to their external customers. These include activities such as copy centers, postal services, and telecommunications. All internal service activities 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.



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**(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) Cumulative Effect of Change in Accounting Principle**

The University and its discretely presented component units reported the cumulative effect of change in accounting principle in relation to the implementation of new accounting standards. A summary of these changes to the beginning net position is as follows:

	<u>University</u>	<u>Discretely presented component units</u>
Net position as of June 30, 2017, as previously reported	\$ 38,452	3,080,493
Cumulative effect of change in accounting – GASB Statement No. 75	(13,923,704)	(10,930)
Cumulative effect of change in accounting – GASB Statement No. 81	<u>—</u>	<u>(33,583)</u>
Net position at beginning of year, as restated	\$ <u>(13,885,252)</u>	<u>3,035,980</u>

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

The University's cash, cash equivalents, and investments as of June 30, 2018 are classified in the accompanying Statement of Net Position as follows:

Cash and cash equivalents	\$ 2,721
Restricted cash and cash equivalents	<u>103</u>
Total cash and cash equivalents	<u>2,824</u>
Short-term investments	3,513,293
Endowment investments	1,708
Other long-term investments	<u>1,203,023</u>
Total investments	<u>4,718,024</u>
Total cash, cash equivalents, and investments	\$ <u>4,720,848</u>

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

At June 30, 2018, cash and cash equivalents consist of demand deposits held at the State Treasury, commercial banks, and petty cash. Total cash and cash equivalents of \$2,824 had a corresponding carrying balance with the State Treasury and commercial banks of \$15,295 at June 30, 2018. 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 must 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 and fixed-income securities, and certain other investment instruments.

Effective January 1, 2017, changes to the Education and Government Code of the State expanded the permitted investments to 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 is to be phased in at no more than \$400,000 as of June 30, 2018, \$600,000 as of June 30, 2019, and 30% of eligible investments thereafter.

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Additional earnings from investment under the TRP 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 manage its interest rate risk by limiting an eligible investment to maximum effective maturity and by limiting the average duration of the portfolio, however, 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, 2018 are presented in the following table:

<u>Investment type</u>	<u>Fair value</u>	<u>Duration</u>
Money market funds	\$ 12,642	—
Repurchase agreements	9,928	0.00537
Certificates of deposit	196,265	0.20921
U.S. agency securities	1,147,215	0.96169
U.S. Treasury securities	970,365	1.20576
Municipal bonds	50,335	1.15095
Corporate bonds	1,111,111	0.92657
Asset-backed securities	284,228	1.05694
Mortgage-backed securities	261	2.18645
Mutual fund	124,160	5.68226
SMIF	811,514	0.52877
Total	<u>\$ 4,718,024</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 evenly 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 occurrence of credit 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 is necessary to achieve 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 underlying index to which the index funds are benchmarked.

Ratings of the University's investment portfolio for each investment type as of June 30, 2018 are presented in the following table:

<u>Investment type</u>	<u>Fair value</u>	<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>B+</u>	<u>B</u>	<u>Not rated</u>
Money market funds	\$ 12,642	3,163	—	—	—	—	9,479
Repurchase agreements	9,928	—	—	—	—	—	9,928
Certificates of deposit	196,265	72,461	—	123,804	—	—	—
U.S. agency securities	1,147,215	19,611	1,127,604	—	—	—	—
U.S. Treasury securities	970,365	—	970,365	—	—	—	—
Municipal bonds	50,335	19,771	28,035	2,529	—	—	—
Corporate bonds	1,111,111	7,719	168,433	934,959	—	—	—
Asset-backed securities	284,228	284,228	—	—	—	—	—
Mortgage-backed securities	261	—	261	—	—	—	—
Mutual fund	124,160	6,207	27,337	—	7,449	7,449	75,718
SMIF	811,514	—	—	—	—	—	811,514
Total	\$ <u>4,718,024</u>	<u>413,160</u>	<u>2,322,035</u>	<u>1,061,292</u>	<u>7,449</u>	<u>7,449</u>	<u>906,639</u>

The mutual fund credit ratings are based on average credit ratings of the underlying mutual funds. Credit ratings for mutual fund related to equity and real estate asset 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, 2018, the following investments (excluding U.S. Treasury securities, mutual funds, and external investment pools) represented 5% or more of the University's investment portfolio: Federal Home Loan Banks (\$502,049 or 10.64%) and Federal National Mortgage Association, Inc. (\$364,376 or 7.72%).

(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 for Investments*

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

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

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

The following table presents investments that are measured at fair value on a recurring basis at June 30, 2018:

<u>Investment type</u>	<u>Fair value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>NAV</u>
Money market funds	\$ 12,642	3,163	—	9,479
Repurchase agreements	9,928	—	9,928	—
Certificates of deposit	196,265	—	196,265	—
U.S. agency securities	1,147,215	—	1,147,215	—
U.S. Treasury securities	970,365	—	970,365	—
Municipal bonds	50,335	—	50,335	—
Corporate bonds	1,111,111	—	1,111,111	—
Asset-backed securities	284,228	—	284,228	—
Mortgage-backed securities	261	—	261	—
Mutual funds	124,160	—	124,160	—
	3,906,510	\$ 3,163	3,893,868	9,479
SMIF	811,514			
Total	\$ 4,718,024			

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.

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

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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).

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) Discretely Presented Component Units' Investments*

Investments of the discretely presented component units at fair value consisted of the following at June 30, 2018:

<u>Investment type</u>	<u>Current</u>	<u>Noncurrent</u>	<u>Total</u>
Money market funds	\$ 22,120	7,939	30,059
Repurchase agreements	111	3	114
Certificates of deposit	21,662	51,582	73,244
U.S. agency securities	14,640	7,683	22,323
U.S. Treasury securities	104,824	26,987	131,811
Municipal bonds	1,744	10,733	12,477
Corporate bonds	39,640	90,925	130,565
Asset-backed securities	3,588	5,248	8,836
Mortgage-backed securities	1,970	14,661	16,631
Mutual funds	252,021	917,407	1,169,428
Exchange-traded funds	8,596	75,658	84,254
Equity securities	72,153	505,400	577,553
Alternative investments:			
Private equity (including limited partnerships)	10,123	61,451	71,574
Hedge funds	3,829	80,286	84,115
Real estate investments (including real estate investment trust)	3,545	38,001	41,546
Commodities	96	755	851
Other alternative investments	—	8,679	8,679
Other external investment pools	889	104,435	105,324
Other investments	12,877	41,597	54,474
Local Agency Investment Fund (LAIF)	210,862	68	210,930
Total	<u>\$ 785,290</u>	<u>2,049,498</u>	<u>2,834,788</u>

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The following table presents investments of the discretely presented component units that are measured at fair value on a recurring basis at June 30, 2018:

<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	\$ 30,059	24,526	4,806	—	727
Repurchase agreements	114	5	109	—	—
Certificates of deposit	73,244	46,278	26,966	—	—
U.S. agency securities	22,323	4,074	18,249	—	—
U.S. Treasury securities	131,811	33,278	98,533	—	—
Municipal bonds	12,477	1,866	10,611	—	—
Corporate bonds	130,565	59,928	67,768	2	2,867
Asset-backed securities	8,836	580	8,256	—	—
Mortgage-backed securities	16,631	7,280	9,351	—	—
Mutual funds	1,169,428	1,130,408	39,020	—	—
Exchange-traded funds	84,254	84,254	—	—	—
Equity securities	577,553	525,568	2,849	978	48,158
Alternative investments:					
Private equity (including limited partnerships)	71,574	813	484	5,292	64,985
Hedge funds	84,115	1,127	1,896	4,237	76,855
Real estate investments (including real estate investment trust)	41,546	8,366	4,303	8,421	20,456
Commodities	851	851	—	—	—
Other alternative investments	8,679	1,594	964	—	6,121
Other external investment pools	105,324	890	—	55,026	49,408
Other investments	54,474	35,339	14,104	5,001	30
	2,623,858	\$ 1,967,025	308,269	78,957	269,607
LAIF	210,930				
Total	\$ 2,834,788				

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

Investments reported by the University of \$53,978 are invested under contractual agreements on behalf of the discretely presented component units of the University.



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**(4) Accounts Receivable**

Accounts receivable of the University at June 30, 2018 consisted of the following:

	<u>Current</u>	<u>Noncurrent</u>	<u>Total</u>
State appropriations	\$ 3,836	28,687	32,523
State appropriations – SPWB Lease			
Revenue Bond program	—	2,614	2,614
Discretely presented component units	43,620	1,159	44,779
Student accounts	71,546	—	71,546
Government grants and contracts	24,114	—	24,114
Others	44,118	5,145	49,263
	<u>187,234</u>	<u>37,605</u>	<u>224,839</u>
Less allowance for doubtful accounts	<u>(9,198)</u>	<u>(268)</u>	<u>(9,466)</u>
Total	<u>\$ 178,036</u>	<u>37,337</u>	<u>215,373</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 \$220,575. Interest rates range from 2% 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:		
2019	\$	23,689
2020		19,859
2021		19,809
2022		20,053
2023		22,228
2024–2028		101,409
2029–2033		85,775
2034–2038		34,083
2039–2043		638
Total minimum lease payments to be received		<u>327,543</u>
Less amounts representing interest		<u>(97,930)</u>
Present value of future minimum lease payments to be received		229,613
Less current portion		<u>(11,384)</u>
Capital lease receivable, net of current portion	\$	<u>218,229</u>

**CALIFORNIA STATE UNIVERSITY**

Notes to Financial Statements

June 30, 2018

(In thousands)

**(6) Notes Receivable**

The University has entered into note agreements with certain discretely presented component units to finance existing and newly constructed facilities for the discretely presented component units amounting to \$376,746. Interest rates range from 2% 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:

2019	\$	30,920
2020		28,723
2021		28,433
2022		28,371
2023		28,440
2024–2028		137,640
2029–2033		124,915
2034–2038		93,607
2039–2043		53,017
2044–2048		28,644
2049–thereafter		<u>1,677</u>
Total minimum note payments to be received		584,387
Less amounts representing interest		<u>(207,266)</u>
Present value of future minimum note payments to be received		377,121
Less current portion		<u>(14,783)</u>
Notes receivable, net of current portion	\$	<u><u>362,338</u></u>

**CALIFORNIA STATE UNIVERSITY**

Notes to Financial Statements

June 30, 2018

(In thousands)

**(7) Capital Assets**

Capital assets activity for the University for the year ended June 30, 2018 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	\$ 268,821	4,519	—	—	273,340
Works of art and historical treasures	44,713	2,518	—	—	47,231
Construction work in progress	658,126	845,754	(3,131)	(416,492)	1,084,257
Intangible assets	30,924	8,853	—	(2,428)	37,349
Total nondepreciable/ nonamortizable capital assets	<u>1,002,584</u>	<u>861,644</u>	<u>(3,131)</u>	<u>(418,920)</u>	<u>1,442,177</u>
Depreciable/amortizable capital assets:					
Buildings and building improvements	11,968,266	80,292	(5,735)	362,579	12,405,402
Improvements other than buildings	684,028	14,379	(191)	23,523	721,739
Infrastructure	1,168,220	11,422	(107)	22,432	1,201,967
Personal property:					
Equipment	840,844	58,737	(35,700)	7,825	871,706
Library books and materials	390,873	5,606	(4,326)	—	392,153
Intangible assets	265,804	8,876	(1,094)	2,561	276,147
Total depreciable/amortizable capital assets	<u>15,318,035</u>	<u>179,312</u>	<u>(47,153)</u>	<u>418,920</u>	<u>15,869,114</u>
Total cost	<u>16,320,619</u>	<u>1,040,956</u>	<u>(50,284)</u>	<u>—</u>	<u>17,311,291</u>
Less accumulated depreciation/amortization:					
Buildings and building improvements	(5,535,500)	(405,986)	4,415	—	(5,937,071)
Improvements other than buildings	(481,928)	(28,560)	49	—	(510,439)
Infrastructure	(513,780)	(39,802)	93	—	(553,489)
Personal property:					
Equipment	(615,306)	(57,084)	33,514	—	(638,876)
Library books and materials	(358,695)	(6,876)	4,295	—	(361,276)
Intangible assets	(245,767)	(8,615)	814	—	(253,568)
Total accumulated depreciation/ amortization	<u>(7,750,976)</u>	<u>(546,923)</u>	<u>43,180</u>	<u>—</u>	<u>(8,254,719)</u>
Net capital assets	\$ <u>8,569,643</u>	<u>494,033</u>	<u>(7,104)</u>	<u>—</u>	<u>9,056,572</u>

**CALIFORNIA STATE UNIVERSITY**

Notes to Financial Statements

June 30, 2018

(In thousands)

Capital assets activity of the discretely presented component units of the University for the year ended June 30, 2018 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	\$ 128,445	1,704	(1,341)	437	129,245
Works of art and historical treasures	7,931	4,547	(4)	—	12,474
Construction work in progress	27,623	47,420	(4,320)	(15,289)	55,434
Intangible assets	5,098	—	—	—	5,098
Total nondepreciable/ nonamortizable capital assets	<u>169,097</u>	<u>53,671</u>	<u>(5,665)</u>	<u>(14,852)</u>	<u>202,251</u>
Depreciable/amortizable capital assets:					
Buildings and building improvements	774,806	32,341	(48,388)	7,672	766,431
Improvements other than buildings	159,597	5,740	(3,601)	2,985	164,721
Infrastructure	67,693	—	—	—	67,693
Personal property:					
Equipment	213,659	19,854	(16,501)	4,108	221,120
Intangible assets	10,259	172	(1,230)	87	9,288
Total depreciable/amortizable capital assets	<u>1,226,014</u>	<u>58,107</u>	<u>(69,720)</u>	<u>14,852</u>	<u>1,229,253</u>
Total cost	<u>1,395,111</u>	<u>111,778</u>	<u>(75,385)</u>	<u>—</u>	<u>1,431,504</u>
Less accumulated depreciation/amortization:					
Buildings and building improvements	(300,527)	(34,484)	19,214	—	(315,797)
Improvements other than buildings	(81,593)	(9,440)	2,294	—	(88,739)
Infrastructure	(20,855)	(1,694)	—	—	(22,549)
Personal property:					
Equipment	(156,959)	(18,827)	12,635	—	(163,151)
Intangible assets	(8,765)	(477)	1,624	—	(7,618)
Total accumulated depreciation/ amortization	<u>(568,699)</u>	<u>(64,922)</u>	<u>35,767</u>	<u>—</u>	<u>(597,854)</u>
Net capital assets	<u>\$ 826,412</u>	<u>46,856</u>	<u>(39,618)</u>	<u>—</u>	<u>833,650</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, 2018

(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 \$154,685 at June 30, 2018. Total capital assets related to these capital leases have a carrying value of \$204,827 at June 30, 2018. The leases have terms expiring in various years through 2035.

The University also enters into capital leases with financial institutions and via commercial paper issued by the California State University Institute (the Institute), a discretely presented component unit of the University. These 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 \$198,927 at June 30, 2018. The leases bear interest at rates ranging from 0.04% to 9% and have terms expiring in various years through 2041.

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, 2018 were \$27,332 of which \$16,585 was paid to related discretely presented component units.

**CALIFORNIA STATE UNIVERSITY**

Notes to Financial Statements

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(In thousands)

Future minimum lease payments under capital and operating leases having remaining terms in excess of one year as of June 30, 2018 are as follows:

	<u>Capital leases</u>	<u>Operating leases</u>
Fiscal year ending June 30:		
2019	\$ 36,491	27,748
2020	34,978	20,086
2021	33,583	18,830
2022	32,317	14,836
2023	31,429	9,486
2024–2028	136,694	38,013
2029–2033	126,199	13,497
2034–2038	47,089	3,205
2039–2043	7,518	1,538
2044–thereafter	—	992
Total minimum lease payments	486,298	\$ <u>148,231</u>
Less amount representing interest	<u>(176,956)</u>	
Present value of future minimum lease payments	309,342	
Unamortized net premium	<u>586</u>	
Total capital lease obligations	309,928	
Less current portion	<u>(19,783)</u>	
Capital lease obligations, net of current portion	\$ <u>290,145</u>	

**(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 \$2,239,671 as of June 30, 2018.

## CALIFORNIA STATE UNIVERSITY

### Notes to Financial Statements

June 30, 2018

(In thousands)

#### **(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 \$5,692,563 at June 30, 2018. 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; see note 8, *Lease Obligations*).

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 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 \$6,859,758 in SRB issued through 2018.

#### **(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 the 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, 2018 were 2.10% and 0.87%, respectively. The University's BANs totaled \$169,205 at June 30, 2018. The not-to-exceed amounts related to the outstanding amounts totaled \$487,515, of which \$302,895 has not been issued and \$184,620 has been issued and paid back.

**CALIFORNIA STATE UNIVERSITY**

Notes to Financial Statements

June 30, 2018

(In thousands)

Long-term debt obligations of the University as of June 30, 2018 consisted of the following:

Description	Interest rate percentage	Final maturity date	Original issue amount	Amount outstanding
Systemwide Revenue Bonds:				
Housing Series J-K	3.00 %	2019/20	\$ 8,558	718
Housing Series L-M	3.00	2020/21	5,510	700
Housing Series N, P & Q	3.00	2021/22	6,695	1,110
Series 2007-B	5.27-5.55	2037/38	13,165	9,825
Series 2007-C	5.00	2028/29	63,275	35,175
Series 2008-A	4.00-5.00	2039/40	375,160	11,085
Series 2009-A	4.00-5.00	2018/19	454,240	9,805
Series 2010-A	3.00-5.00	2031/32	146,950	94,420
Series 2010-B	5.45-6.48	2041/42	205,145	205,145
Series 2011-A	2.50-5.25	2042/43	429,855	344,665
Series 2012-A	3.00-5.00	2042/43	436,220	412,670
Series 2012-B	2.79-4.17	2036/37	16,700	14,865
Series 2013-A	3.00-5.00	2026/27	308,855	251,705
Series 2014-A	3.00-5.00	2044/45	747,740	727,010
Series 2015-A	2.00-5.00	2047/48	1,032,920	975,470
Series 2015-B	0.98-4.41	2035/36	29,305	24,435
Series 2016-A	2.00-5.00	2045/46	1,133,105	1,131,250
Series 2016B-1	3.00	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	810,160
Series 2017-B	0.95-3.90	2047/48	335,155	334,855
Series 2017-C	2.00-5.00	2037/38	49,175	47,495
			\$ 6,859,758	5,692,563
Bond Anticipation Notes	Various			169,205
Others	Various			12,813
Total				5,874,581
Unamortized net bond premium				576,084
Total long-term debt				6,450,665
Less current portion				(144,174)
Long-term debt, net of current portion				\$ 6,306,491



**CALIFORNIA STATE UNIVERSITY**

Notes to Financial Statements

June 30, 2018

(In thousands)

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

	<u>Principal</u>	<u>Interest</u>
Fiscal year ending June 30:		
2019	\$ 144,174	265,237
2020	150,863	258,651
2021	162,416	251,602
2022	170,643	243,686
2023	174,958	235,362
2024–2028	974,054	1,048,363
2029–2033	1,180,513	794,373
2034–2038	1,159,047	518,154
2039–2043	901,313	278,844
2044–2048	684,525	100,166
Thereafter	<u>172,075</u>	<u>12,067</u>
	\$ <u>5,874,581</u>	<u>4,006,505</u>

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, 2018, the Board had approved SRB and BANs that were authorized but unissued in the aggregate principal amount of \$1,476,000 for projects including academic, infrastructure, housing, and parking facilities. As of June 30, 2018, there are approximately \$470,840 of remaining authorized and unissued debt for the purpose of refunding certain bonds of the SPWB not previously refunded.

**(10) Long-Term Debt Refunding**

In prior years, the University refunded certain SRB by placing the proceeds from the issuance of SRB refunding bonds 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 \$390,960 as of June 30, 2018.

**CALIFORNIA STATE UNIVERSITY**

Notes to Financial Statements

June 30, 2018

(In thousands)

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

Long-term liabilities activity of the University for the year ended June 30, 2018 was as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Current portion</u>
Accrued compensated absences	\$ 261,636	96,101	(131,744)	225,993	126,093
Capital lease obligations (note 8)	353,453	3,125	(46,650)	309,928	19,783
Long-term debt obligations (note 9):					
Systemwide revenue bonds	5,826,473	—	(133,910)	5,692,563	134,440
Bond anticipation notes	600	169,644	(1,039)	169,205	7,129
Other	8,583	5,610	(1,380)	12,813	2,605
	<u>5,835,656</u>	<u>175,254</u>	<u>(136,329)</u>	<u>5,874,581</u>	<u>144,174</u>
Unamortized net bond premium	605,917	—	(29,833)	576,084	—
Total long-term debt obligations	<u>6,441,573</u>	<u>175,254</u>	<u>(166,162)</u>	<u>6,450,665</u>	<u>144,174</u>
Total long-term liabilities	\$ <u>7,056,662</u>	<u>274,480</u>	<u>(344,556)</u>	<u>6,986,586</u>	<u>290,050</u>

Long-term liabilities activity of the aggregated discretely presented component units of the University for the year ended June 30, 2018 was as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Current portion</u>
Accrued compensated absences	\$ 20,213	13,876	(13,111)	20,978	15,424
Claims liability for losses and loss adjustment expenses	74,574	31,135	(37,021)	68,688	19,385
Capital lease obligations	273,167	19,678	(43,913)	248,932	11,492
Long-term debt obligations:					
Revenue bonds	23,085	—	(2,375)	20,710	920
Commercial paper	600	366,976	(198,371)	169,205	166,279
Notes payable	284,740	47,721	(9,375)	323,086	13,116
Other	76,438	200	(3,047)	73,591	4,282
	<u>384,863</u>	<u>414,897</u>	<u>(213,168)</u>	<u>586,592</u>	<u>184,597</u>
Unamortized net bond premium	28,981	—	(1,550)	27,431	—
Total long-term debt obligations	<u>413,844</u>	<u>414,897</u>	<u>(214,718)</u>	<u>614,023</u>	<u>184,597</u>
Total long-term liabilities	\$ <u>781,798</u>	<u>479,586</u>	<u>(308,763)</u>	<u>952,621</u>	<u>230,898</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 \$323,086 included in notes payable and \$53,660 in other long-term debt obligations as of June 30, 2018.

## CALIFORNIA STATE UNIVERSITY

### Notes to Financial Statements

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(In thousands)

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 \$219,131 as of June 30, 2018.

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

#### **(12) Pension Plan**

##### **(a) Pension Plan Description**

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

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

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

A full description of the pension plans regarding numbers of employees covered, benefit provision, assumptions, and membership information are listed in the June 30, 2016 State Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the actuarial valuation report.

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

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

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

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

For the University, the plan acts as cost sharing multiple-employer defined-benefit pension plan, which provides a defined-benefit pension and postretirement program for substantially all eligible University employees. The University's proportion of the State's net pension liability was calculated based on its

## CALIFORNIA STATE UNIVERSITY

### Notes to Financial Statements

June 30, 2018

(In thousands)

proportionate share of the State's pensionable compensation. The pensionable compensation has a measurement period of July 1, 2016 through June 30, 2017.

#### **(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 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, 2017, the average State's active employee contribution rates for State Miscellaneous and Peace Officer and Firefighters Plans are 6.74% and 11.33% of annual payroll, respectively. For the measurement period ended June 30, 2017, the State's contribution rates for State Miscellaneous and Peace Officer and Firefighters Plans are 26.73% and 41.88% 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 6.5% 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 11% 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

**CALIFORNIA STATE UNIVERSITY**

Notes to Financial Statements

June 30, 2018

(In thousands)

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 ending June 30:	
2016	\$ 659,326
2017	757,170
2018	1,734,715

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 of the amount contributed through June 30, 2030, while the remainder is recognized as State appropriations, noncapital.

**(e) Actuarial Methods and Assumptions**

The total pension liability was measured as of June 30, 2017 (measurement date), by rolling forward the total pension liability determined by the June 30, 2016 actuarial valuation (valuation date), based on the following actuarial methods and assumptions:

Valuation date:	June 30, 2016
Actuarial cost method:	Entry age normal in accordance with the requirements of GASB Statement No. 68
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2.75%
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 2.75% until purchasing power protection allowance floor on purchasing power applies; 2.75% thereafter

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### Notes to Financial Statements

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(In thousands)

The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 CalPERS Experience Study and Review of Actuarial Assumptions report (Experience Study). All other actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality, and retirement rates. The Experience Study report can be obtained from [www.CalPERS.ca.gov](http://www.CalPERS.ca.gov) under Forms and Publications.

#### **(f) Discount Rate**

The discount rate used to measure the total pension liability was 7.15%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress-tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the plans tested, none of the plan assets were exhausted. Therefore, the current 7.15% discount rate is appropriate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 7.15% is applied to all plans in the PERF. The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test result is presented in the GASB Crossover Testing Report, which can be obtained from [www.CalPERS.ca.gov](http://www.CalPERS.ca.gov) under GASB Statement No. 68 section.

In fiscal year ended June 30, 2017, the discount rate used in the actuarial assumptions was lowered from 7.65% to 7.15% (gross of 0.15% of administrative expenses).

#### **(g) Investment Rate of Return**

The long-term expected rate of return on pension plan investments 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 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.

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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.

<b>Asset class</b>	<b>Current target allocation</b>	<b>Real return years 1–10<sup>1</sup></b>	<b>Real return years 11–60<sup>2</sup></b>
Global equity	47 %	4.90 %	5.38 %
Global fixed income	19	0.80	2.27
Inflation sensitive	6	0.60	1.39
Private equity	12	6.60	6.63
Real estate	11	2.80	5.21
Infrastructure and forestland	3	3.90	5.36
Liquidity	2	(0.40)	(0.90)
<b>Total</b>	<b>100 %</b>		

<sup>1</sup> An expected inflation of 2.5% used for this period

<sup>2</sup> An expected inflation of 3.0% 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:

<b>Plan</b>	<b>Discount rate -1% (6.15%)</b>	<b>Current discount rate (7.15%)</b>	<b>Discount rate +1% (8.15%)</b>
Miscellaneous Plan	\$ 11,934,060	8,723,068	6,035,759
Peace Officers and Firefighters Plan	250,794	176,894	116,459
<b>Net pension liability</b>	<b>\$ 12,184,854</b>	<b>8,899,962</b>	<b>6,152,218</b>

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

The University reported a liability of \$8,899,962 for its proportionate share of the State's net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined based on an actuarial valuation as of June 30, 2016 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,

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2017, the University's proportionate share of the total State net pension liability for the State Miscellaneous and Peace Officers and Firefighters Plans were 23.87558% and 1.15890%, respectively.

The following table presents the changes in net pension liability of the University recognized over the measurement period for the Plans:

	<b>State Miscellaneous Plan</b>	<b>State Peace Officers and Firefighters Plan</b>	<b>Total</b>
Balance at June 30, 2016 (measurement date)	\$ 7,575,326	158,599	7,733,925
Changes in proportionate share	330,795	11	330,806
Balance at June 30, 2016, adjusted	<u>7,906,121</u>	<u>158,610</u>	<u>8,064,731</u>
Changes recognized for the measurement period:			
Service cost	460,209	11,368	471,577
Interest on total pension liability	1,762,268	34,978	1,797,246
Recognized difference between expected and actual experience	(92,408)	(3,321)	(95,729)
Recognized changes of assumptions	1,353,163	30,233	1,383,396
Employee contributions	(201,455)	(4,635)	(206,090)
Employer contributions	(738,935)	(16,540)	(755,475)
Net investment income	(1,750,046)	(34,236)	(1,784,282)
Plan to plan resource movement	653	(19)	634
Administrative expenses	23,498	456	23,954
Net changes	<u>816,947</u>	<u>18,284</u>	<u>835,231</u>
Balance at June 30, 2017 (measurement date)	\$ <u><u>8,723,068</u></u>	<u><u>176,894</u></u>	<u><u>8,899,962</u></u>

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

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

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

The University recognized pension expense of \$1,357,936 for State Miscellaneous Plan and \$29,582 for State Peace Officers and Firefighters Plan, which were reported as benefits expense.



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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, 2017 which will be recognized as a reduction of the net pension liability in the next measurement date, the difference between expected and actual experience, aggregate difference between projected and actual earnings on pension plan investments arising in different measurement periods and changes in the University's proportionate share of pensionable compensation. Deferred inflows of resources are recognized for the difference between expected and actual experience.

	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
University's retirement contributions subsequent to the measurement date	\$ 1,734,715	—
Differences due to changes in assumptions	1,039,292	—
Net differences between projected and actual earnings on pension plan investments	252,158	—
Differences due to changes in proportionate share	239,902	—
Differences between expected and actual experience	<u>39,725</u>	<u>84,091</u>
Total	\$ <u>3,305,792</u>	<u>84,091</u>

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

(i) *Schedule of Differences Due to Changes in Assumptions*

Measurement period ended June 30	Initial differences*	Recognition period (year)	Increase in pension expense arising from the recognition of the effects of changes in assumptions (measurement dates)					Total
			2018	2019	2020	2021	2022	
Miscellaneous Plan: 2017	\$ 1,354,163	4.0	\$ 338,291	338,291	338,291	—	—	1,014,873
Peace Officers and Firefighters Plan: 2017	\$ 30,233	5.2	<u>5,814</u>	<u>5,814</u>	<u>5,814</u>	<u>5,814</u>	<u>1,163</u>	<u>24,419</u>
Increase in pension expense			\$ <u>344,105</u>	<u>344,105</u>	<u>344,105</u>	<u>5,814</u>	<u>1,163</u>	<u>1,039,292</u>

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(ii) *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)				
			2018	2019	2020	2021	Total
Miscellaneous Plan:							
2014	\$ (1,403,212)	5	\$ (280,642)	—	—	—	(280,642)
2015	868,416	5	173,683	173,683	—	—	347,366
2016	1,142,024	5	228,405	228,405	228,405	—	685,215
2017	(630,624)	5	(126,125)	(126,125)	(126,125)	(126,125)	(504,500)
Peace Officers and Firefighters Plan:							
2014	\$ (26,041)	5	(5,208)	—	—	—	(5,208)
2015	16,422	5	3,284	3,284	—	—	6,568
2016	21,939	5	4,388	4,388	4,388	—	13,164
2017	(12,257)	5	(2,451)	(2,451)	(2,451)	(2,452)	(9,805)
Increase (decrease) in pension expense			\$ (4,666)	281,184	104,217	(128,577)	252,158

(iii) *Schedule of Changes in Proportionate Share*

Measurement period ended June 30	Initial differences*	Recognition period (year)	Increase in pension expense arising from the recognition of the effects of changes in proportionate share (measurement dates)				
			2018	2019	2020	2021	Total
Miscellaneous Plan:							
2015	\$ 34,438	3.9	\$ 7,947	—	—	—	7,947
2016	7,628	4.0	1,907	1,907	—	—	3,814
2017	291,636	4.0	72,909	72,909	72,909	—	218,727
Peace Officers and Firefighters Plan:							
2015	\$ 7,537	5.1	1,478	1,478	148	—	3,104
2016	10,242	5.2	1,970	1,970	1,970	392	6,302
2017	10	5.2	2	2	2	2	8
Increase in pension expense			\$ 86,213	78,266	75,029	394	239,902

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(In thousands)

(iv) *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)					Total
			2018	2019	2020	2021		
Miscellaneous Plan:								
2015	\$ 165,610	3.9	\$ 38,218	—	—	—	—	38,218
Peace Officers and Firefighters Plan:								
2015	\$ 3,344	5.1	656	656	65	—	—	1,377
2016	212	5.2	41	41	41	7	—	130
		Increase in pension expense	\$ 38,915	697	106	7	—	39,725

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

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

(v) *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 projected and actual earnings on pension plan investments (measurement dates)					Total
			2018	2019	2020	2021	2022	
Miscellaneous Plan:								
2016	\$ 24,205	4.0	\$ 6,051	6,051	—	—	—	12,102
2017	92,408	4.0	23,102	23,102	23,102	—	—	69,306
Peace Officers and Firefighters Plan:								
2017	\$ 3,321	5.2	639	639	639	639	127	2,683
		Decrease in pension expense	\$ 29,792	29,792	23,741	639	127	84,091

\* 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 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 and the California Department of Human Resources (CalHR), respectively.

To be eligible for these benefits, first-tier plan annuitants must retire on or after age 50 with at least five years of service, and second-tier plan annuitants must retire on or after age 55 with at least 10 years of service. In addition, annuitants must retire within 120 days of separation from employment to be eligible to receive these benefits.

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**(b) Benefits Provided**

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

Retirees elected to receive healthcare benefits	30,034
Active employees	<u>48,011</u>
Total	<u><u>78,045</u></u>

**(c) Contributions**

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

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

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

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

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

**(d) Actuarial Methods and Assumptions**

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

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

Valuation date:	June 30, 2017
Actuarial cost method:	Entry age normal in accordance with the requirements of GASB Statement No. 75
Actuarial assumptions:	
Discount rate	3.56%
Price inflation	2.75%
Wage inflation	3%
Healthcare-related	Based on an experience review for the period July 1, 2007 to June 30, 2014, performed by State Actuary, which were first adopted beginning with the June 30, 2015 actuarial valuation. Assumptions were updated based on experience through June 30, 2017
Healthcare trend rate	4.5%
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:	Based on an experience review performed by CalPERS and were first adopted beginning with the June 30, 2014. Assumptions include termination rates, disability rates, retirement rates and mortality rates.

**(e) Sensitivity of the University's Net 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

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June 30, 2018

(In thousands)

develop premiums for the next fiscal year. This long-term healthcare assumption is by far the most difficult to set.

The following table presents the University's net OPEB liability as of the measurement date, calculated using the ultimate trend rate of 4.5%, as well as what the net OPEB liability would be if it were calculated using a trend rate that is one-percentage point lower (3.5%) or one-percentage point higher (5.5%) than the current rate:

	<u>Trend rate -1% (3.5%)</u>	<u>Current trend rate (4.5%)</u>	<u>Trend rate +1% (5.5%)</u>
Net OPEB liability	\$ 11,827,140	13,918,525	16,591,308

**(f) Discount Rate**

The discount rate used to estimate the net OPEB liability as of measurement dates June 30, 2017 and 2016 was 3.56% and 2.85%, respectively. The discount rate as of June 30, 2017 was 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 Net OPEB Liability to Changes in the Discount Rate**

The following table presents the University's net OPEB liability as of the measurement date, calculated using the discount rate of 3.56%, as well as what the net other postemployment benefits liability would be if it were calculated using a discount rate that is one-percentage point lower (2.56%) or one-percentage point higher (4.56%) than the current rate:

	<u>Discount rate -1% (2.56%)</u>	<u>Current discount rate (3.56%)</u>	<u>Discount rate +1% (4.56%)</u>
Net OPEB liability	\$ 16,342,689	13,918,525	11,979,359

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(In thousands)

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

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

Balance at June 30, 2016 (measurement date), as restated	\$ 14,683,420
Changes recognized for the measurement period:	
Service cost	795,696
Interest on total OPEB liability	436,431
Recognized changes of assumptions	(1,663,194)
Employer contribution	<u>(333,828)</u>
Net changes	<u>(764,895)</u>
Balance at June 30, 2017 (measurement date)	\$ <u>13,918,525</u>

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

The University recognized OPEB expense of \$989,828 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, 2017 which will be recognized as a reduction of net OPEB liability on the subsequent measurement date. The deferred inflows of resources are recognized for the change in assumptions.

	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
University's contributions subsequent to the measurement date	\$ 349,487	—
Differences due to changes in assumptions	<u>—</u>	<u>1,420,895</u>
Total	\$ <u>349,487</u>	<u>1,420,895</u>

The University's contributions subsequent to the measurement date include \$314,151 which was 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.

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The deferred inflows 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)	Decrease in OPEB expenses arising from changes of assumptions (measurement dates)						
			2018	2019	2020	2021	2022	2023	Total
2017	\$ 1,663,194	6.84	\$ 242,299	242,299	242,299	242,299	242,299	209,400	1,420,895
	Decrease in OPEB expenses		\$ 242,299	242,299	242,299	242,299	242,299	209,400	1,420,895

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

The composition of deferred outflows and inflows of resources at June 30, 2018 is summarized as follows:

	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Related to:		
Net pension liability (note 12)	\$ 3,305,792	84,091
Net other postemployment benefits liability (note 13)	349,487	1,420,895
Unamortized loss on SRB debt refunding	97,308	—
Total	\$ <u>3,752,587</u>	<u>1,504,986</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, 2018. 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, 2018.

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.



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June 30, 2018

(In thousands)

**(16) Commitments and Contingencies**

The State is a defendant in multiple lawsuits involving University 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, 2018 totaled \$592,357. 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 \$14,921 of electricity at fixed prices through December 2019. The University estimates that the special purchase contract in place represent approximately 10.79% 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, 2018, operating expenses by natural classification consisted of the following:

	<u>Salaries</u>	<u>Benefits</u>	<u>Scholarships and fellowships expense</u>	<u>Supplies and other services</u>	<u>Depreciation and amortization</u>	<u>Total operating expenses</u>
Instruction	\$ 1,891,074	1,660,208	—	216,647	—	3,767,929
Research	31,362	22,049	—	17,966	—	71,377
Public service	29,046	16,368	—	16,129	—	61,543
Academic support	432,386	348,440	—	201,667	—	982,493
Student services	454,528	400,555	—	236,829	—	1,091,912
Institutional support	436,082	371,834	—	237,987	—	1,045,903
Operation and maintenance of plant	241,760	270,054	—	350,174	—	861,988
Student grants and scholarships	—	—	891,169	—	—	891,169
Auxiliary enterprise expenses	91,472	104,865	—	253,622	—	449,959
Depreciation and amortization	—	—	—	—	501,731	501,731
<b>Total</b>	<b>\$ 3,607,710</b>	<b>3,194,373</b>	<b>891,169</b>	<b>1,531,021</b>	<b>501,731</b>	<b>9,726,004</b>

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## Notes to Financial Statements

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(In thousands)

### (18) Transactions with Related Entities

The University is an agency of the State and receives approximately 46% of total revenues through state appropriations. State appropriations, noncapital allocated to the University aggregated \$4,486,584 for the year ended June 30, 2018. There were no State appropriations allocated for capital projects for the year ended June 30, 2018. State appropriations receivable is \$35,137 at June 30, 2018.

State appropriations, noncapital of the University for the year ended June 30, 2018 consisted of the following:

	<u>2018</u>
State appropriations, noncapital	\$ 3,451,874
State's contribution on behalf of the University for pension benefits	720,559
State's contribution on behalf of the University for OPEB	<u>314,151</u>
Total state appropriations, noncapital	<u>\$ 4,486,584</u>

### (19) Subsequent Events

The following information describes significant events that occurred subsequent to June 30, 2018, but prior to the date of the auditor's report.

- SRB Issuance

In August 2018, the University issued \$492,690 of SRB Series 2018A (Tax Exempt) and \$171,000 of SRB Series 2018B (Taxable). The new bonds were issued to fund various capital projects, redeem maturing BANs, refund outstanding SRB Series 2008A, and pay related issuance costs.

- BAN Issuance

In October 2018 and December 2018, the University issued \$20,000 of BANs to finance the various capital outlay projects and \$36,520 of BANs for the Sonoma State Petaluma Acquisition project, respectively. In January 2019, the University issued \$52,150 of BANs for the Five-Year Facilities Renewal and Improvement Plan.

## CALIFORNIA STATE UNIVERSITY

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

June 30, 2018

(Unaudited)

(In thousands)

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

<b>State of California Miscellaneous Plan</b>	<b>2017<sup>2</sup></b>	<b>2016<sup>2</sup></b>	<b>2015<sup>2</sup></b>	<b>2014<sup>2</sup></b>
University's proportion of the net pension liability	23.87558 %	22.87662 %	22.84970 %	22.72891 %
University's proportionate share of the net pension liability	\$ 8,723,068	7,575,326	6,453,200	5,411,439
University's proportionate share of covered payroll	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	313.71711 %	295.07539 %	268.00996 %	244.88521 %
Plan fiduciary net position as a percentage of the total pension liability	66.41644	66.81100	70.68274	74.17418
<b>State of California Peace Officers and Firefighters Plan</b>				
University's proportion of the net pension liability	1.15890 %	1.15882 %	1.07094 %	1.00623 %
University's proportionate share of the net pension liability	\$ 176,894	158,599	124,994	102,216
University's proportionate share of covered payroll	38,632	37,528	33,341	30,160
University's proportionate share of the net pension liability as a percentage of covered payroll	457.89066 %	422.61507 %	374.89140 %	338.91247 %
Plan fiduciary net position as a percentage of the total pension liability	65.89199	66.09678	69.61241	72.18915

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

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

See accompanying independent auditors' report.

**CALIFORNIA STATE UNIVERSITY**  
 Schedule of Employer Contributions Related to Pension  
 Year ended June 30, 2018  
 (Unaudited)  
 (In thousands)

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

<b>State of California Miscellaneous Plan</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Actuarially determined contribution	\$ 836,450	737,766	641,710	588,353
Contributions in relation to the actuarially determined contributions	<u>(839,367)</u>	<u>(740,571)</u>	<u>(644,679)</u>	<u>(589,385)</u>
Contribution excess	<u>\$ (2,917)</u>	<u>(2,805)</u>	<u>(2,969)</u>	<u>(1,032)</u>
University's covered payroll	\$ 2,953,043	2,768,770	2,559,878	2,431,410
Contributions as a percentage of covered payroll	28.42380 %	26.74729 %	25.18397 %	24.24046 %
<b>State of California Peace Officers and Firefighters Plan</b>				
Actuarially determined contribution	\$ 17,762	15,858	14,027	11,737
Contributions in relation to the actuarially determined contributions	<u>(18,442)</u>	<u>(16,600)</u>	<u>(14,647)</u>	<u>(13,610)</u>
Contribution excess	<u>\$ (680)</u>	<u>(742)</u>	<u>(620)</u>	<u>(1,873)</u>
University's covered payroll	\$ 41,696	39,372	37,568	33,363
Contributions as a percentage of covered payroll	44.22966 %	42.16194 %	38.98797 %	40.79369 %

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

See accompanying notes to financial statements.

## CALIFORNIA STATE UNIVERSITY

## Schedule of Employer Contributions Related to Pensions

Year ended June 30, 2018

(Unaudited)

(In thousands)

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, 2016 Funding Valuation Report.
Asset valuation method	Actuarial Value of Assets. For details, see June 30, 2016 Funding Valuation Report.
Inflation	2.75%
Salary increases	Varies by entry age and service
Payroll growth	3%
Investment rate of return	7.5%, net of pension plan investment and administrative expenses; includes inflation.
Retirement age	The probabilities of retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.
Mortality	The probabilities of mortality is based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.
Significant factors affecting contribution rates	For details, see June 30, 2016 Funding Valuation Report.

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY

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

June 30, 2018

(Unaudited)

(In thousands)

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

	<u>2017<sup>2</sup></u>
University's net other postemployment benefits liability at June 30, 2016, as restated	\$ 14,683,420
Changes recognized for the measurement period:	
Service cost	795,696
Interest on total other postemployment benefits liability	436,431
Recognized changes of assumptions	(1,663,194)
Employer contributions	<u>(333,828)</u>
Net changes	<u>(764,895)</u>
University's net other postemployment benefits liability at June 30, 2017	\$ <u>13,918,525</u>
University's covered payroll	\$ 2,994,739
University's net other postemployment benefits liability as a percentage of covered payroll	464.76588 %

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

<sup>2</sup> The date in the column heading represents the end of the measurement period of the 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 Other Postemployment Benefits

Year ended June 30, 2018

(Unaudited)

(In thousands)

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

	<u>2018</u>
Actuarially determined contributions	\$ 754,550
Contributions in relation to the actuarially determined contributions	<u>(349,487)</u>
Contribution deficiency	<u>\$ 405,063</u>
University's covered payroll	\$ 2,994,739
Contributions as a percentage of covered payroll	11.67003 %

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

## CALIFORNIA STATE UNIVERSITY

## Schedule of Employer Contributions Related to Other Postemployment Benefits

Year ended June 30, 2018

(Unaudited)

(In thousands)

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 and the blended discount rates in accordance with the requirement of GASB Statement 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 7.28%.
-----------------------	---

Inflation	2.75%
-----------	-------

Payroll growth	3%
----------------	----

Retirement age	The probabilities of retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.
----------------	--

Mortality	The probabilities of mortality is based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.
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See accompanying independent auditors' report.



## CALIFORNIA STATE UNIVERSITY

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

Year ended June 30, 2018

Gross revenues:	
Tuition fees	\$ 3,350,638,899
Student housing	502,203,611
Student unions/recreation centers	242,513,189
Parking	124,295,536
Health centers	11,462,022
Extended and continuing education	401,326,864
Auxiliary organizations <sup>1</sup>	610,849,343
Other related entity <sup>2</sup>	<u>7,266,997</u>
Total gross revenues	<u>5,250,556,461</u>
Maintenance and operation expenses <sup>3</sup> :	
Academic facilities	285,045,839
Student housing	354,287,832
Student unions/recreation centers	119,436,552
Parking	82,654,850
Health centers	5,074,150
Extended and continuing education	424,672,407
Auxiliary organizations <sup>1</sup>	<u>523,133,628</u>
Total maintenance and operation expenses	<u>1,794,305,258</u>
Net income available for debt service	<u>\$ 3,456,251,203</u>
Debt service:	
Systemwide revenue bonds debt	\$ 361,314,254
Designated auxiliary organizations debt	<u>2,012,487</u>
Total debt service	<u>\$ 363,326,741</u>

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

- (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, 2018 include extraordinary maintenance and repair projects, which are generally paid from existing program fund balances of \$114.3 million, other postemployment benefits expense of \$74 million pursuant to GASB Statement No. 75, and pension expense of \$55.4 million pursuant to GASB Statement No. 68.

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY

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

Year ended June 30, 2018

(Unaudited)

	<u>Operating and other revenues</u>	<u>Operating expenditures</u>	<u>Excess of revenues over expenditures</u>	<u>Design capacity</u>	<u>Operational capacity <sup>(2)</sup></u>	<u>Average number of spaces occupied</u>	<u>% of spaces occupied <sup>(3)</sup></u>
CSU Bakersfield	\$ 5,130,321	4,773,552	356,769	578	565	364	64 %
CSU Channel Islands	17,448,014	8,558,848	8,889,166	1,527	1,667	1,578	95
CSU Chico	23,887,902	18,460,647	5,427,255	2,200	2,323	2,223	96
CSU Dominguez Hills	4,846,777	3,260,615	1,586,162	712	708	684	97
CSU East Bay	12,975,215	7,784,443	5,190,772	1,296	1,697	1,472	87
CSU Fullerton	29,275,463	14,346,764	14,928,699	1,918	2,039	1,976	97
Humboldt State University	15,326,364	10,339,004	4,987,360	2,049	2,075	1,993	96
CSU Long Beach	21,519,503	14,408,777	7,110,726	1,826	2,051	1,824	89
CSU Los Angeles	8,181,553	6,366,585	1,814,968	1,069	1,009	955	95
California Maritime Academy	9,042,879	8,458,402	584,477	735	735	683	93
CSU Northridge	26,575,554	15,159,840	11,415,714	3,595	3,261	3,148	97
CSPU Pomona	25,923,027	11,554,595	14,368,432	2,440	2,471	2,389	97
CSU Sacramento	24,840,031	17,959,656	6,880,375	2,088	2,127	1,992	94
CSU San Bernardino	10,854,060	7,648,409	3,205,651	1,539	1,445	1,191	82
San Diego State University	53,909,453	31,136,031	22,773,422	3,934	4,470	3,917	88
San Francisco State University <sup>(5)</sup>	60,859,823	46,320,512	14,539,311	3,880	3,975	3,834	96
San Jose State University	62,825,562	37,446,879	25,378,683	3,941	4,188	4,138	99
CPSU San Luis Obispo	50,942,962	37,307,663	13,635,299	6,324	8,362	7,627	91
Sonoma State University	29,175,234	16,965,482	12,209,752	3,146	3,211	3,041	95
CSU Stanislaus	4,600,182	5,030,748	(430,566)	460	484	415	86
	<u>498,139,879</u>	<u>323,287,452</u>	<u>174,852,427</u>	<u>\$ 45,257</u>	<u>48,863</u>	<u>45,444</u>	<u>93</u>
Systemwide Office	—	76,665	(76,665)				
Interest income	<u>3,738,832</u>	—	<u>3,738,832</u>				
Total	<u>\$ 501,878,711</u>	<u>323,364,117</u>	<u>178,514,594</u>				

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY

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

Year ended June 30, 2018

(Unaudited)

	Average annual rates per academic year <sup>(4)</sup>					
	Residence Halls			Apartments		
	Single	Double	Suite	Single	Double	Suite
CSU Bakersfield	\$ 11,820	9,823	—	—	—	—
CSU Channel Islands	10,820	9,740	—	12,670	11,060	—
CSU Chico	9,367	7,732	—	9,367	7,733	—
CSU Dominguez Hills	—	—	—	—	9,012	—
CSU East Bay	—	—	7,854	9,879	8,170	—
CSU Fullerton	—	11,670	—	12,432	9,468	—
Humboldt State University	7,596	6,136	—	7,596	6,136	—
CSU Long Beach	8,650	7,650	—	—	—	—
CSU Los Angeles	—	—	—	8,930	6,897	—
California Maritime Academy	—	5,802	—	—	—	—
CSU Northridge	—	—	6,461	11,347	6,699	—
CSPU Pomona	10,764	9,390	12,408	—	—	—
CSU Sacramento	7,794	7,226	—	8,603	7,751	9,183
CSU San Bernardino	7,548	6,060	—	10,275	—	10,221
San Diego State University	12,016	10,448	—	10,056	8,384	—
San Francisco State University <sup>(5)</sup>	—	8,752	9,576	12,200	9,952	—
San Jose State University	9,734	8,538	—	13,340	10,603	—
CPSU San Luis Obispo	—	7,792	—	9,014	—	5,770
Sonoma State University	8,800	6,814	—	10,512	7,676	—
CSU Stanislaus	7,300	—	—	7,775	6,507	—
Average annual rates	9,351	8,238	9,075	10,266	8,289	8,391

(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) Percentage of spaces occupied is based on Operational Capacity. In certain cases, percentage occupancy by Design Capacity is over 100%.

(4) 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.

(5) The operational capacity does not include 423 apartment units, of which 417 were occupied by students, faculty, and staff. The annual rates for the one-bedroom, two-bedroom, or three-bedroom units (not bed spaces) vary between \$1,525 and \$4,465.

See accompanying independent auditors' report.

## CALIFORNIA STATE UNIVERSITY

## Systemwide Revenue Bond Program's Statement of Insurance Coverage

Year ended June 30, 2018

(Unaudited)

<u>Expiration date*</u>	<u>Insurance Coverage</u>	<u>Coverage Limit</u>	<u>Insurance Company</u>	<u>Policy number</u>
<b><u>Property Insurance</u></b>				
July 1, 2018	CSU Master Property Policy, "All Risk" Building, Equipment, Rental Income (excluding earthquake)	\$ 1,000,000,000 per occurrence	Alliant Property Insurance Program	017471590/04
July 1, 2018	CSU Master Property Policy, Boiler & Machinery	100,000,000	Alliant Property Insurance Program	017471590/04
<b><u>General Liability Insurance</u></b>				
July 1, 2018	Bodily Injury & Property Damage Liability (Primary)	\$ 5,000,000	CSU Risk Management Authority (self-insured portion)	N/A
July 1, 2018	Bodily Injury & Property Damage Liability (Reinsurance)	5,000,000	Ironshore Indemnity Inc.	000541307
July 1, 2018	Bodily Injury & Property Damage Liability (Reinsurance)	10,000,000	Allied World Assurance Company	0310-2286
July 1, 2018	Bodily Injury & Property Damage Liability (Excess)	5,000,000	Ironshore Specialty Insurance Company	001090806
July 1, 2018	Bodily Injury & Property Damage Liability (Excess)	10,000,000	Peleus Insurance Company	2902082-00
July 1, 2018	Bodily Injury & Property Damage Liability (Excess)	5,000,000	Allied World Assurance Company	0308-4646
July 1, 2018	Bodily Injury & Property Damage Liability (Excess)	10,000,000	Gemini Insurance Company	CEX09600368-04
July 1, 2018	Bodily Injury & Property Damage Liability (Excess)	100,000,000	Multiple	Multiple
July 1, 2018	Bodily Injury & Property Damage Liability (Excess)	50,000,000	XL Insurance Company	IE00018197L117A
July 1, 2018	Bodily Injury & Property Damage Liability (Excess)	100,000,000	Multiple	Multiple
<b><u>Workers' Compensation and Employer's Liability Insurance</u></b>				
July 1, 2018	Workers' Compensation and Employer's Liability	California Workers' Compensation Statutes	CSAC Excess Insurance Authority	EIA PE 17 EWC-143
July 1, 2018	Workers' Compensation and Employer's Liability	\$ 2,500,000	Safety National Casualty Corporation	SP4055109

\* Additional insurance policies are maintained for the period from July 1, 2018 through July 1, 2019. These policies provide the same coverage indicated above.

See accompanying independent auditors' report.



CSU NORTHRIDGE



CSU SAN BERNARDINO



CSU DOMINGUEZ HILLS



CSU EAST BAY



STANISLAUS STATE

**CSU** The California State University

**CSU OFFICE OF THE CHANCELLOR**  
Division of Financial Services

Systemwide Financial Standards & Reporting  
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**CALIFORNIA STATE UNIVERSITY**

Single Audit Reports

June 30, 2018

(With Independent Auditors' Report Thereon)

# CALIFORNIA STATE UNIVERSITY

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KPMG LLP  
Suite 700  
20 Pacifica  
Irvine, CA 92618-3391

**Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards**

The Board of Trustees  
California State University:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate discretely presented component units of the California State University, an agency of the State of California, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise California State University's basic financial statements, and have issued our report thereon dated March 8, 2019. Our report refers to other auditors who audited 87 of the 89 aggregate discretely presented component units, which statements reflect total assets constituting 93% and total revenues constituting 95% of the aggregate discretely presented component units totals. The reports of the other auditors have been furnished to us, and our opinion, insofar as they relate to the amounts included for the 87 aggregate discretely presented component units, are based solely on the reports of the other auditors. The financial statements of 45 discretely presented component units are not audited in accordance with *Government Auditing Standards*. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters in accordance with *Government Auditing Standards* for the discretely presented component units.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered California State University's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of California State University's internal control. Accordingly, we do not express an opinion on the effectiveness of California State 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 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule or findings and questioned costs as item 2018-001 that we consider to be a significant deficiency.





### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether California State 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 determination of financial statement amounts. 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*.

### **The University's Response to Findings**

The University's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The University's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **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 California State 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 California State University's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*KPMG LLP*

Orange County, California  
March 8, 2019



KPMG LLP  
Suite 700  
20 Pacifica  
Irvine, CA 92618-3391

**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 each of the University's major federal programs for the year ended June 30, 2018. The University's major federal programs are 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 received federal awards totaling \$374,340,854, which is not included in the schedule of expenditures of federal awards for the year ended June 30, 2018. 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 Uniform Guidance.

*Management's Responsibility*

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

*Auditors' Responsibility*

Our responsibility is to express an opinion on compliance for each of the University's major federal programs 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 each 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 each of its major federal programs for the year ended June 30, 2018.



### *Other Matters*

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2018-002 and 2018-003. Our opinion on each major federal program is not modified with respect to these matters.

The University's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The University's responses were not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the responses.

### **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 each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each 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 were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2018-002 and 2018-003 that we consider to be significant deficiencies.

The University's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The University's responses were not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the responses.

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, 2018, and have issued our report thereon dated March 8, 2019, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the 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*

Orange County, California  
March 8, 2019

**CALIFORNIA STATE UNIVERSITY**  
Schedule of Expenditures of Federal Awards  
Year ended June 30, 2018

Federal grantor/pass-through agency/program title	Catalog of federal domestic assistance (CFDA) number	Pass-through entity identifying number	Federal disbursements/ expenditures	Amounts provided to subrecipients
Student Financial Assistance Cluster:				
U.S. Department of Education:				
Direct programs:				
Federal Supplemental Educational Opportunity Grants	84.007		\$ 15,585,515	—
Federal Work-Study Program	84.033		18,745,549	—
Federal Perkins Loan Program	84.038		81,283,248	—
Federal Pell Grant Program	84.063		1,045,767,200	—
Federal Direct Student Loans	84.268		1,490,959,019	—
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	84.379		3,116,515	—
Postsecondary Education Scholarships for Veteran's Dependents (Iraq and Afghanistan Service Grant (IASG))	84.408		4,148	—
Total U.S. Department of Education			<u>2,655,461,194</u>	<u>—</u>
U.S. Department of Health and Human Services:				
Direct program:				
Nursing Student Loans	93.364		2,647,945	—
Total U.S. Department of Health and Human Services			<u>2,647,945</u>	<u>—</u>
Total Student Financial Assistance Cluster			<u>2,658,109,139</u>	<u>—</u>
Other Programs and Clusters:				
U.S. Department of Agriculture:				
Direct program:				
Higher Education Multicultural Scholars Program	10.220		26,000	—
Passed through California Department of Education: Child and Adult Care Food Program	10.558	04346-CACFP-12-HU-CS	39,626	—
Total U.S. Department of Agriculture			<u>65,626</u>	<u>—</u>
U.S. Department of Commerce:				
Passed through Regents of the University of Michigan:				
Coastal Zone Management Administration Awards	11.419	3004232335	10,000	—
Direct program:				
Marine Debris Program	11.999		36,643	—
Total U.S. Department of Commerce			<u>46,643</u>	<u>—</u>
U.S. Department of Defense:				
Passed through Institute of International Education Inc.:				
The Language Flagship Grants to Institutions of Higher Education	12.550	0054-SFSU-8-SSC-280-PO4	51,720	—
The Language Flagship Grants to Institutions of Higher Education	12.550	0054-SFSU-8-link-280-PO5	1,945	—
The Language Flagship Grants to Institutions of Higher Education	12.550	0054-SFSU-8-SSC-280-PO3	16,000	—
The Language Flagship Grants to Institutions of Higher Education	12.550	1-0054-SFSU-8-CHN-280-PO1 Amendment #2-0054-SFSU-8-CHN-280-PO1	8,630	—
The Language Flagship Grants to Institutions of Higher Education	12.550		300,254	—
Total U.S. Department of Defense			<u>378,549</u>	<u>—</u>
U.S. Department of the Interior:				
Direct programs:				
Cultural and Paleontological Resources Management	15.224		7,875	—
National Center for Preservation Technology and Training	15.923		21,058	—
Passed through CSU Dominguez Hills Foundation:				
Preservation of Japanese American Confinement Sites	15.933	500020	2,497	—
Direct program:				
Cultural Resources Management	15.946		17,338	—
Total U.S. Department of the Interior			<u>48,768</u>	<u>—</u>
U.S. Department of Labor:				
Direct program:				
Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants	17.282		1,628,558	36,962
Total U.S. Department of Labor			<u>1,628,558</u>	<u>36,962</u>
U.S. Department of Transportation:				
Passed through California Department of Transportation:				
U.S. Department of Transportation (not classified elsewhere)	20.UNK	04A4658,04A4782, 04A4916 06A2062, 43A0342	181,498	—
Direct program:				
Highway Training and Education	20.215		11,384	—
Passed through California Department of Transportation:				
Highway Training and Education	20.215	88A0121	5,058	—
Subtotal CFDA 20.215			<u>16,442</u>	<u>—</u>
Direct programs:				
State Maritime Schools	20.806		24,251	—
Ballast Water Treatment Technologies	20.819		126,990	—
Total U.S. Department of Transportation			<u>349,181</u>	<u>—</u>

**CALIFORNIA STATE UNIVERSITY**  
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Year ended June 30, 2018

Federal grantor/pass-through agency/program title	Catalog of federal domestic assistance (CFDA) number	Pass-through entity identifying number	Federal disbursements/ expenditures	Amounts provided to subrecipients
Office of Personnel Management:				
Direct program:				
Intergovernmental Personnel Act (IPA) Mobility Program	27.011		\$ 288,558	—
Total Office of Personnel Management			<u>288,558</u>	<u>—</u>
National Aeronautics and Space Administration:				
Passed through Association of Universities for Research in Astronomy, Incorporated:				
Science	43.001	STI-509915	390,121	—
Passed through University of California, San Diego:				
Science	43.001	NNX15AP87H	3,000	—
Subtotal CFDA 43.001			<u>393,121</u>	<u>—</u>
Direct program:				
Education	43.008		107,231	25,438
Passed through Napa Valley College:				
Education	43.008	SSU16	114,314	—
Subtotal CFDA 43.008			<u>221,545</u>	<u>25,438</u>
Total National Aeronautics and Space Administration			<u>614,666</u>	<u>25,438</u>
National Endowment for the Humanities:				
Passed through California Humanities:				
Promotion of the Humanities Federal/State Partnership	45.129	HFAQ17-46	5,000	—
Direct program:				
Promotion of the Humanities Fellowships and Stipends	45.160		29,400	—
Total National Endowment for the Humanities			<u>34,400</u>	<u>—</u>
U.S. Environmental Protection Agency:				
Passed through Environmental Quality Management:				
U.S. Environmental Protection Agency (not classified elsewhere)	66.UNK	13-017_021003	135,190	—
Direct program:				
Regional Wetland Program Development Grants	66.461		81,924	—
Total U.S. Environmental Protection Agency			<u>217,114</u>	<u>—</u>
U.S. Department of Energy:				
Passed through Alliance for Sustainable Energy, LLC:				
Renewable Energy Research and Development	81.087	AFC-5-52004-02	14,492	—
Direct program:				
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	81.117		251,612	—
Total U.S. Department of Energy			<u>266,104</u>	<u>—</u>
U.S. Department of Education, excluding Student Financial Assistance Cluster:				
TRIO Cluster:				
Direct program:				
TRIO – Student Support Services	84.042		1,858,609	—
Passed through The CSU, Chico Research Foundation:				
TRIO – Student Support Services	84.042	P042A100854-17	29,350	—
Subtotal CFDA 84.042			<u>1,887,959</u>	<u>—</u>
Direct programs:				
TRIO – Talent Search Program	84.044		782,270	—
TRIO – Upward Bound Program	84.047		1,783,226	—
TRIO – McNair Post-Baccalaureate Achievement	84.217		375,122	—
Total TRIO Cluster			<u>4,828,577</u>	<u>—</u>
Passed through University Enterprises Corporation at California State University San Bernardino:				
Undergraduate International Studies and Foreign Language Programs	84.016	GT-14130	5,828	—
Direct program:				
Higher Education – Institutional Aid	84.031		6,364,930	199,479
Passed through Santa Barbara City College:				
Higher Education – Institutional Aid	84.031	12131.4070.562000.60	138,777	—
Passed through Ventura County Community College District:				
Higher Education – Institutional Aid	84.031	P0103046	126,986	—
Passed through San Mateo County Community College District:				
Higher Education – Institutional Aid	84.031	P031S160245	83,017	—
Higher Education – Institutional Aid	84.031	P031C1100159	2,172	—
Subtotal CFDA 84.031			<u>6,715,882</u>	<u>199,479</u>

**CALIFORNIA STATE UNIVERSITY**  
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Federal grantor/pass-through agency/program title	Catalog of federal domestic assistance (CFDA) number	Pass-through entity identifying number	Federal disbursements/ expenditures	Amounts provided to subrecipients
Direct program: TRIO Staff Training Program	84.103		\$ 491,513	—
Passed through California Department of Rehabilitation: Rehabilitation Services Vocational Rehabilitation Grants to States	84.126	28592	73,139	—
Direct program: Rehabilitation Long-Term Training	84.129		349,877	—
Direct program: Special Education – Personnel Development to Improve Services and Results for Children with Disabilities	84.325		1,086,768	124,283
Passed through Commission on Teacher Credentialing: Special Education – Personnel Development to Improve Services and Results for Children with Disabilities	84.325	14STC0035	5,114	—
Subtotal CFDA 84.325			1,091,882	124,283
Direct programs: Special Education – Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	84.326		652,584	—
Child Care Access Means Parents in School	84.335		328,979	—
Passed through The California State University, Chico Research Foundation: Teacher Quality Partnership Grants	84.336	14-042, 15-034	155,063	—
Direct program: English Language Acquisition State Grants	84.365		407,447	—
Passed through Santa Rosa City Schools: Mathematics and Science Partnerships	84.366	101	74,174	—
Passed through California Department of Education: Supporting Effective Instruction State Grants (Formerly Improving Teacher Quality State Grants)	84.367	15-15196-3064-00	197,031	129,763
Passed through The Regents of the University of California:  Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	NCLB14-CISP-SONOMA NCLB14-CMP-SONOMA NCLB14-CMP-STANISLAUS NCLB14-CWP-TURLOCK	163,204	—
Passed through National Writing Project: Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	92-CA10-SEED2016	1,048	—
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	92-CA10-SEED2016-ILI	320	—
Subtotal CFDA 84.367			361,603	129,763
Direct program: Strengthening Minority-Serving Institutions Total U.S. Department of Education, excluding Student Financial Assistance Cluster	84.382		375,028	—
			15,911,576	453,525
U.S. Department of Health and Human Services: 477 Cluster: Child Care and Development Fund Cluster: Passed through California Department of Education: Child Care and Development Block Grant	93.575	CCTR-7044, CSPP-7105	69,778	—
Child Care Mandatory and Matching Funds of the Child Care and Development Fund Total Child Care and Development Fund Cluster	93.596	CCTR-7044, CSPP-7105	151,822	—
Total 477 Cluster			221,600	—
Direct program: Substance Abuse and Mental Health Services – Projects of Regional and National Significance	93.243		199,660	—
Passed through University of California, San Francisco: Minority Health and Health Disparities Research	93.307	7518SC	2,224	—
Passed through California Department of Education: Early Head Start-Child Care Partnerships (EHS-CCP) Grant Partnerships (EHS-CCP) Grant	93.600	15291, 15292, 15298	236,140	—
Passed through University of California, Berkeley:  Foster Care – Title IV-E	93.658	00009246-01 Agreement #9243; CDSS #16- IA-00775	2,206,808	—
Passed through The Regents of the University of California: Foster Care – Title IV-E	93.658	16-IA-00775	1,267,532	—
Subtotal CFDA 93.658			3,474,340	—

**CALIFORNIA STATE UNIVERSITY**  
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Federal grantor/pass-through agency/program title	Catalog of federal domestic assistance (CFDA) number	Pass-through entity identifying number	Federal disbursements/ expenditures	Amounts provided to subrecipients
Direct program: Biomedical Research and Research Training Passed through University of California, San Francisco:	93.859		\$ 487,161	—
Biomedical Research and Research Training	93.859	10339SC 7284SC	90,673	—
Subtotal CFDA 93.859			<u>577,834</u>	<u>—</u>
Passed through AIDS United: HIV Prevention Activities – Non-Governmental Organization Based	93.939	880-20172	11	—
Total U.S. Department of Health and Human Services			<u>4,711,809</u>	<u>—</u>
Corporation for National and Community Service: Direct program: AmeriCorps	94.006		195,501	—
Passed through Jumpstart for Young Children: AmeriCorps	94.006	CFDA-94.006-JS-SITE#10	212,701	—
Subtotal CFDA 94.006			<u>408,202</u>	<u>—</u>
Direct program: Volunteers in Service to America	94.013		19,233	—
Total Corporation for National and Community Service			<u>427,435</u>	<u>—</u>
U.S. Department of Homeland Security: Passed through Department of Parks and Recreation, Division of Boating and Waterways: Boating Safety Financial Assistance	97.012	C8960313	9,100	—
Passed through Historic Preservation, Office of (OHP): Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036	C1710004	6,506	—
Total U.S. Department of Homeland Security			<u>15,606</u>	<u>—</u>
Total other programs and clusters			<u>25,004,593</u>	<u>515,925</u>
Research and Development Cluster: U.S. Department of Agriculture: Direct program: Agricultural Research Basic and Applied Research	10.001		2,461	—
Direct program: Capacity Building for Non-Land Grant Colleges of Agriculture (NLGCA)	10.326		69,431	22,004
Supplemental Nutrition Assistance Program (SNAP) Cluster: Passed through California Department of Public Health: State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	16-10234	33,712	—
Total Supplemental Nutrition Assistance Program (SNAP) Cluster			<u>33,712</u>	<u>—</u>
Direct program: Cooperative Forestry Assistance	10.664		32,848	—
Direct program: Partnership Agreements	10.699		15,914	—
Total U.S. Department of Agriculture			<u>154,366</u>	<u>22,004</u>
U.S. Department of Commerce: Passed through Monterey Bay Aquarium Research Institute: Integrated Ocean Observing System (IOOS)	11.012	1611290	125,042	—
Passed through The Regents of the University of California: Sea Grant Support	11.417	71780057	102,470	—
Direct program: Coastal Zone Management Estuarine Research Reserves	11.420		642,787	—
Passed through Merkel & Associates Incorporated: Coastal Zone Management Estuarine Research Reserves	11.420	GS-10F-0060T/ AB-133F-14NC-1535	54,824	—
Subtotal CFDA 11.420			<u>697,611</u>	<u>—</u>
Direct programs: Marine Sanctuary Program	11.429		21,084	—
Habitat Conservation	11.463		25,580	—
Total U.S. Department of Commerce			<u>971,787</u>	<u>—</u>
U.S. Department of Defense: Direct program: Flood Control Projects	12.106		11,510	—
Passed through National Marine Mammal Foundation: Basic and Applied Scientific Research	12.300	SSU-2773	22,068	—
Direct program: Basic, Applied, and Advanced Research in Science and Engineering	12.630		997,507	—



**CALIFORNIA STATE UNIVERSITY**  
Schedule of Expenditures of Federal Awards  
Year ended June 30, 2018

<b>Federal grantor/pass-through agency/program title</b>	<b>Catalog of federal domestic assistance (CFDA) number</b>	<b>Pass-through entity identifying number</b>	<b>Federal disbursements/ expenditures</b>	<b>Amounts provided to subrecipients</b>
Air Force Defense Research Sciences Program	12.800		\$ 37,723	—
Passed through George Mason University:				
Air Force Defense Research Sciences Program	12.800	E2043361	22,159	—
Subtotal CFDA 12.800			59,882	—
Total U.S. Department of Defense			1,090,967	—
U.S. Department of the Interior:				
Direct programs:				
Fish, Wildlife and Plant Conservation Resource Management	15.231		242,788	—
Fish and Wildlife Management Assistance	15.608		30,808	—
Cooperative Endangered Species Conservation Fund	15.615		46,341	—
Passed through Fish and Wildlife, California Department of (CDFW):				
Cooperative Endangered Species Conservation Fund	15.615	P1680007 P1680032	60,068	—
Subtotal CFDA 15.615			106,409	—
Passed through Fish and Wildlife, California Department of (CDFW):				
State Wildlife Grants	15.634	P1640010 S1780015	46,261	—
Direct programs:				
Challenge Cost Share	15.642		3,728	—
Research Grants (Generic)	15.650		31,535	—
Passed through Regents of the University of California:				
Endangered Species Conservation, Recovery Implementation Funds	15.657	A18-0450-S0001	512	—
Direct programs:				
Earthquake Hazards Reduction Program	15.807		43,358	—
U.S. Geological Survey-Research and Data Collection	15.808		172,167	—
Passed through California Office of Historic Preservation:				
Historic Preservation Fund Grants-In-Aid	15.904	C8960507	11,000	—
Direct programs:				
Cooperative Research and Training Programs – Resources of the National Park System	15.945		55,728	—
National Park Service Conservation, Protection, Outreach, and Education	15.954		31,043	—
CA Biodiversity Council Facilitation	15.UNK		16,757	—
Total U.S. Department of the Interior			792,094	—
National Aeronautics and Space Administration:				
Direct program:				
Science	43.001		182,720	49,062
Passed through Space Telescope Science Institute:				
Science	43.001	HST-GO-12950.03-A HST-GO-13297.07-A	7,716	—
Passed through Oregon State University:				
Science	43.001	NS251A-A	4,984	—
Passed through Arizona State University, Tempe:				
Science	43.001	15-718	3,814	—
Subtotal CFDA 43.001			199,234	49,062
Total National Aeronautics and Space Administration			199,234	49,062
National Endowment for the Humanities:				
Passed through California Humanities:				
Promotion of the Humanities Federal/State Partnership	45.129	HFAP17-11	7,653	—
Direct program:				
Promotion of the Humanities Fellowship and Stipends	45.160		37,800	—
Total National Endowment for the Humanities:			45,453	—
National Science Foundation:				
Direct programs:				
Engineering Grants	47.041		536,816	—
Mathematical and Physical Sciences	47.049		539,179	—
Geosciences	47.050		426,233	—
Computer and Information Science and Engineering	47.070		189,347	35,894
Biological Sciences	47.074		1,327,456	—
Passed through Fordham University:				
Biological Sciences	47.074	FORD0003	19,217	—
Passed through Regents of the University of California San Francisco:				
Biological Sciences	47.074	9807SC	358,230	—
Subtotal CFDA 47.074			1,704,903	—
Direct program:				
Education and Human Resources	47.076		721,834	25,640
Passed through California State University Sacramento:				
Education and Human Resources	47.076	523911 AMENDMENT NO. 523914 523911 AMENDMENT NO. 523915	12,458	—

**CALIFORNIA STATE UNIVERSITY**  
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Federal grantor/pass-through agency/program title	Catalog of federal domestic assistance (CFDA) number	Pass-through entity identifying number	Federal disbursements/ expenditures	Amounts provided to subrecipients
Passed through Cal Poly Corporation: Education and Human Resources	47.076	2018-2-51273	\$ 10,683	—
Passed through Missouri State University: Education and Human Resources	47.076	16043-007	49,070	—
Passed through University Enterprises, Incorporated California State University: Education and Human Resources	47.076	HRD – 1302873	9,814	—
Passed through University Enterprises, Incorporated California State University, Sacramento: Education and Human Resources	47.076	520541A, 523841 523951 A523955	31,710	—
Passed through University Enterprises, Incorporated: Education and Human Resources	47.076	523751, 523961	24,961	—
Passed through Northeastern University: Education and Human Resources	47.076	502277-78050	186,398	—
Passed through The Regents of the University of California: Education and Human Resources	47.076	9400, KK1627 A00-1696S004-P056579	87,259	—
Passed through WestEd: Education and Human Resources	47.076	S00028711.0	34	—
Passed through University of Texas at El Paso: Education and Human Resources	47.076	226100955B	238,699	—
Subtotal CFDA 47.076			<u>1,372,920</u>	<u>25,640</u>
Direct program:				
Polar Programs	47.078		24,500	24,500
Total National Science Foundation			<u>4,793,898</u>	<u>86,034</u>
U.S. Department of Veterans Affairs VA Health Administration Center				
Direct program:				
Research and Development	64.054		29,414	—
Total U.S. Department of Veterans Affairs VA Health Administration Center			<u>29,414</u>	—
U.S. Environmental Protection Agency: Passed through California State Coastal Conservancy: Congressionally Mandated Projects	66.202	CONTRACT NO. 10-030	182,757	—
Total U.S. Environmental Protection Agency			<u>182,757</u>	—
U.S. Department of Energy: Direct program:				
Office of Science Financial Assistance Program	81.049		247,615	—
Total U.S. Department of Energy			<u>247,615</u>	—
U.S. Department of Education: Passed through San Mateo County Community College District: Minority Science and Engineering Improvement	84.120	P120A150014	83,495	—
Direct programs:				
Research in Special Education	84.324		1,031,444	640,481
Education Innovation and Research (formerly Investing in Innovation (i3) Fund	84.411		637,569	—
Total U.S. Department of Education			<u>1,752,508</u>	<u>640,481</u>
U.S. Morris K. Udall Foundation: Direct program:				
Morris K. Udall Scholarship Program	85.400		32,836	—
Total U.S. Morris K. Udall Foundation			<u>32,836</u>	—
U.S. Department of Health and Human Services: Passed through California Department of Public Health Environmental Public Health and Emergency Response	93.070	13-20878	22,500	—
Passed through Urban Institute Affordable Care Act (ACA) Personal Responsibility Education Program	93.092	09349-00-00 #36200	19,889	—
Passed through California Department of Public Health Injury Prevention and Control Research and State and Community Based Programs	93.136	13-20878	7,500	—
Direct program:				
Mental Health Research Grants	93.242		814,244	69,114
Passed through Boston University: Mental Health Research Grants	93.242	4500002320	76,888	—
Subtotal CFDA 93.242			<u>891,132</u>	<u>69,114</u>

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<u>Federal grantor/pass-through agency/program title</u>	<u>Catalog of federal domestic assistance (CFDA) number</u>	<u>Pass-through entity identifying number</u>	<u>Federal disbursements/ expenditures</u>	<u>Amounts provided to subrecipients</u>
Passed through Stanford University: Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286	60917381-114033	\$ 53,679	—
Direct programs:				
Minority Health and Health Disparities Research	93.307		246,077	—
Trans-NIH Research Support	93.310		3,408,617	1,033,282
Behavioral Risk Factor Surveillance System	93.336		28,621	—
Passed through The Regents of the University of California: Mental and Behavioral Health Education and Training Grants	93.732	9668	47,468	—
Passed through California Department of Public Health: PPHF: Health Care Surveillance / Health Statistics – Surveillance Program Announcement: Behavioral Risk Factor Surveillance System Financed in Part by Prevention and Public Health Fund	93.745	13-20878	202,569	—
Passed through California Department of Public Health: State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart Disease and Stroke (PPHF)	93.757	13-20878	35,404	—
Passed through California Department of Public Health: Preventative Health and Health Services Block Grant Funded solely with Prevention and Public Health Funds	93.758	13-20878	338,760	—
Direct program: Cardiovascular Diseases Research	93.837		82,878	—
Passed through University of California, San Francisco: Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	8109SC	26,123	—
Direct program: Allergy and Infectious Diseases Research	93.855		338,585	—
Direct program: Biomedical Research and Research Training	93.859		2,766,849	—
Passed through University of California, San Francisco: Biomedical Research and Research Training	93.859	1R15GM116043-01	71,159	—
Subtotal CFDA 93.859			<u>2,838,008</u>	<u>—</u>
Direct program: Child Health and Human Development Extramural Research	93.865		227,310	13,814
Passed through Research Foundation for Mental Hygiene, Incorporated: Child Health and Human Development Extramural Research	93.865	25999	158,751	—
Subtotal CFDA 93.865			<u>386,061</u>	<u>13,814</u>
Direct program: Aging Research	93.866		139,243	—
Passed through University of California, San Francisco: Aging Research	93.866	9913C, 10273SC, 10295SC	125,716	—
Passed through Stanford University: Aging Research	93.866	61406136-45510 61593292-45510	24,728	—
Subtotal CFDA 93.866			<u>289,687</u>	<u>—</u>
Passed through Stanford University: Medical Library Assistance	93.879	61100260-12656-A	36,327	—
Passed through California Department of Public Health: Assistance Programs for Chronic Disease Prevention and Control	93.945	13-20878	33,750	—
Total U.S. Department of Health and Human Services			<u>9,333,635</u>	<u>1,116,210</u>
Total Research and Development Cluster			<u>19,626,564</u>	<u>1,913,791</u>
Total expenditures of federal awards			<u>\$ 2,702,740,296</u>	<u>2,429,716</u>

See accompanying notes to schedule of expenditures of federal awards and 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.

**CALIFORNIA STATE UNIVERSITY**

Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2018

**(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 from individual campus 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 \$68,898,975 and \$2,406,773, respectively, at June 30, 2018. 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, 2018.

**(4) Administrative Cost Allowances**

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

Federal Perkins Loan Program	\$	893,647
Federal Pell Grant Program		871,670
Federal Work-Study Program		403,948
Federal Supplemental Educational Opportunity Grant Program		<u>172,026</u>
Total administrative cost allowances	\$	<u>2,341,291</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.

**CALIFORNIA STATE UNIVERSITY**  
 Schedule of Findings and Questioned Costs  
 Year ended June 30, 2018

**(1) Summary of Auditors' Results**

*Financial Statements*

Type of auditors' report issued on financial statements: Unmodified opinion

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ Yes   X   No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_   X   Yes \_\_\_\_\_ None Reported

Noncompliance material to the financial statements noted? \_\_\_\_\_ Yes   X   No

*Federal Awards*

Internal control over major programs:

- Material weakness identified? \_\_\_\_\_ Yes   X   No
- Significant deficiencies in internal control over major programs \_\_\_\_\_   X   Yes \_\_\_\_\_ None Reported

Type of auditors' report issued on compliance for major programs: Unmodified opinion

Any audit findings that are required to be reported in accordance with 2 CFR 200.516 of Uniform Guidance \_\_\_\_\_   X   Yes \_\_\_\_\_ No

*Identification of Major Programs*

<u>CFDA number(s)</u>	<u>Name of federal program or cluster</u>
84.007, 84.033, 84.038, 84.063, 84.268, 84.379, 84.408, and 93.364	Student Financial Assistance Cluster
17.282	Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants
84.031	Higher Education – Institutional Aid

Dollar threshold used to distinguish between Type A and Type B programs: \$1,338,935

Auditee qualified as low-risk auditee? \_\_\_\_\_   X   Yes \_\_\_\_\_ No

**CALIFORNIA STATE UNIVERSITY**  
Schedule of Findings and Questioned Costs  
Year ended June 30, 2018

**(2) Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards***

**2018-001**

**Missing Control over the Review of Employee Census Data used to Calculate Other Post-Employment Benefits**

*Condition and Context*

The University records the net other postemployment benefits (OPEB) liability based on the projected benefit for current and active employees and retirees based on various assumptions and employee census data elements. Errors were identified in the census data file for the active employees, resulting in the OPEB expenses and liability being calculated using erroneous information. While the University submits changes to the census data elements for active employees to the State, there is a missing control over the review of the accuracy of census data used by the actuary in estimating OPEB expense and liability.

*Criteria*

A significant deficiency in internal control is the result of a deficiency in internal controls, or combination of deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with U.S. generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements will not be prevented or detected.

*Potential Cause and Effect*

Due to the lack of controls over the review to ensure completeness and accuracy of census data used by the actuary in estimating OPEB, this resulted in a projected overstatement of OPEB liability in the amount of \$199.3M. This error was not corrected in the June 30, 2018 financial statements.

*Recommendation*

We recommend that the University revisits its policies and procedures and take the necessary action to improve its control over the review of census data used in estimating OPEB liability.

*View of Responsible Officials and Planned Corrective Action*

The University concurs with the recommendation. The University will review the policies and procedures and develop appropriate internal controls to ensure the completeness and accuracy of the census data used by the actuary in estimating the net OPEB liability.

**CALIFORNIA STATE UNIVERSITY**  
Schedule of Findings and Questioned Costs  
Year ended June 30, 2018

**(3) Findings and Questioned Costs Relating to Federal Awards**

**2018-002**

Compliance requirement:	Enrollment Reporting
Campus:	Northridge, San Francisco, Sacramento, Chico, Fresno, Dominguez Hills, Pomona, San Marcos, and Sonoma
Cluster name/program:	Student Financial Assistance Cluster
CFDA number:	84.268 Federal Direct Student Loans 84.038 Federal Perkins Loan Program
Federal agency:	U.S. Department of Education
Pass-through entity:	None
Award year:	July 1, 2017 through June 30, 2018

*Criteria or Specific Requirement*

According to 34 CFR Section 685.309, institutions with direct loan programs must complete and return to the National Student Loan Data System for Students (NSLDS) within 30 days the enrollment reporting roster file provided by NSLDS, unless the school expects to complete the next roster within 60 days, then they must return it within 60 days. The institution must update changes in student status, report the date the enrollment status was effective, enter the new anticipated completion date, and then submit changes electronically to the NSLDS, for the purpose of providing complete and accurate data to lenders regarding enrollment status so they may properly determine when repayment of the loans should begin.

*Condition Found and Context*

During our testwork, we haphazardly selected 132 students from 12 campuses that withdrew or graduated during the year that have direct loans that we tested for reporting the change of status to NSLDS and noted the following:

- We identified ten students where their change in status was not reported to the NSLDS within the 30/60-day reporting period. For these students, status was communicated between 3-237 days late.
- We identified three students with status changes that were not accurately reported to NSLDS due to campuses not accurately reporting retroactive withdrawals.

During our testwork, we have identified insufficient documentation of controls at six of the 12 campuses and noted the following:

- We were unable to obtain sufficient audit evidence over the effectiveness of the control at three of the 12 campuses.
- We identified sufficient control at one of the campuses, however, it was implemented in January 2018, as such, was not effective throughout the period under audit.

**CALIFORNIA STATE UNIVERSITY**  
Schedule of Findings and Questioned Costs  
Year ended June 30, 2018

- We identified inadequate documentation of the design and implementation of controls at two of the 12 campuses.

Since late or inaccurate enrollment status reporting in conjunction with inadequate documentation of controls was identified at six of the twelve campuses sampled, we consider this to be a significant deficiency in internal control over the compliance requirement for enrollment status reporting.

*Cause and Effect*

All campuses utilize the services of the National Student Clearinghouse (NSC) to assist in the reporting of enrollment status changes to NSLDS. NSC generally requires approximately 45 days to submit information provided to them by institutions to NSLDS. The cause of the late or inaccurate submissions was caused by each of the six campuses not implementing effective procedures in place to monitor the timely reporting from NSC to NSLDS. The effect of these status changes not being reported timely is that the repayment of outstanding loan balances to the lenders is not started and payment to them is delayed.

*Sampling*

Not statistical

*Isolated or Systemic*

Systemic

*Questioned Costs*

None noted

*Repeat Finding*

Yes, however, different campus locations were sampled in the current year.

*Recommendation*

We recommend the University select a sample of students from each transmission sent to the NSC and compare the information received by NSLDS against what was sent to the NSC to ensure the information was transmitted by NSC accurately and timely. In addition, we recommend that the University conduct this sample prior to the 60-day deadline to ensure that disbursement information is reported timely.

*Views of Responsible Officials*

The University concurs with the recommendation. Campuses will review their policies and procedures and devise appropriate internal controls to ensure the timely and accurate reporting of student status changes, including data provided on behalf of the campus by the NSC.



**CALIFORNIA STATE UNIVERSITY**  
Schedule of Findings and Questioned Costs  
Year ended June 30, 2018

**2018-003**

Compliance requirement:	Verification
Campus:	Northridge, San Francisco, Long Beach
Cluster name/program:	Student Financial Assistance Cluster
CFDA number:	84.007, 84.033, 84.038, 84.063, 84.268, 84.379, 84.408, and 93.364
Federal agency:	U.S. Department of Education and U.S. Department of Health
Pass-through entity:	None
Award year:	July 1, 2017 through June 30, 2018

*Criteria or Specific Requirement*

Title 34 Education. Chapter VI – Office of Postsecondary Education, Department of Education. Part 668 Student Assistance General Provisions. Subpart E Verification of Student Aid Application Information. Sec. 668.56 Items to be verified. (a) Except as provided in paragraphs (b), (c), (d), and (e) of this section, an institution shall require an applicant selected for verification under Sec. 668.54(a)(2) or (3) to submit acceptable documentation described in Sec. 668.57 that will verify or update the following information used to determine the applicant's Expected Family Contributions (EFC): (2) U.S. income tax paid for the base year data was used in determining eligibility.

*Condition Found and Context*

During our testwork, we haphazardly selected 77 students from seven campuses that received Federal Financial Assistance awards during the year that were also selected for verification under Sec. 668.54(a)(2) or (3) and noted the following:

- We identified one student's verification documents were not appropriately obtained prior to the clearance of the verification flag, but did not result in any known questioned cost impact.
- We identified one student where the student's adjusted gross income (AGI) was incorrectly verified, resulting in a miscalculation of the student's expected family contribution (EFC) and an under-award of Pell grant by \$100. We verified that the campus corrected the under-award amount to the respective student within the same academic year.

The questioned cost is likely over \$25,000, if extrapolated over the entire Pell Grant awards disbursed population. We consider this to be a significant deficiency in internal control over the compliance requirement for verification.

**CALIFORNIA STATE UNIVERSITY**  
Schedule of Findings and Questioned Costs  
Year ended June 30, 2018

During our testwork, we have identified controls that are not operating effectively at 1 out of the 7 campuses.

*Cause and Effect*

Information reported on the campus verification worksheets did not match the information reported on the Institutional Student Information Record (ISIR), which could result in the use of inaccurate amounts in the determination of financial aid awards. The exception impacted the value of awards granted to the student in our selected sample.

*Sampling*

Not statistical

*Isolated or Systemic*

Isolated

*Questioned Costs*

Under-award of Pell Grant known amounts of \$100.

*Repeat Finding*

Yes, however, different campus locations were sampled in the current year.

*Recommendation*

We recommend that the University put controls in place to ensure that applicant data is properly verified. In addition, any discrepancies in student data reported in the ISIR should be properly resolved and reported to the Department of Education.

*Views of Responsible Officials*

The University concurs with the recommendation. Campuses have taken steps to further strengthen internal controls to ensure application data is properly verified and any discrepancies in ISIR are properly resolved and reported to the Department of Education.

## **COMMITTEE ON AUDIT**

### **Individual Consequences for Intentional Fiscal Improprieties at the CSU**

#### **Presentation By**

Larry Mandel  
Vice Chancellor and Chief Audit Officer  
Audit and Advisory Services

#### **Summary**

The vast majority of California State University (CSU) personnel are ethical and well-intentioned and have a desire to conduct business activities with the utmost propriety. The CSU relies on ethical personnel at all levels of the organization to help fulfill its mission. The CSU's internal controls and operating procedures are intended to detect and to prevent or deter improper activities. However, even the best systems of control cannot provide absolute safeguards against irregularities. As part of an ongoing effort to provide public accountability and deter fraudulent activity, the CSU will pursue criminal prosecution for intentional fiscal improprieties committed against the CSU or a recognized auxiliary, and will seek repayment from responsible individuals whenever possible. In addition, discipline (up to and including dismissal) shall be evaluated and imposed when appropriate if a state/auxiliary employee is determined to have engaged in a fiscal impropriety such as fraud, theft, or the intentional misuse of funds resulting in a financial loss to the CSU or a recognized auxiliary.

#### **Background**

The California State Administrative Manual, Section 20080, requires state agencies to report actual or suspected fraud or errors to the Department of Finance and the California State Auditor. While the CSU is not subject to the requirements under the State Administrative Manual, the CSU is nevertheless committed to the highest ethical standards and to creating an environment where fraudulent and other improper acts are not tolerated. In May 2016, the chancellor issued Executive Order 1104 (EO 1104), *Campus Reporting of Fiscal Improprieties*, which superseded an earlier executive order on reporting of fiscal improprieties. Under EO 1104, the chancellor and campus presidents are required to notify Chancellor's Office administrators (the chancellor, executive vice chancellor/CFO, vice chancellor and chief audit officer) and the chair of the Board of Trustees' Committee on Audit of actual or suspected fiscal improprieties of \$5,000 or more, and, for losses greater than \$50,000, they must also notify the California State Auditor and the Department of Finance. Decisions of whether to refer cases for prosecution or pursue discipline are not specifically addressed in the current policy but should be considered as part of the reporting process.

Active oversight and monitoring processes for the prevention and early detection of fraud and errors in program administration are vital to public confidence and the appropriate and efficient use of public resources. If it is believed that intentional fiscal improprieties have been committed against the CSU or a recognized auxiliary, the CSU should consult with the appropriate prosecuting authority. The appropriate prosecuting authority shall determine in its discretion whether to pursue criminal prosecution. Finally, in all cases where a state/auxiliary employee is determined to have intentionally engaged in a fiscal impropriety, discipline (up to and including dismissal) shall be evaluated and imposed when appropriate.

### **Recommended Action**

The following resolution is recommended for adoption:

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

1. If the chancellor or campus presidents a) determine that it is more likely than not that there has been a fiscal impropriety such as fraud, theft, or intentional misuse of funds resulting in a loss to the CSU or a recognized auxiliary greater than \$20,000; and b) with a reasonable degree of certainty, they have identified an individual or individual(s) as responsible; and c) it is believed the individual(s) intentionally engaged in the fiscal impropriety, the chancellor or campus president (or their designee) shall promptly contact the appropriate prosecuting authority and present the evidence so that the prosecuting authority may consider criminal prosecution. In cases where the loss is \$20,000 or less, the chancellor and campus presidents are encouraged to present the evidence to the prosecuting authority, if appropriate based on the totality of the circumstances.
2. If an individual has been identified as responsible for an intentional act of fiscal impropriety resulting in a loss in any amount to the CSU or a recognized auxiliary, the CSU shall in all cases evaluate the appropriateness of seeking repayment of the loss either outright or in the form of a restitution agreement, and such repayment or agreement to repay shall be secured whenever possible and whenever appropriate based on the totality of the circumstances.
3. On an annual basis the chancellor and each campus president is required to complete a certification stating that, in accordance with CSU policy, they have disclosed all known actual or suspected fiscal improprieties of \$5,000 or more.
4. Further, in all cases where an investigation substantiates that there has been a fiscal impropriety such as fraud, theft, or intentional misuse of funds resulting in a loss to the CSU or a recognized auxiliary and a state/auxiliary employee is determined by a preponderance of the evidence to be culpable, discipline (up to and including dismissal) shall be evaluated and imposed when appropriate.

## AGENDA

### COMMITTEE ON GOVERNMENTAL RELATIONS

**Meeting:** 1:45 p.m., Tuesday, March 19, 2019  
Glenn S. Dumke Auditorium

J. Lawrence Norton, Chair  
Emily Hinton, Vice Chair  
Silas H. Abrego  
Douglas Faigin  
Debra S. Farar  
Jean P. Firstenberg  
Wenda Fong  
Lillian Kimbell  
Jack McGrory  
Thelma Meléndez de Santa Ana  
Romey Sabalius

- Consent** 1. Approval of Minutes of the Meeting of January 22, 2019, *Action*  
**Discussion** 2. State Legislative Update, *Information*

**MINUTES OF THE MEETING OF  
COMMITTEE ON GOVERNMENTAL RELATIONS**

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

**January 22, 2019**

**Members Present**

J. Lawrence Norton, Chair  
Emily Hinton, Vice Chair  
Silas H. Abrego  
Douglas Faigin  
Debra S. Farar  
Jean P. Firstenberg  
Wenda Fong  
Lillian Kimbell  
Jack McGrory  
Thelma Meléndez de Santa Ana  
Romey Sabalius  
Adam Day, Chairman of the Board  
Timothy P. White, Chancellor

Trustee Norton called the meeting to order.

**Approval of Minutes**

The minutes of November 14, 2018, were approved as submitted.

**Statement of State Legislative Principles for 2019-2020**

The committee approved the proposed resolution (RGR 01-19-01) on consent adopting the Statement of Legislative Principles for 2019-2020.

### **Sponsored State Legislative Program for 2019**

Mr. Garrett Ashley, vice chancellor for university relations and advancement, reported that the legislature reconvened on January 7, and Governor Gavin Newsom and the state's other constitutional officers took their oaths of office.

Ms. Kathleen Chavira, assistant vice chancellor for advocacy and state relations, presented two legislative proposals for consideration and provided an update on Sacramento advocacy efforts, including a report on the first Roundtable breakfast co-hosted by Chancellor White and Senator Steve Glazer on the progress made toward Graduation Initiative 2025.

The first legislative proposal would statutorily authorize the CSU to offer Occupational Therapy Doctoral programs. The second proposal addresses general obligation bond financing for the construction and deferred maintenance of higher education facilities.

The committee recommended approval by the board of the proposed resolution (RGR 01-19-02) adopting the Sponsored State Legislative Program for 2019.

### **Federal Agenda for 2019-2020**

Mr. Ashley and Mr. Jim Gelb, assistant vice chancellor for federal relations, presented this item.

Mr. Ashley reported that the CSU has been a leading proponent of restoring the annual cost-of-living increase to the Pell Grant, and increasing Pell's purchasing power will be a central theme for Hill Day in Washington, D.C. in March.

Mr. Gelb presented an update on the current political landscape and recommendations for the 2019-2020 Federal Agenda:

- Improve college access and completion through aid to students
- Prepare students for college success
- Foster degree completion for California's diverse population
- Educate students for tomorrow's workforce
- Solve societal problems through applied research
- Enhance campus health, safety and infrastructure

During the past year, the CSU was particularly active in three key areas: seeking robust funding for priority programs, advocating to protect dreamers and for reasonable immigration policies, and responding to proposals for the reauthorization of the Higher Education Act.

Advocacy in the coming months will focus on Pell, minority-serving grants funding and spending caps.

The committee recommended approval by the board of the proposed resolution (RGR 01-19-03) adopting the Federal Agenda for 2019-2020.

Trustee Norton adjourned the meeting.



## **COMMITTEE ON GOVERNMENTAL RELATIONS**

### **State Legislative Update**

#### **Presentation By**

Garrett P. Ashley  
Vice Chancellor  
University Relations and Advancement

Kathleen Chavira  
Assistant Vice Chancellor  
Advocacy and State Relations

#### **Summary**

This year's legislative bill introduction deadline was February 22. In total, 2,710 measures were introduced this year, and the Advocacy and State Relations (ASR) staff has identified more than 500 for further review or monitoring. ASR staff are working diligently with colleagues in the Chancellor's Office to determine the potential impact of these bills on the CSU and its students, faculty and staff. In this presentation, we will provide an update on the status of Board of Trustees sponsored legislation, highlight legislative bill trends and specific bills of interest to the CSU community.

The report is organized as follows:

- Board of Trustees Sponsored Legislation
- Legislative Bill Trends
  - Financial Aid Reform
  - Student Well-Being
  - Higher Education Coordination/Longitudinal Data
- 2019 Legislation
  - Senate Bills
  - Assembly Bills

All bill statuses and positions are accurate as of March 7, 2019.

### **Board of Trustees Sponsored Legislation**

#### **AB 829 (Bloom) – CSU Authority: Occupational Therapy Doctorate**

This bill provides the CSU the authority to offer Occupational Therapy doctorate programs.

- Status: This bill is in the Assembly Higher Education Committee.

#### **SB 14 (Glazer) – Education Finance: Higher Education Facilities Bond Act of 2020**

This bill enacts the Higher Education Facilities Bond Act of 2020, which if approved by voters, would authorize \$8 billion in bonds to be divided equally between the UC and the CSU.

- Status: This bill is in the Senate Education Committee and will be heard on March 20.

**Financial Aid Legislation**

**AB 151 (Voepel) – Student financial Aid: Cal Grant Program: California Community College Transfer Entitlement Program**

This bill raises the age of eligibility for the Cal Grant CCC Transfer Entitlement Program from 28 to 30 years.

- **CSU Position:** Pending

**AB 154 (Voepel) – Public Postsecondary Education: Income Share Agreement: Pilot Program**

This bill requires the CSU and UC to each select a campus of their respective system to establish a pilot program for participating students to enter into an income share agreement with the campus.

- **CSU Position:** Pending

**AB 244 (Voepel) – Postsecondary Education: Student Financial Aid: Cal Grants**

This bill declares the Legislature’s intent to increase awards under the Cal Grant Program from \$10,000 to \$15,000 annually.

- **CSU Position:** Pending

**AB 505 (Patterson) – Student Financial Aid: Financial Aid Book Advance Program**

This bill requires each Cal Grant participating institution, beginning with the 2019-20 academic year, to implement a financial aid book advance program that provides credit to an institution’s campus bookstore to students receiving Cal Grant B awards.

- **CSU Position:** Pending

**AB 540 (Limon) – Postsecondary Education: Student Financial Aid: Cal Grant B Service Incentive Grant Program**

This bill establishes the Cal Grant B Service Incentive Grant Program under the administration of the Student Aid Commission to provide grant money to students who volunteer a specified number of hours.

- **CSU Position:** Pending

**AB 541 (Gabriel) – Student Financial Aid: Students Exempt from Paying Nonresident Tuition**

This bill declares the Legislature’s intent to expand eligibility for competitive Cal Grants to all students who qualify for state-based aid, including students exempt from paying nonresident tuition under the provisions of AB 540.

- **CSU Position:** Pending

**AB 542 (Gabriel) – Student Financial Aid: Competitive Cal Grant A and B Awards**

This bill declares the Legislature’s intent to increase the total number of competitive Cal Grant A and B awards granted annually by 3,000.

- **CSU Position:** Pending

**AB 863 (Cervantes) – Postsecondary Education: Student Financial Aid Verification**

This bill prohibits the Student Aid Commission or an institution of higher education from verifying eligibility for state financial aid on a student more than once, unless specified.

- **CSU Position:** Pending

**AB 1090 (Medina) – Public Postsecondary Education: Waiver of Mandatory Campus-based Fees**

This bill expands existing exemptions from systemwide tuition and fees granted to dependent survivors of a law enforcement or fire suppression employee who dies in the line of duty to include campus-based fees.

- **CSU Position:** Pending

**AB 1229 (Wicks) – End Foster Youth Student Hunger in California Act of 2019**

This bill establishes the Transition Age Foster Youth Meal Plan Program, to be administered by the California Student Aid Commission, to provide foster youth enrolled at a public postsecondary educational institution with an award to cover campus based fees and the cost of a meal plan, as specified.

- **CSU Position:** Pending

**AB 1313 (Rivas, Luz) – Higher Education: Prohibited Debt Collection Practices**

This bill prohibits a public postsecondary education institution from restricting a current or former student's access to transcripts as a means of debt collection.

- **CSU Position:** Pending

**AB 1314 (Medina) – Student Financial Aid: Cal Grant Reform Act**

The bill declares the Legislature's intent to enact legislation, to be known as the Cal Grant Reform Act, to accomplish specified goals.

- **CSU Position:** Pending

**SB 296 (Allen) – Student Financial Aid: Immigrants Seeking Asylum**

This bill extends Cal Grant eligibility to a noncitizen who has filed a designated application for asylum and meets other specified requirements.

- **CSU Position:** Pending

**SB 354 (Durazo) – California DREAM Loan Program: Graduate Degree Programs**

This bill expands Dream Loan eligibility to include students enrolled in programs that lead to graduate and professional degrees including, but not limited to, a teaching credential.

- **CSU Position:** Pending

**SB 461 (Roth) – Student Financial Aid: Cal Grants: Summer Term Students**

This bill creates a Summer Cal Grant award for eligible students to take up to nine units of courses during the summer term.

- **CSU Position:** Pending

**Student Well-Being Legislation**

**AB 260 (Quirk-Silva) – Student Health: Identification Cards: Suicide Prevention Telephone Numbers**

This bill requires the CCC and the CSU to issue student identification cards with the telephone number of the National Suicide Prevention Lifeline, the Crisis Text Line and local law enforcement. It also requires campuses to post this information in campus restrooms and gymnasiums.

- **CSU Position:** Pending

**AB 534 (Mayes) – Social Services: Access to Food**

This bill requires various state agencies to develop a plan to end hunger by January 1, 2021. It mandates the CSU and CCC, and requests the UC, to develop systems that allow EBT cards to be used on campus.

- **CSU Position:** Pending

**AB 624 (Gabriel) – Pupil and Student Health Identification Cards: Sexual Assault and Domestic Violence Hotline Telephone Numbers**

This bill requires schools and postsecondary educational institutions to print the telephone numbers for a local sexual assault hotline and a local domestic violence hotline on the back of student identification cards.

- **CSU Position:** Pending

**AB 1689 (McCarty) – College Mental Health Services Program**

This bill requires the creation of a grant program for public community colleges, colleges and universities, in collaboration with county behavioral health departments, to improve access to mental health services and early identification or intervention programs.

- **CSU Position:** Pending

**SB 568 (Portantino) – Postsecondary Education: Student Housing: College-Focused Rapid Rehousing Program**

This bill establishes the College-Focused Rapid Rehousing Program, which would provide housing options and support services for homeless students.

- **CSU Position:** Pending

**SB 660 (Pan) – Postsecondary Education: Mental Health Counselors**

This bill requires all higher education institutions to have a ratio of one mental health counselor for every 1,500 students.

- **CSU Position:** Pending

**Higher Education Coordination/ Data Legislation**

**AB 130 (Low) – Postsecondary Education: Office of Higher Education Performance and Accountability**

This bill establishes the Office of Higher Education Performance and Accountability as the successor to CPEC.

- **CSU Position:** Pending

**AB 1466 (Irwin) – State Longitudinal Data Systems**

This bill declares the Legislature’s intent to enact legislation to establish a state longitudinal education data system.

- **CSU Position:** Pending

**SB 2 (Glazer) – Statewide Longitudinal Student Database**

This bill, subject to an appropriation, establishes the Statewide Longitudinal Student Database to collect and store individual student data P-20 and into the workforce, and creates a review committee that includes CSU and other education leaders to advise on its establishment and administration.

- **CSU Position:** Pending

**SB 3 (Allen) – Office of Higher Education Coordination, Accountability, and Performance**

This bill establishes the Office of Higher Education Coordination, Accountability, and Performance for the purposes of statewide postsecondary education planning, oversight, data collection and coordination.

- **CSU Position:** Pending

**Assembly Bills**

**AB 13 (Eggman) – Education Finance: Higher Education Facilities Bond Act of 2020**

This bill enacts the Higher Education Facilities Bond Act of 2020, which if approved by the voters, would authorize \$7 billion in bond funds; \$2 billion each for the UC and CSU and \$3 billion for the construction of new CSU campuses.

- **CSU Position:** Pending

**AB 313 (Frazier) – Road Maintenance and Rehabilitation Account: University of California: California State University: Reports**

This bill requires that the UC and the CSU annually submit a report to the Transportation Agency and Legislature detailing its expenditures for that fiscal year related to state-funded transportation research.

- **CSU Position:** Neutral

**AB 369 (Weber) – The CSU: Support Staff Employees: Merit Salary Adjustment**

This bill requires the CSU to provide a 5% annual step in salary to all of its employees except management and faculty members.

- **CSU Position:** Oppose

**AB 514 (Medina) – Trustees of the CSU: Student Members**

This bill grants the second non-voting student member of the Board of Trustees the right to vote as a full member of the Board.

- **CSU Position:** Pending

**AB 532 (Weber) – California State University Parking Fairness Act**

This bill requires that the purchase price of a student parking permit be less than the purchase price of a similar parking permit for any CSU staff, faculty or administrator.

- **CSU Position:** Pending

**AB 806 (Bloom) – Postsecondary Education: Homeless and Former Homeless Youth**

This bill requires that the CCC and CSU, and requests the UC, to provide priority enrollment to former homeless youth.

- **CSU Position:** Pending

**AB 809 (Santiago) – Public Postsecondary Education: Child Development Programs: Priority Enrollment: Title IX Protection: Pregnancy and Parental Status**

This bill requires that public postsecondary institutions notify pregnant and parenting students of their rights under Title IX.

- **CSU Position:** Pending

**AB 930 (Gloria) – CSU: Executive Compensation: Campus Budget Quarterly Reporting**

This bill prohibits the CSU Board of Trustees from considering increasing executive compensation in a year when student fees have increased.

- **CSU Position:** Pending

**AB 1000 (Cervantes) – Student Safety**

This bill requires the CCC, CSU and UC, in collaboration with sexual assault counselors, students, faculty and staff, to annually review and update their procedures and protocols related to sexual assault.

- **CSU Position:** Pending

**AB 1075 (Holden) – The CSU: Speech Language Pathologist Programs**

This bill appropriates \$750,000 to the CSU trustees to be allocated to campus speech-language pathologist programs for enrollment spots.

- **CSU Position:** Pending

**AB 1155 (Rodriguez) – Postsecondary Education: Campus-Affiliated Sorority and Fraternity Transparency Act**

This bill requires all public institutions to disclose disciplinary action and other information about sororities and fraternities.

- **CSU Position:** Pending

**AB 1173 (O'Donnell) – The CSU: Center to Close Achievement Gaps**

This bill establishes the Center to Close Achievement Gaps in K-12 schools at a campus of the CSU determined by the chancellor.

- **CSU Position:** Pending

**AB 1518 (Chu) – Student Athlete Contracts**

This bill authorizes a student athlete to contract with an agent as long as the contract is in compliance with the education institution's policies and NCAA bylaws.

- **CSU Position:** Pending

**AB 1573 (Holden) – College Athletes: Student Athletes Bill of Rights**

This bill requires the UC, CSU and any four-year private university located in California that maintains an intercollegiate athletic program to provide their student athletes with notice of their rights and authorizes these campuses to establish a degree completion fund.

- **CSU Position:** Pending

**AB 1645 (Rubio, Blanca) – Student Support Services: Dreamer Resource Liaisons**

This bill requires the CSU and CCC, and requests the UC, to designate a Dreamer Resource Liaison on each campus.

- **CSU Position:** Pending



**Senate Bills**

**SB 24 (Leyva) – Public Health: Public University Student Health Centers: Abortion by Medication Techniques**

This bill requires the Commission on the Status of Women and Girls to collect private funds to distribute \$200,000 grants to public university health centers for medication abortion readiness. CSU and UC campus health centers would be required to offer abortion by medication to their students by January 2023.

- **CSU Position:** Pending

**SB 148 (Glazer) – Public Postsecondary Education: The California Promise: Student Success and On-time Completion Fund**

This bill authorizes the trustees to provide specified grants or a tuition freeze to students who participate in the Promise program subject to the provisions of funding for this purpose. The bill also requires the CSU to waive systemwide tuition fees for a participating student unable to complete their degree within 4 years, due to lack of course offerings or limited space.

- **CSU Position:** Pending

**SB 206 (Skinner) – Collegiate Athletics: Fair Pay to Play Act**

This bill prohibits any public postsecondary educational institution or athletic association from preventing any student athlete from earning compensation as a result of the use of the student's name, likeness or image.

- **CSU Position:** Pending

**SB 366 (Chang) – Public Postsecondary Education: Mandatory Orientation for Students**

This bill requires the CSU, and requests the UC, to provide information about cyberbullying as part of established campus orientations.

- **CSU Position:** Pending

**SB 426 (Bradford) – The CSU: Dominguez Hills: Dymally Fellows Project**

This bill requires CSU Dominguez Hills to establish the Dymally Fellows Project and appropriates \$300,000 to the CSU to administer the project.

- **CSU Position:** Pending

**SB 467 (Monning) – Postsecondary Education Categories**

This bill expands the information which campuses are currently required to disclose to students regarding the cost of housing and other cost of living expenses.

- **CSU Position:** Pending

**SB 493 (Jackson) – Education: Sex Equity**

This bill requires colleges to have specified protections from sexual harassment in place for their students.

- **CSU Position:** Pending

## AGENDA

### COMMITTEE ON EDUCATIONAL POLICY

**Meeting:** 2:30 p.m., Tuesday, March 19, 2019  
Glenn S. Dumke Auditorium

Peter J. Taylor, Chair  
Jane W. Carney, Vice Chair  
Rebecca D. Eisen  
Debra S. Farar  
Wenda Fong  
Emily Hinton  
Lillian Kimbell  
Thelma Meléndez de Santa Ana  
John Nilon  
J. Lawrence Norton  
Romey Sabalius  
Christopher Steinhauser

- Consent** 1. Approval of Minutes of the Meeting of January 22-23, 2019, *Action*  
2. Academic Planning, *Action*
- Discussion** 3. Academic Preparation, *Information*  
4. Student Financial Aid, *Information*  
5. External Partnerships, *Information*

**MINUTES OF MEETING OF  
COMMITTEE ON EDUCATIONAL POLICY**

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

**January 22-23, 2019**

**Members Present**

Peter Taylor, Chair  
Jane W. Carney, Vice Chair  
Rebecca D. Eisen  
Debra S. Farar  
Wenda Fong  
Emily Hinton  
Lillian Kimbell  
Thelma Meléndez de Santa Ana  
John Nilon  
J. Lawrence Norton  
Romey Sabalius  
Adam Day, Chairman of the Board  
Timothy P. White, Chancellor

Trustee Taylor called the meeting to order.

**Approval of Minutes**

The minutes of November 13, 2018, were approved as submitted.

**Associate Degree for Transfer**

Loren J. Blanchard, executive vice chancellor for Academic and Student Affairs, introduced the information item. In the fall of 2017, just under half of all undergraduates entered the CSU as transfer students, primarily from community colleges. The Associate Degree for Transfer is an increasingly popular path that guarantees students receiving a baccalaureate degree in a timely manner.

Dr. Alison Wrynn, interim assistant vice chancellor for academic programs and faculty development, presented the item, explaining how the Associate Degree for Transfer (ADT) works. The ADT programs offer 40 distinct academic pathways among which psychology, business

administration and criminal justice are the most popular. Community colleges award ADTs to students who meet specific degree requirements. These students are then eligible to transfer to a CSU campus with a junior standing. As long as students choose one of the 40 academic pathways, or one that is designated as similar, they are guaranteed to graduate with a bachelor's degree with just 60 semester units. Faculty from the academic senates of the CSU and the California community colleges have collaborated to develop ADT curricular patterns that meet the goals of SB1440. In the six years since the introduction of ADT, the number of students has increased tenfold. While there has been modest growth of the number of overall new transfer students, the ADT program continues to grow popularity. In 2017-18 nearly 22,000 new transfer students enrolled at the CSU having earned an ADT, a 4 percent increase from the year before.

Dr. Wrynn introduced Tianna Gripper, a senior at CSU Dominguez Hills, to share her experience with the ADT program. Tianna explained that as a student at El Comino Compton College, she was inspired by a teacher to pursue a career as a psychology professor. Through the ADT program, she was accepted at all of the CSUs to which she applied. She is a veteran of the army, and is planning to go to graduate school. She credits the ADT program for making this path possible.

President Close Conoley provided an overview of the value of the ADT program to Cal State Long Beach and its feeder community colleges. With mathematics reforms in community colleges, she hopes more students will pursue STEM degrees through the ADT. In collaboration with community college partners, she continues to invest in outreach and marketing to emphasize the importance of selecting the right degree and staying on track once in a CSU to earn the bachelor's degree.

Following the presentation, trustees asked questions regarding increases in ADT students relative to other transfers and whether some community colleges offering a limited number of pathways was limited student options. Staff responded by saying the increase in transfer students has been incremental, but more transfer students are choosing the ADT pathway. Further, some community colleges do not have the sufficient faculty for to offer all pathways. Additional discussion focused on communications to prospective students about the ADT, and ADT student's ability to select minors after transfer and the partnership between community colleges and the CSU on this program.

### **Student Financial Aid**

Loren J. Blanchard, executive vice chancellor for Academic and Student Affairs, introduced the information item by noting that CSU offers one of the most affordable undergraduate programs in the country and that financial aid plays a key role in students being able to afford a CSU education. The CSU takes a "grants and scholarships first" approach, making loans a last option.

Dean Kulju, director of student financial aid services and programs, provided an overview how students apply for financial aid, how each student's financial need is calculated and the kinds of financial aid programs that the CSU offers. He discussed the determination of cost of attendance and expected family contribution. Common aid programs include federal, state and institutional grants, the middle class scholarship, work-study and loans. Dean Kulju introduced San José State University student Blake Sorensen to talk about how financial aid has helped him.

Blake indicated he is a senior and wants to become a Certified Public Accountant. He also works in the financial aid office at San Jose State University. College would not have been an option without financial aid. He concluded by expressing gratitude for the aid, and mentioned that he has an internship with Price Waterhouse Coopers. He was joined by Coleetta Mcelroy, Director of the Financial Aid and Scholarship Office at San José State University.

Following the presentation, trustees asked detailed questions regarding the ease of completing of the financial aid application, the timing of notification of a financial aid package and what an expected family contribution of zero meant to families. Additional discussion included the topics of special circumstances, non-tuition expenses, the State University Grant, average student indebtedness and access to information regarding financial aid opportunities.

### **The Wang Family Excellence Awards**

Chancellor White opened the ceremony by saying he was honored to recognize outstanding faculty and staff with these awards, and thanked Trustee Emeritus Stanley Wang's generosity and recent gift of \$2.5 million that ensures these awards for excellence will be given for many years. Trustee Emeritus Stanley Wang made brief remarks.

CSU Board of Trustees Chairman Adam Day also made remarks, noting that each recipient will receive \$20,000. He acknowledged the work of the selection committee in choosing the recipients.

Chancellor White read a brief biography of each 2019 Wang Family Excellence Award recipient before handing them the awards. The 2019 recipients are:

- **Stephen Mezyk, Ph.D.**, has taught chemistry at CSU Long Beach for 18 years, during which he has pioneered a program for his students that features early assessment, active learning, supplemental instruction, participation in research and publication, and continuous mentoring. Dr. Mezyk received the *Outstanding Faculty Innovator in Student Success Award*.
- **Guadalupe X. Ayala, Ph.D.** is Professor of Public Health in the Division of Health Promotion, and Director of the Institute for Behavioral and Community Health at San Diego State University. She received the *Outstanding Faculty Scholarship Award*.

- **Lori Beth Way, Ph.D.**, was selected in the category of *Outstanding Staff Performance*. As Dean of the Division of Undergraduate Education and Academic Planning at San Francisco State University, Dr. Way is recognized for her superior leadership, collaborative spirit and creative problem-solving.
- **Julia E. Curry Rodríguez, Ph.D.**, Associate Professor of Mexican American Studies at San José State University, received the *Outstanding Faculty Service Award*. For more than 20 years she has been dedicated to the success of immigrant students, including those who are undocumented.
- **Thomas Fowler IV** received the *Outstanding Faculty Teaching Award*. For more than 23 years Professor Fowler has helped shape the top-ranked architecture program at California Polytechnic State University, San Luis Obispo, where he is Director of the Graduate Architecture Program.

Trustee Taylor adjourned the Committee on Educational Policy.

## COMMITTEE ON EDUCATIONAL POLICY

### Academic Planning

#### Presentation By

Loren J. Blanchard  
Executive Vice Chancellor  
Academic and Student Affairs

Alison M. Wrynn  
Interim Assistant Vice Chancellor  
Academic Programs and Faculty Development

#### Summary

In accordance with California State University (CSU) Board of Trustees policy established in 1963, this item summarizes the CSU academic planning process, including the long-range program planning activity that took place since January 2018. The proposed resolution approves additions and modifications to campus academic plans and the CSU Academic Master Plan.

#### Background

Six areas of academic planning activity are reported in this item, and a proposed resolution concerning changes to the CSU Academic Master Plan is presented. The academic planning topics include:

1. Changes to program projections
  - New projections proposed for addition to ten-year campus academic plans and to the CSU Academic Master Plan (**Attachment A**)
  - Existing projections that will be removed from the CSU Academic Master Plan and campus academic plans
2. Changes to existing degree programs
  - Degree programs suspending new admissions
  - Discontinuance of existing degree programs
3. Total units required for Bachelor of Arts (BA) and Bachelor of Science (BS) degree programs
4. Summary of Western Association of Schools and Colleges (WASC) Senior College and University Commission accreditation visits (**Attachment B**)
5. Accredited academic programs and departments (**Attachment C**)
6. CSU degree proposal, review and approval process (**Attachment D**)

Offering traditional and emerging degree programs, the CSU is an engine of social mobility, educating many students who are the first in their families to attend college. According to data from the U.S. Department of Labor and the State of California Employment Development Department, the educational opportunities represented by CSU degree programs, provide our graduates with a mid-career salary that, on average, is more than \$8,000 higher than graduates from other public universities. As a result of ongoing degree program planning and development that responds to employment demands and student interest, the CSU awards nearly 100,000 bachelor's degrees every year, adding to the 3.4 million CSU alumni who keep California's economy vibrant and growing.

Degree planning is a critical first step in the development of educational programs designed to meet the needs of California's skilled and diverse workforce. The CSU delivers more job-ready graduates into the workforce than any other public or private university in the state. The CSU produces 50 percent or more of California's graduates in engineering, business, agriculture, public administration and criminal justice. Sixty percent of nursing degrees earned in California are CSU degrees, including 43 percent of all bachelor's nursing degrees conferred in the state.

In the past year, the Office of the Chancellor received 26 proposals for new degree programs. A degree proposal may be developed only after trustees approve the preliminary step: a degree projection, which is a long-term plan to develop a degree program. As a result of trustee approval of projections in past years, in 2018 twenty-nine new degree programs were approved by the Office of the Chancellor.

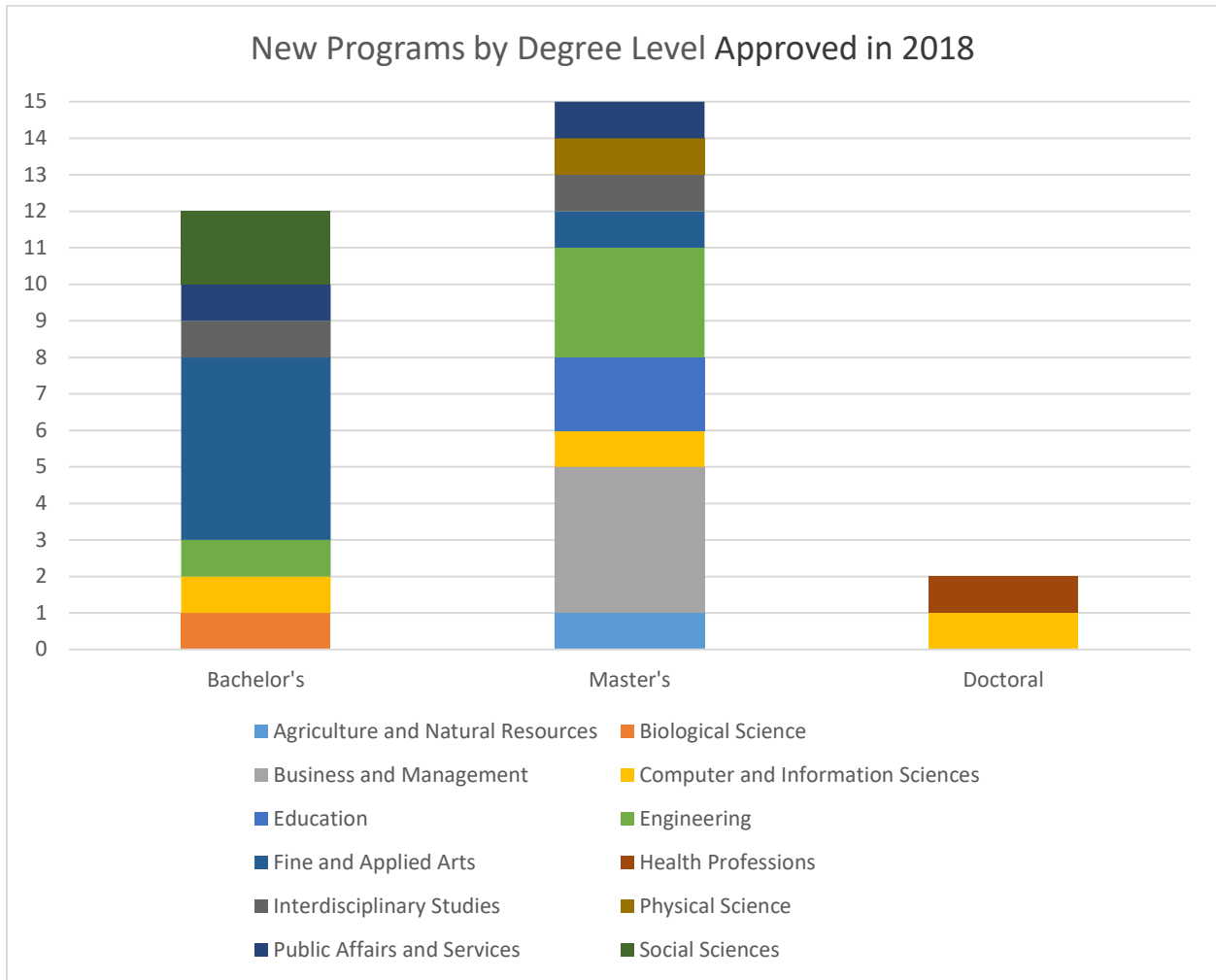
Degrees that were developed and approved during this time frame include four new Doctor of Audiology degrees at CSUs Los Angeles, Northridge, and Sacramento as well as at San José State University. Additional newly approved allied health degree programs included the MS in Athletic Training at two campuses as well as an MS in Speech-Language Pathology at another.

In the STEM disciplines, a new joint-PhD program between San Diego State University and the University of California, Irvine in computational science was approved as were an MS in chemical engineering, and a BS in electrical engineering. Additionally, a number of new business degrees, including masters' degrees in data analytics, business analytics, as well as informatics received final approval this past year.

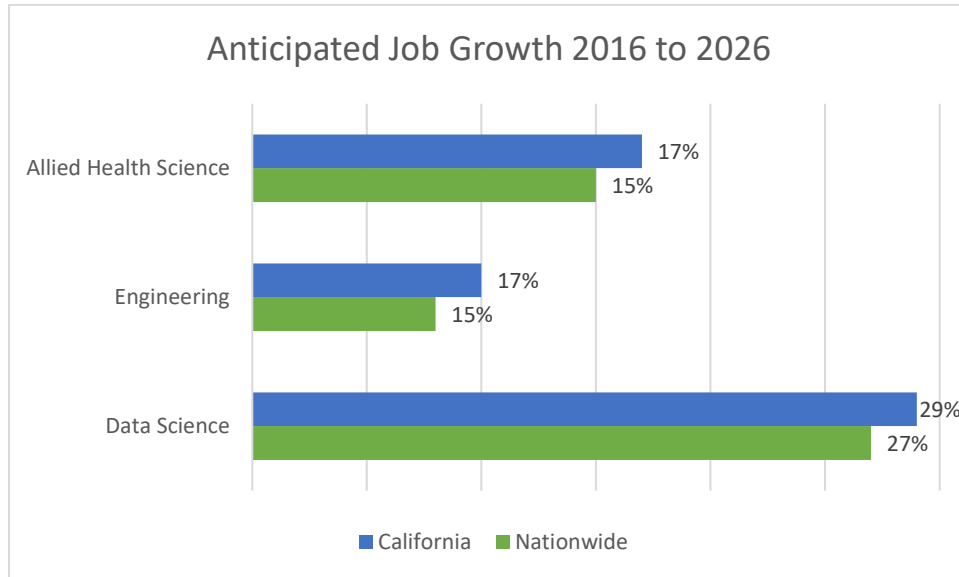
Finally, several new fine arts degrees were approved as campuses worked towards developing degree programs that met national accreditation standards in the arts as well as emerging trends in the disciplines.

Please see the chart below for a breakdown of the disciplines where new degrees were approved.





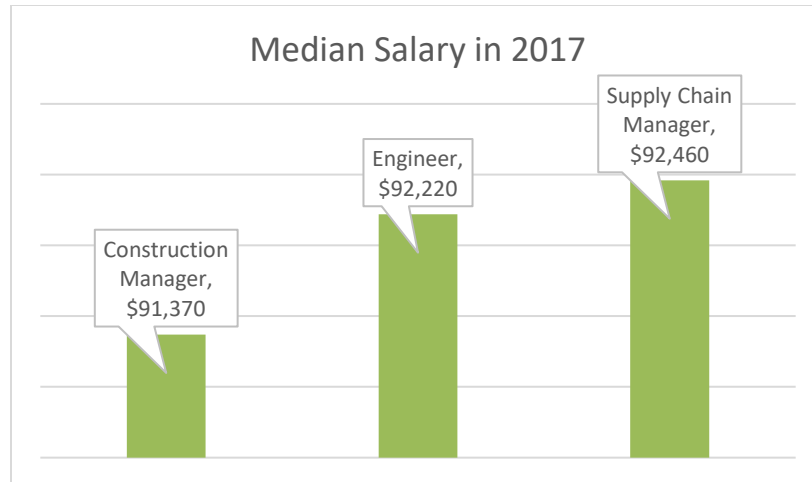
To ensure that proposed CSU degree programs are relevant and responsive to state needs, campuses consider local and statewide ongoing and emerging workforce needs. This year, new program projections continue to reflect workforce needs in the allied health sector, engineering and data science. As you can see on the chart below, these areas are among the fastest growing professional areas in California and across the nation. We see anticipated job growth in allied health of 17% in California. Engineering careers will expand by 10% in the state while data science jobs will increase in California by 29%.



(United States Department of Labor, 2019)  
(State of California Employment Development Department, 2019)

To educate students in these areas, five campuses are seeking trustee authorization to develop allied health degree programs including: Dominguez Hills (BS Orthotics and Prosthetics), MS Radiologic and Imaging Science), Fullerton (BS Public Health), Northridge (MS Nursing), and Sacramento (MPH Public Health). These new allied health programs would join the many similar programs currently offered across the CSU.

Engineering continues to be an area of programmatic interest on CSU campuses. Fullerton (MS Construction Engineering and Management), Long Beach (BS Environmental Engineering), Los Angeles (BS Engineering Technology), Pomona (MS Digital Supply Chain Management), and Sacramento (MS Power Engineering) are proposing to develop new degree programs to provide CSU students with state-of-the-art degree programs that will, as indicated in the median salary chart below, allow them to move directly into rewarding careers.



(United States Department of Labor, 2019)

As we have seen over the past few years, there continues to be interest in data science and data-driven decision making, with projection proposals submitted by Fullerton (MS Applied Computer Science) and San Francisco (MS Data Science and Artificial Intelligence; MS Statistical Data Science). Data scientists are experts who interpret data and give it practical significance and application. These professionals use statistics, calculus and algebra, software programming, software engineering, data-driven problem solving and data analysis and visualization skills. *Forbes* reports that 39 percent of data science and analytics positions are expected to require advanced degrees. Computer and information research scientists with a master's degree had a median annual wage in 2017 of \$114,250. (United States Department of Labor, 2019)

## 1. Changes to Program Projections

### **New Projections Proposed for Addition to Ten-Year Campus Academic Plans and to the CSU Academic Master Plan**

The Academic Programs and Faculty Development Department at the Office of the Chancellor maintains the CSU Academic Master Plan, a comprehensive list of projected programs, existing degree programs and program-review schedules for authorized degree programs. The CSU Academic Master Plan, which guides program, faculty and facility development, will be updated to reflect the resolution adopted by the board at the March 2019 meeting. The CSU Academic Master Plan and each campus academic plan will thereafter be posted online as resources for university planning.

In addition to the CSU Academic Master Plan, the Office of the Chancellor maintains the CSU Degrees Database, an online inventory of all authorized degree programs and associated concentrations (focused areas of study within the degree program). The CSU Degrees Database informs the public CSU Search Degrees website (<http://degrees.calstate.edu>), a tool for exploring the bachelor's and graduate degree programs and concentrations currently offered at CSU campuses.

The projections listed below and in **Attachment A** indicate campus intention to develop degree programs within the coming decade. Across the system, 26 new projections are proposed, 10 at the undergraduate level and 16 at the graduate level. New programs are planned in response to student demand, employer need, faculty interest, and licensure and accreditation requirements.

Campuses have also removed ten existing program projections from their academic plans for a variety of reasons, including shifting priorities or resources. These projections will therefore not be developed into degree proposals. The number of existing degree programs enrolling students has also decreased this year, with 38 degree programs having been changed to “suspended admission” status—meaning that additional students will not be admitted to those programs until further notice. Campuses suspend admission to degree programs for a variety of reasons—for example, enrollment might have fallen and the program faculty would like to undertake a comprehensive review of the program to bring it up to date. Programs suspended for reasons such as this will likely remove the suspended status after the review and update to the program and begin to admit students once again. Other programs suspend admission due to new certification requirements. For example, BS in Athletic Training degree programs are currently suspending admission to their programs. This is due to new certification requirements that have established the master’s degree as the new entry-level degree in Athletic Training. Additionally, 15 degree programs have been “discontinued,” meaning the campus will no longer offer the programs after all currently enrolled majors have completed their degree requirements. In all cases, students already matriculated into a degree program are allowed to complete their degrees, even though the program has been discontinued or is not allowing new students to enroll.

Recommendations for board approval of campus academic plans (including proposed projected programs) follow Office of the Chancellor review of campus projection proposals. Review includes consideration of “declared policy of the board to encourage broadly based degrees of high academic quality and to avoid unnecessary proliferation of degrees and terminologies” (REP-91-03). Projected programs are removed from campus academic plans if a full degree proposal is not submitted to the Office of the Chancellor within five years of the date originally projected for implementation.

After the board approves a projection, the campus may begin developing a full degree implementation proposal, which is submitted to the Office of the Chancellor for review and final approval as a program. With confirmation from the Office of the Chancellor, a pilot degree program may enroll students for five years. Pilot programs subsequently may be proposed for conversion to permanent status, which requires the chancellor’s approval. Traditional, fast track, and pilot degree-proposal processes are described in **Attachment D**. In **Attachment A**, a ten-year overview of projected degree programs – by campus – is presented.

## **New Projections**

**Dominguez Hills**

BM Music  
BS Orthotics and Prosthetics  
MA Teaching of the Spanish Language  
MS Radiologic and Imaging Sciences

**Fullerton**

BS Public Health  
MS Applied Computer Science  
MS Construction Engineering and Management

**Long Beach**

BS Environmental Engineering

**Los Angeles**

BS Engineering Technology  
MS Marketing

**Northridge**

MS Nursing

**Pomona**

MS Digital Supply Chain Management

**Sacramento**

MA Special Education with Education Specialist Credential  
MA Teaching with Multiple or Single Subject Credential  
MPH Public Health  
MS Power Engineering

**San Bernardino**

BFA Art  
BFA Design

### **San Diego**

BA Language, Culture, and Society  
MS Cybersecurity Management  
MS Meeting and Event Management

### **San Francisco**

BA Human Services  
MS Data Science and Artificial Intelligence  
MS Statistical Data Science

### **San Marcos**

BS Cybersecurity  
MA Multilingual and Multicultural Education

### **Removed Projections**

The following existing program projections have exceeded the five-year limit beyond their originally projected implementation date. As they have not resulted in a submitted degree proposal and have not been re-proposed as a projection with a later implementation date, these projections will be removed from the CSU Academic Master Plan and campus academic plans.

### **Dominguez Hills**

MA Spanish

### **Fresno**

BA Dance

### **Fullerton**

BS Environmental Engineering  
BS Software Engineering  
MS Human Services

### **Northridge**

BS Neuroscience

MS Entrepreneurship  
MS Finance  
MS Management

**Sacramento**

MS Finance

**2. Changes to Existing Degree Programs**

**Programs Suspending New Admissions**

Campuses have reported admission suspensions for the following degree programs, which remain on the CSU Academic Master Plan because admission may be reinstated during a future academic term. While no new matriculations will be allowed, continuously enrolled students in these programs will be allowed to complete their degrees within a reasonable timeframe.

**Fullerton**

BA European Studies  
BS Athletic Training  
MA French  
MA Interdisciplinary Studies  
MAT Science  
MS Engineering  
EdD Educational Administration and Leadership

**Long Beach**

MA Applied Sociology  
MA Education, Option in mathematics Education

**Los Angeles**

MA Industrial and Technical Studies  
MS Criminal Justice

**Monterey Bay**

BA Integrated Studies

**Northridge**

BA French  
BS Athletic Training  
MA Interdisciplinary Studies  
MS Interdisciplinary Studies  
MA Music

MS        Engineering  
MA        Theatre Arts

**San Bernardino**

MA        Art  
MA        Mathematics Teaching  
MA        Theatre  
MFA       English  
MS        Stem Education

**San José**

BS        Nutritional Science  
MA        Quality Assurance  
MS        Recreation

**San Luis Obispo**

BS        Environmental Soil Science  
MA        Agribusiness  
MA        Biological Sciences  
MA        Education  
MS        Business and Technology  
MS        Engineering  
MS        Forestry Sciences  
MS        Kinesiology  
MS        Printed Electronics and Functional Imaging  
MBA/MS Engineering Management

**Sonoma**

BS        Special Major (Interdisciplinary Studies)

**Discontinuance of Existing Degree Programs**

The following degree programs will no longer be offered at the reporting campus after currently enrolled students have completed their degree requirements. These programs will be removed from the CSU Academic Master Plan and campus academic plans. Discontinuances are expected to be carried out in accordance with Coded Memorandum AAP-91-14 and campus policy.

**Dominguez Hills**

BA        Communications  
BA        Digital Media Arts



**Monterey Bay**

MA Interdisciplinary Studies

**Pomona**

MS Agriculture, Integration Science

**Sacramento**

BS Athletic Training

**San José**

BA Social Science

BS Athletic Training

MA French

MA Theatre Arts

**San Luis Obispo**

BA Liberal Studies

EdD Educational Leadership

**Sonoma**

BA Environmental Studies

BA Geography

MA Kinesiology

**Stanislaus**

BA French

**3. Total Units Required for Bachelor of Arts and Bachelor of Science Degree Programs**

During Office of the Chancellor review of BA and BS degree proposals, the 120-unit limit remains a central consideration in evaluating curricular coherence and quality, student-learning outcomes, quality assurance, access, fiscal responsibility and service to students and employers. Ninety-eight percent of undergraduate programs require no more than the allowable number of units, whether through Title 5 allowances, or Chancellor-authorized exceptions. Title 5 allows for more than a 120-unit total for Bachelor of Fine Arts, Bachelor of Music, Bachelor of Architecture, Bachelor of Landscape Architecture and integrated teacher education preparation (ITEP) programs.

**4. Summaries of WASC Senior College and University Commission Accreditation Visits**

The CSU Board of Trustees adopted a resolution in January 1991 that requires an annual agenda item on academic planning and program review, including information on recent campus accreditation visits from the WASC Senior College and University Commission

during the 2017-18 academic year. The accreditor granted full 10-year accreditation approval to CSU Dominguez Hills, as well as 8-year accreditation to Humboldt State and Sonoma State Universities. A summary of the WASC accreditation visits appears in **Attachment B**.

**5. Accredited Academic Programs and Departments**

In 1968, the CSU Board of Trustees resolved that “each State College be encouraged, in cooperation with the Office of the Chancellor, to seek accreditation of appropriate instructional programs by national professional accrediting agencies.” Campuses are therefore expected, as reasonable, to seek professional accreditation for degree programs and academic departments, schools and colleges. **Attachment C** contains the list of all reported accredited units and degree programs.

**6. CSU Degree Proposal, Review and Approval Process**

**Attachment D** details the descriptions and illustrations of procedures and policies guiding degree proposal development, review and approval.

The following resolution is recommended for adoption and refers to changes in the CSU Academic Master Plan and campus academic plans described in this agenda item.

**RESOLVED**, by the Board of Trustees of the California State University, that the amended projections to the Academic Plans for the California State University campuses (as identified in Agenda Item 2 of the March 18-20, 2019 meeting of the Committee on Educational Policy) be approved and accepted for addition to the CSU Academic Master Plan and as the basis for necessary facility planning; and be it further

**RESOLVED**, that those projected degree programs proposed to be included in campus academic plans be authorized for implementation, at approximately the dates indicated on Attachment A, subject in each instance to the chancellor's review, approval, and confirmation that there exists sufficient societal need, student demand, feasibility, financial support, qualified faculty, facilities and information resources sufficient to establish and maintain the programs; and be it further

**RESOLVED**, that degree programs not included in the campus academic plans be authorized for implementation only as pilot or fast-track programs or as modifications of existing degree programs, subject in each instance to Chancellor's Office approval and CSU policy and procedures.

**CSU Academic Master Plan  
Ten-Year Overview of Planned Programs**

Projections Proposed to the CSU Board of Trustees  
Planned for Implementation between 2019-20 and 2028-29

Planned degree programs (“program projections”) appear in bold red font and are proposed for board approval at the March 2019 meeting. Existing, previously approved program projections appear in black font. Projected degree programs may remain on the CSU Academic Master Plan for five years after the originally approved implementation date, which appears in the far right column. Within that five-year window, planned launch years may be adjusted in response to societal need or campus schedules and resources. Current planned implementation years appear in the column to the left of the degree program. Subsequent to approval of a projection, the campus may develop a full degree implementation proposal, which requires the chancellor’s approval in order for a program to enroll students.

<b>Campus</b>	<b>Currently Planned Implementation Year</b>	<b>Degree Designation</b>	<b>Title</b>	<b>Year Originally Approved for Implementation</b>
<b>Bakersfield</b>	<b>2019</b>	BA	Latina/o Latin American Studies	2019
		BS	Public Health	2019
		MS	Applied Economics and Analytics	2019
		MS	Computer Science	2017
	<b>2020</b>	MS	Accounting	2020
		MS	Finance	2020
		MS	Kinesiology	2020
	<b>2021</b>	MS	Technology Management	2021
MS		Logistics and Supply Chain Management	2022	

<b>Campus</b>	<b>Currently Planned Implementation Year</b>	<b>Degree Designation</b>	<b>Title</b>	<b>Year Originally Approved for Implementation</b>
<b>Channel Islands</b>	<b>2020</b>	MA	History	2012
		MA	Psychology	2016
		MPA	Public Administration	2012
		MS	Coastal Sustainability	2012
	<b>2021</b>	BA	Freedom and Justice Studies	2013
		MS	Applied Sociology	2013
	<b>2022</b>	BA	Philosophy	2014
		MS	Nursing	2014

Campus	Currently Planned Implementation Year	Degree Designation	Title	Year Originally Approved for Implementation
Chico	2020	BA	European Studies	2020
		BA	Intersectional Chicana/Latina Studies	2020
		BS	Geography	2020
		MA	Teaching	2015

Campus	Currently Planned Implementation Year	Degree Designation	Title	Year Originally Approved for Implementation
Dominguez Hills	2019	BA	Asian Pacific Studies	2019
		BA	Women's Studies	2019
		MS	Accounting	2019
		MS	Business Analytics	2019
	2020	<b>BM</b>	<b>Music</b>	<b>2019</b>
		<b>BS</b>	<b>Orthotics and Prosthetics</b>	<b>2019</b>
		MA	International Peace and Security	2018
		MA	Kinesiology	2014
		<b>MA</b>	<b>Teaching of the Spanish Language</b>	<b>2019</b>
		<b>MS</b>	<b>Radiologic and Imaging Sciences</b>	<b>2019</b>
		MS	Systems Engineering	2016
	MHA	Healthcare Administration	2016	
	2021	MA	Communication Disorders	2014

Campus	Currently Planned Implementation Year	Degree Designation	Title	Year Originally Approved for Implementation
East Bay	2021	BS	Civil Engineering	2018

Campus	Currently Planned Implementation Year	Degree Designation	Title	Year Originally Approved for Implementation
Fresno	2019	BA	Liberal Arts	2017
		BS	Emergency Management and Homeland Security	2014
	2020	MS	Athletic Training	2018
		MS	Construction Management	2019

Campus	Currently Planned Implementation Year	Degree Designation	Title	Year Originally Approved for Implementation
Fullerton	2019	<b>BS</b>	<b>Public Health</b>	<b>2019</b>
		MS	Athletic Training	2018
		MS	Human Resource Management	2019
	2020	MS	Accounting and Finance	2013
		<b>MS</b>	<b>Applied Computer Science</b>	<b>2019</b>
		<b>MS</b>	<b>Construction Engineering &amp; Management</b>	<b>2019</b>
	MS	Engineering Management	2016	

Campus	Currently Planned Implementation Year	Degree Designation	Title	Year Originally Approved for Implementation
Humboldt	2019	BA	Child Development	2015
		BS	Nursing	2017
	2020	MA	Spanish	2017

Campus	Currently Planned Implementation Year	Degree Designation	Title	Year Originally Approved for Implementation
Long Beach	2019	BA	Biochemistry	2018
		BS	Geographical Science	2017
		MA	Curriculum and Instruction in Physical Education	2019
		MA	Languages and Cultures	2015
		MS	Construction Management	2019
		MS	Finance	2017
		MS	Hospitality Management	2015
		MS	International Affairs	2016
		MS	Marketing	2016
		MS	Sustainability	2016
	2020	BS	Computational Mathematics	2018
		<b>BS</b>	<b>Environmental Engineering</b>	<b>2020</b>
		MA	Languages and Cultures	2015

Campus	Currently Planned Implementation Year	Degree Designation	Title	Year Originally Approved for Implementation
Los Angeles	2019	MS	Business Analytics	2018
	2020	BS	Hospitality	2018
		MA	Pan-African Studies	2018
	2021	<b>MS</b>	<b>Marketing</b>	<b>2020</b>
	<b>BS</b>	<b>Engineering Technology</b>	<b>2021</b>	

Campus	Currently Planned Implementation Year	Degree Designation	Title	Year Originally Approved for Implementation
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<b>Maritime Academy</b>	<b>2020</b>	BS	Oceanography	2019
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<b>Campus</b>	<b>Currently Planned Implementation Year</b>	<b>Degree Designation</b>	<b>Title</b>	<b>Year Originally Approved for Implementation</b>
<b>Monterey Bay</b>	<b>2019</b>	BS	Plant and Soil Science	2018
		BS	Public Safety	2018
		MS	Speech Language Pathology	2019
	<b>2020</b>	MPH	Public Health	2018
		MS	Accounting	2015
	<b>2021</b>	BS	Computer Engineering	2016
	<b>2023</b>	BA	Interdisciplinary Studies	2018
		MA	Teaching English to Speakers of Other Languages	2018

<b>Campus</b>	<b>Currently Planned Implementation Year</b>	<b>Degree Designation</b>	<b>Title</b>	<b>Year Originally Approved for Implementation</b>
<b>Northridge</b>	<b>2019</b>	BA	Earth and Environmental Sciences	2017
		MA	Educational Therapy	2018
		MS	Assistive Technology Engineering	2019
		MS	Athletic Training	2019
		AuD	Audiology	2019
	<b>2020</b>	BFA	Visual Art	2018
		MA	Diverse Community Development Leadership	2019
		MS	Information Systems Management	2020
		<b>MS</b>	<b>Nursing</b>	<b>2020</b>
	<b>2021</b>	MA	Sustainability	2021
		PhD	Complex Systems	2021

Campus	Currently Planned Implementation Year	Degree Designation	Title	Year Originally Approved for Implementation
Pomona	2020	BS	Materials Engineering	2020
		BS	Regenerative and Sustainable Studies	2017
		MS	Architecture	2016
		MS	Bioengineering	2020
		MS	Business Analytics	2020
		MS	Dietetics	2018
		<b>MS</b>	<b>Digital Supply Chain Management</b>	<b>2020</b>
		MS	International Apparel Management	2014
		MS	Mechatronics and Robotics Engineering	2017
		MUD	Urban Design	2020

Campus	Currently Planned Implementation Year	Degree Designation	Title	Year Originally Approved for Implementation
Sacramento	2019	BA	Design Studies	2019
		BS	Health Services	2017
		BFA	Graphic Design	2019
		BFA	Interior Architecture	2019
		BFA	Photography	2019
		MS	Applied Behavior Analysis	2019
		MS	Business Analytics	2019
		<b>MAT</b>	<b>Special Education with Credential</b>	<b>2019</b>
		<b>MAT</b>	<b>Teaching with Credential</b>	<b>2019</b>
		MFA	Studio Art	2019
	2020	MA	Biotechnology	2020
		<b>MS</b>	<b>Power Engineering</b>	<b>2020</b>
		<b>MPH</b>	<b>Public Health</b>	<b>2020</b>
		AuD	Audiology	2018



Campus	Currently Planned Implementation Year	Degree Designation	Title	Year Originally Approved for Implementation
San Bernardino	2019	MS	Finance	2017
		MS	Information Systems and Technology	2016
		MS	Kinesiology	2015
	2020	<b>BFA</b>	<b>Studio Art</b>	<b>2020</b>
		<b>BFA</b>	<b>Design</b>	<b>2020</b>
		MA	History	2017
		MS	Entrepreneurship and Innovation	2018
DNP	Nursing Practice	2019		

Campus	Currently Planned Implementation Year	Degree Designation	Title	Year Originally Approved for Implementation
San Diego	2019	<b>BA</b>	<b>Language, Culture, and Society</b>	<b>2019</b>
		BS	Construction Management	2019
		MS	Athletic Training	2019
		<b>MS</b>	<b>Cybersecurity Management</b>	<b>2019</b>
		<b>MS</b>	<b>Meeting and Event Management</b>	<b>2019</b>
		PhD	Hearing Science (with UC San Diego)	2014

Campus	Currently Planned Implementation Year	Degree Designation	Title	Year Originally Approved for Implementation
San Francisco	2020	<b>BA</b>	<b>Human Services</b>	<b>2020</b>
		BA	Race and Resistance Studies	2018
		MA	East Asian Languages and Literatures	2016
		MA	Modern European Languages and Literatures	2016
		<b>MS</b>	<b>Data Science and Artificial Intelligence</b>	<b>2020</b>
		<b>MS</b>	<b>Statistical Data Science</b>	<b>2020</b>
		MFA	Broadcast and Electronic Communication Arts	2018

Campus	Currently Planned Implementation Year	Degree Designation	Title	Year Originally Approved for Implementation
San José	2019	MS	Informatics	2019
	2020	MS	Athletic Training	2019
		MS	Finance	2019
		MS	Hospitality, Tourism and Meeting Management	2018
		AuD	Audiology	2019

Campus	Currently Planned Implementation Year	Degree Designation	Title	Year Originally Approved for Implementation
San Luis Obispo	2020	BS	Built Environments	2016
		BS	Environmental Product Design	2016
		MEng	Civil and Environmental Engineering	2015

Campus	Currently Planned Implementation Year	Degree Designation	Title	Year Originally Approved for Implementation
San Marcos	2020	BA	Chicano/a Studies	2016
		BA	Geography	2019
		BA	Philosophy	2016
		<b>BS</b>	<b>Cybersecurity</b>	<b>2020</b>
		<b>MA</b>	<b>Multilingual and Multicultural Education</b>	<b>2020</b>
		MS	Applied Behavior Analysis	2019
		MS	Clinical Counseling	2019
	2024	BS	Computer Engineering	2019

Campus	Currently Planned Implementation Year	Degree Designation	Title	Year Originally Approved for Implementation
Sonoma	2017	MA	Film Studies	2017

Campus	Currently Planned Implementation Year	Degree Designation	Title	Year Originally Approved for Implementation
Stanislaus	2021	MFA	Theatre Production	2017

**Report on Senior College and University Commission (WSCUC aka WASC)  
Accreditation Activities Conducted in 2017-2018**

This report includes only those campuses that engaged in WSCUC site visit accreditation activities in the past year.

**California State University, Dominguez Hills**

In July 2018, the Senior College and University Commission (WSCUC) acted to reaffirm accreditation for CSU Dominguez Hills (CSUDH) for the maximum possible period of ten years.

The Commission commended the institution in particular for President Hagan's visionary leadership and strong administrative ability along with his development of a clear vision and path forward for the university. The institution's strong sense of community, commitment to students, and optimism about the future were particularly noted. Also noted were remarkable improvements in student retention and graduation rates and a focus on student success and achievement.

The Commission asked for an update in March 2022 on the strategic planning process and its implementation, including progress on the physical development of the campus. The Commission recommended building institutional capacity for collecting, integrating, analyzing, and disseminating data among key stakeholders for decision-making purposes. It also encouraged developing financially sustainable models for faculty hiring, optimized staffing, and pedagogical and scholarly professional development.

**Humboldt State University**

In March 2018, the Senior College and University Commission (WSCUC) acted to reaffirm accreditation for Humboldt State University (HSU) for eight years.

The Commission commended the institution for widely recognized and consistent educational objectives that are demonstrably achieved; active involvement of students in academic programs; co-curricular programs aligned and integrated with the institution's academic goals; and a robust institutional research capacity.

Based on the WSCUC site visit findings, the team recommended implementing and sustaining appropriate responses to the increased diversity of the university's students; ensuring admissions efforts accurately represent HSU's academic programs, campus climate, support services, and costs to prospective students and to the public at large; and fair and equitable treatment of all students through established policies and procedures addressing student conduct, grievances, complaints, safety, financial aid, and life in the Arcata community. The team also recommended

that all levels of HSU's leadership demonstrate high levels of performance and accountability to strengthen communication across campus and to continue transparency about budget challenges; adopt a comprehensive student learning and success outcomes assessment program including the General Education All-University Requirements program (GEAR) as well as degree program assessment; prioritize efforts to diversify the faculty and staff; and continue to take appropriate steps to address the structural deficit by engaging in realistic budgeting, enrollment management, and diversification of revenue sources.

### **Sonoma State University**

In February 2018, the Senior College and University Commission (WSCUC) acted to reaffirm accreditation for Sonoma State University (SSU) for eight years.

The Commission commended the institution for its strong sense of community manifested through connecting students to services after the October 2017 fires; its collaborative cross-institutional assessment committee; tangible results integrating the Green Music Center (GMC) into the campus and community and leveraging the GMC to advance SSU's public liberal arts mission; its commitment to institution-wide strategic planning processes and financial resource alignment; realignment of IT resources to support the instructional mission; robust first- and second- year experience programs and other high-impact practices; President Sakaki's development of a climate of collaboration and engagement; and the Academic Senate's willingness to work actively with new leadership to advance SSU's mission.

The team recommended assuring every degree program has measurable learning outcomes and an assessment plan adhering to the recently approved Program Review Policy; fully implementing a comprehensive strategic planning process that identifies measurable goals and aligns financial resources with those goals; effectively using newly implemented data tools to enhance student learning and success; developing an IT strategic plan to improve the student experience and advance the institution's vision and mission; creating and implementing a comprehensive diversity plan; and formally articulating what it means to be a SSU undergraduate or graduate student.

**California State University Accredited Program, by Campus**

**California State University, Bakersfield**

<b>Program</b>	<b>First Granted</b>	<b>Renewal Date</b>
Business Administration BS, MBA	not specified	2017-2018
Biochemistry BS	not specified	2018-2019
Chemistry BS	not specified	2018-2019
Computer Engineering BS	10/1/2016	2023-2024
Counseling MS	not specified	2021-2022
Education MA	not specified	2021-2022
Electrical Engineering BS	10/1/2016	2023-2024
Engineering Sciences BS	10/1/2016	2023-2024
Nursing BS, MS	not specified	2021-2022
Public Administration MPA	not specified	2015-2016
Social Work MSW	not specified	2022-2023

**California State University Channel Islands**

<b>Program</b>	<b>First Granted</b>	<b>Renewal Date</b>
Biotechnology MS/MBA Dual Degree Program	2017	2027
Business BS, MBA	2017	2027
Education MA	2009	2019
Education – Administrative Services Preliminary Credential	2009	2019
Education – Mild/Moderate Disabilities Credential	2009	2019
Education – Mild/Moderate Disabilities Intern Credential	2009	2019
Education – Multiple Subject Credential	2009	2019
Education – Multiple Subject Intern Credential	2009	2019
Education – Single Subject Credential	2009	2019
Education – Single Subject Intern Credential	2009	2019
Nursing BS	2006	2025

**California State University, Chico**

<b>Program</b>	<b>First Granted</b>	<b>Renewal Date</b>
Art BA, BFA, MA, MFA	not specified	2026
Business Administration BS, MBA	1997	2023
Business Information Systems BS	1997	2023
Chemistry BS	not specified	2019
Civil Engineering BS	1968	2020
Communication Design BA–Graphic Design Option	not specified	2026
Communication Sciences and Disorders MA	2003	2019
Computer Engineering BS	1989	2022
Computer Information Systems BS	2007	2020
Computer Science BS	1987	2022
Construction Management BS	1987	2022
Education MA	not specified	2022
Electrical and Electronic Engineering BS	1971	2022
Health Services Administration BS	2004	2023
Didactic Program in Dietetics (Nutrition and Food Sciences BS)	1999	2021
Dietetic Internship	2001	2021
Journalism BA	1997	2022
Mechanical Engineering BS	1971	2020
Mechatronic Engineering BS	1998	2020
Music BA	1995	2019
Musical Theatre BA	2009	2019
Nursing BS	1995	2028
Nursing MS	1995	2028
Psychology: Applied/School Psychology Option MA	1998	2020
Public Administration MPA	1996	2024
Public Health BS		2019
Recreation, Hospitality, and Parks Management BS	1986	2019
Recreation Administration MA	1986	2019
Social Work BA, MSW	not specified	2025
Sustainable Manufacturing BS	1980	2020
Theatre Arts BA	2009	2019

**California State University, Dominguez Hills**

<b>Program</b>	<b>First Granted</b>	<b>Renewal Date</b>
Clinical Science BS	1995	2026
Computer Science BS	1996	2022-23
Education MA	not specified	2019
Health Science MS	2015	2020
Music BA	1976	2018-19
Nursing BS, MS	2004	2018
Occupational Therapy MS	2007	2023
Public Administration MPA	2005	2022-23
Social Work MSW	2007	2022
Theatre Arts BA	1987	2025-26
Chemistry BS	not specified	2018



**California State University, East Bay**

<b>Program</b>	<b>First Granted</b>	<b>Renewal Date</b>
Accountancy MS	2013	2018-19
Business Administration BS	1973-1974	2018-19
Business Analytics MS	1982-1983	2018-19
Business Administration MBA	1982-1983	2018-19
Chemistry BS	1970-1971	2018-19
Computer Engineering BS	2013-2014	2020-21
Counseling MS, Option in School Psychology	1982-1983	2022-23
Economics BS, MS	1973-1974	2018-19
Industrial Engineering BS	2006-2007	2021-22
Music BA, MA	1973-1974	2019-20
Nursing BS	1974-1975	2025-26
Nursing MS	2018	2025-26
Social Work MSW	2006-2007	2019-20
Speech-Language Pathology MS	1992-1993	2019-20

**California State University, Fresno**

<b>Program</b>	<b>First Granted</b>	<b>Renewal Date</b>
Agricultural Education BS	1967	2020
Agricultural Specialist Credential	2003	2021
Athletic Training BS	1997	2022-23
Business Administration BS	1963	2018-19
Business Administration MBA	1974	2018-19
Civil Engineering BS	1968	2019
Clinical Rehabilitation and Mental Health Counseling MS	1976	2019
Communicative Disorders MA – Deaf Education Option	1982	2024
Computer Engineering BS	1999	2019
Construction Management BS	1992	2019
Counseling and Guidance MS	1995	2019
Didactic Program in Dietetics	2005	2021
Dietetic Internship Program	2005	2021
Education MA	1967	2021
Education–Early Childhood Education Specialist (NAEYC Accredited, currently under review)	not specified	2023
Education–Multiple Subject Internship	2002	2021
Education–Multiple Subject Bilingual Authorization, Spanish and Hmong	not specified	2021
Education–Preliminary Administrative Services	not specified	2021
Education–Preliminary Administrative Services Internship	not specified	2021
Education–Preliminary Multiple Subject	2002	2021
Education–Preliminary Single Subject	2003	2021
Education–Pupil Personnel Services, School Counseling	not specified	2021
Education–Reading/Language Arts Specialist	not specified	2021
Education–Single Subject Internship	not specified	2021
Education Specialist, Mild/Moderate and Moderate/Severe	not specified	2021
Education Specialist, Deaf and Hard of Hearing -Education Specialist Clear, Mild/Moderate and Moderate/Severe -Education Specialist Level II, Mild/Moderate and Moderate/Severe	not specified	2021

**Fresno (continued)**

<b>Program</b>	<b>First Granted</b>	<b>Renewal Date</b>
Educational Leadership EdD		
Independent DPELFS program	2007	2021
Channel Island Joint Program	2016	2021-22
Electrical Engineering BS	1965	2019
Geomatics Engineering BS	1979	2019
Industrial Technology BS	2016	2020
Interior Design BA	1986	2024
Kinesiology – Physical Education Option BS	2008	2020
Mechanical Engineering BS	1965	2019
Music BA, MA	1979	2019-20
Nursing BS	2005	2021
Nursing DNP	2012	2019
Nursing MS	2005	2019
Physical Therapy DPT	2015	2025
Public Administration MPA	1991	2020
Public Health MPH	1996	2020
Pupil Personnel Services, School Psychology	not specified	2021
Recreation Administration BS	1986	2021
School Nursing Advanced Credential (Clear)	not specified	2021
School Psychology EdS	1994	2021-2022
Social Work BA, MSW	1967	2023-2024
Theatre Arts, BA	1989	2024

**California State University, Fullerton**

<b>Program</b>	<b>First Granted</b>	<b>Renewal Date</b>
Accounting MS	1966	2018
Art BA, MA	1974	2024
Art BFA, MFA	1994	2024
Business Administration BA	1965	2018
Business Administration MBA	1972	2018
Chemistry BS	1970	2022
Civil Engineering BS	1985	2022
Communications BA, MA	1971	2021
Communicative Disorders BA, MA	1969	2018
Computer Engineering BS	2007	2022
Computer Science BS	1988	2018
Counseling MS	2007	2023
Dance BA	1993	2024
Education Credentials	1960	2022
Education MS	1970	2022
Electrical Engineering BS	1985	2018
Human Services BS	1982	2021
International Business BA	1984	2018
Kinesiology BS (Athletic Training Program)	2001	2027
Mechanical Engineering BS	1985	2022
Music BA, MA	1966	2024
Music BM, MM	1975	2024
Nursing BS		
NLN accreditation	1981-2007	2026
Commission on Collegiate Nursing Education (CCNE)	2007	2026
Nursing DNP	2013	2019
Nursing MS	2002	2026
Public Administration MPA	1989	2018
Public Health MPH	2008	2020
Social Work MSW	2011	2023
Taxation MS	1996	2018
Theatre Arts BA	1974	2026
Theatre Arts BFA	2005	2026
Theatre Arts MFA	1985	2026

**Humboldt State University**

<b>Program</b>	<b>First Granted</b>	<b>Renewal Date</b>
Art BA	1978	2024-25
Chemistry BS	prior to 1976	2019
Child Development Laboratory, Child Development	1989	2022
School of Education–Administrative Services Credential	2002	2022
School of Education–Multiple Subjects Credential	2002	2022
School of Education–Single Subjects Credential	2002	2022
School of Education–Special Education Credential	2002	2022
School of Education and Department of Kinesiology/ Recreation Administration–Adapted Physical Education Credential	2002	2022
Environmental Resources Engineering BS	1981	2023
Fine Art BFA	2018	2024-25
Forestry BS	1979	2025-26
Registered Professional Foresters (RPF) License	not specified	periodic
Music BA	1979	2021
Social Work BA, MSW	2004	2019

**California State University, Long Beach**

<b>Programs</b>	<b>First Granted</b>	<b>Renewal Date</b>
Accountancy MS	2015	2019
Aerospace Engineering BS	2001	2018
American Language Institute	2007	2027
Art BA, BFA, MA, MFA	1974	2018
Athletic Training BS	2006	2018
Biochemistry BS	2015	2018
Business Administration BS, MBA	1972	2019
Chemical Engineering BS	1980	2018
Chemistry BS	1958	2018
Civil Engineering BS	1963	2018
Computer Engineering BS	1974	2018
Computer Science BS	1995	2018
Construction Management BS	2012	2023
Dance BA, BFA, MA, MFA	1982	2022
Design BA	2007	2018
Didactic Program in Dietetics	1975	2021
Dietetic Internship	1975	2021
College of Education: Teaching Credentials and School Professionals	2001	2023 CAEP and CTC Review
Electrical Engineering BS	1963	2018
Family and Consumer Sciences BA	1977	2017
Health Care Administration BS	1992	2021
Health Care Administration MS	2002	2019
Hospitality Management BS	2010	2024
Industrial Design BS	1974	2018
Interior Design BFA	1974	2018
Journalism BA	1978, 2014	2020
Mechanical Engineering BS	1963	2018
Music BA, BM, MA	1968	2023
Nursing BS	1967	2021
Nursing MS	1978	2021
Nursing DNP (with Fullerton and LA)	2012	2018
Physical Therapy DPT	2012	2022
Psychology MS, Human Factors Option	2012	2024
Public Health MPH	1990	2022
Public Policy and Administration MPA	1990	2023

**Long Beach (continued)**

<b>Programs</b>	<b>First Granted</b>	<b>Renewal Date</b>
Recreation Administration MS	1976	2021
Social Work BA	1975	2025
Social Work MSW	1985	2025
Speech-Language Pathology MA	1970	2019
Supply Chain Management MS	2015	2019
Theatre Arts BA, MFA	1973	2018

**California State University, Los Angeles**

<b>Program</b>	<b>First Granted</b>	<b>Renewal Date</b>
Art BA, MA, MFA	1974	2019-20
Accountancy MS	1964	2021-22
Business Administration BS	1960	2021-22
Business Administration MBA, MS	1964	2021-22
Communicative Disorders MA Speech-Language Pathology option	1987	2023-2024
Computer Information Systems BS	1964	2021-22
Computer Science BS	2005	2019-20
Counseling MS	1994	2019-2020
Counseling MS, Rehabilitation Counseling Option	1956	2019-2020
Counseling MS, School-Based Family Counseling Option	1978	2020-21 CTC and CAEP; CACREP
Counseling MS, School Psychology Option	1993	2022-23
Criminalistics MS	2011	2017-18
Education Credentials	1959	2020-21
Education MA	1959	2020-21
Educational Administration MA	1959	2020-21
Educational Leadership EdD	2011	2020-21
Engineering, Civil BS	1965	2019-20
Engineering, Electrical BS	1965	2019-20
Engineering, Mechanical BS	1965	2019-20
Health Care Management, MS		2021-22
Industrial Technology BS	2013	2019-20
Music BA, BM, MA	1970	2019-20
Music MM	1995	2019-20
Nursing BS, MS	2007	2019-20
Nursing DNP	2011	2019-20
Nutritional Science MS–Coordinated Dietetics Program	1974	2020-21
Nutritional Science MS – Coordinated Dietetics Program and Didactic Program in Dietetics	1976	2020-21
Public Administration MPA	1984	2021-22



**Los Angeles (continued)**

<b>Program</b>	<b>First Granted</b>	<b>Renewal Date</b>
Social Work BA, MSW	1979	2020-21
Special Education MA	1959	2020-21
Special Education PhD	1971	2020-21
Teaching English to Speakers of Other Languages MA	1989	2020-21

**California State University Maritime Academy**

<b>Program</b>	<b>First Granted</b>	<b>Renewal Date</b>
Business Administration BS–International Business and Logistics	2003	2019-20
Facilities Engineering Technology BS	1999	2019-20
Marine Engineering Technology BS	1978	2019-20
Mechanical Engineering BS	2002	2019-20

**California State University, Monterey Bay**

<b>Program</b>	<b>First Granted</b>	<b>Renewal Dates</b>
College of Business	2017 (candidacy)	2021
Nursing	2016	2019
Physician Assistant MS	2019 (provisional)	2024
Social Work MSW	2014	2018
Preliminary Multiple Subject Teaching Credential	1994	2020
Preliminary Single Subject Teaching Credential	1994	2020
Preliminary Education Specialist Teaching Credential	2001	2020
Pupil Personnel Services Credential: School Psychology	2016	2020

**California State University, Northridge**

<b>Program</b>	<b>First Granted</b>	<b>Renewal Date</b>
Accountancy BS	1976	2019
Art BA, MA	1993	2020
Art MFA	2006	2020
Athletic Training BS	1995	2027
Biochemistry BS	1978	2019
Business Administration BS, MBA	1976	2019
Chemistry BS	1966	2019
Civil Engineering BS	1994	2019
Communicative Disorders MS	1976	2021
Computer Engineering BS	2006	2019
Computer Information Technology BS	2017	2019
Computer Science BS	1985	2019
Construction Management BS	2010	2019
Counseling MS	1997	2021
Counseling MS, Career Counseling Option	1996	2021
Didactic Program in Dietetics	1985	2019
Dietetic Internship	1985	2019
Education MA	1997	2021
Electrical Engineering BS	1994	2019
Engineering Management BS	2017	2019
Environmental and Occupational Health BS	1973	2019
Environmental and Occupational Health MS	1978	2020
Family and Consumer Sciences BS	1973	2023
Family and Consumer Sciences BS–Interior Design option	1998	2017
Finance BS	1976	2019
Health Administration BS	1971	2022
Health Administration MS	2017	2020
Information Systems BS	1976	2019
Journalism BA	1967	2021
Management BS	1976	2019
Manufacturing Systems Engineering BS	2001	2019
Marketing BS	1976	2019
Mechanical Engineering BS	1994	2019
Music BA, BM, MM	1968	2018
Music Industry Administration MA	2017	2018

**Northridge (continued)**

<b>Program</b>	<b>First Granted</b>	<b>Renewal Date</b>
Nursing BS	1999	2024
Physical Therapy DPT	1969	2025
Professional Accountancy MPAcc	1976	2019
Public Health BS	2016	2019
Public Health MPH	1980	2019
Radiologic Sciences BS	1977	2026
Social Work MSW	2004	2020
Special Education MA	1997	2021
Taxation MS	1976	2019
Theatre BA	1991	2025
Theatre Arts MA	1991	2025
Tourism, Hospitality, and Recreation Management BS	2014	2021

**Northridge Credential Programs**

<b>Program</b>	<b>First Granted</b>	<b>Renewal Date</b>
Autism Spectrum Disorder Added Authorization Credential	2010	2018
Counseling – Pupil Personnel Services Credential	1997	2018
Educational Administration – Preliminary Administrative Services Credential	1997	2018
Elementary Education – Multiple Subject Bilingual Authorization	2011	2018
Elementary Education – Multiple Subject Preliminary Teaching Credential	1974	2018
Elementary Education – Multiple Subject Preliminary Teaching Credential – Blended or Intern	2002	2018
Elementary Education – Multiple Subject Preliminary Teaching Credential – CLAD/CTEL	1997	2018
Elementary Education – Reading and Language Arts Specialist Credential	2002	2018
Resource Specialist Added Authorization Credential	2011	2018

**Northridge Credential Programs (continued)**

<b>Program</b>	<b>First Granted</b>	<b>Renewal Date</b>
Secondary Education – Single Subject Teaching Credential	1974	2018
Secondary Education – Single Subject Teaching Credential– Bilingual Authorization	2011	2018
Secondary Education – Single Subject Teaching Credential - Preliminary – Blended or Intern	2002	2018
Secondary Education – Single Subject Teaching Credential- Preliminary – CLAD	1997	2018
Special Education – Teach Induction Education Specialist (Clear) Teaching Credential – Early Childhood Special Education	2013	2018
Special Education – Teacher Induction Education Specialist (Clear) Teaching Credential – Deaf and Hard of Hearing	2013	2018
Special Education – Teacher Induction Education Specialist (Clear) Teaching Credential – Mild/Moderate	2013	2018
Special Education – Teacher Induction Education Specialist (Clear) Teaching Credential – Moderate/Severe	2013	2018
Special Education – Education Specialist Preliminary Teaching Credential – Deaf/Hard of Hearing	2013	2018
Special Education – Education Specialist Preliminary Teaching Credential Early Childhood Special Education Credential	2013	2018
Special Education – Education Specialist Preliminary Teaching Credential – Mild/Moderate	2013	2018
Special Education – Education Specialist Preliminary Teaching Credential – Moderate/Severe	2013	2018
Speech Language Pathology Services Credential	2011	2018

**California State Polytechnic University, Pomona**

<b>Program</b>	<b>First Granted</b>	<b>Renewal Dates</b>
Accountancy MS	2015	2019-20
Adapted Physical Education Added Authorization	1997	2021-22
Administrative Services Preliminary Traditional and Preliminary Intern Credentials	2002	2021-22
Aerospace Engineering BS	1970	2023-24
Agricultural Specialist Instruction Traditional Credential	1976	2021-22
Animal Health Science BS	1997	2023-24
Architecture BArch	1981	2022-23
Architecture MArch	1978	2022-23
Art History BA	1997	2018-19
Bilingual Authorization (Cantonese, Mandarin and Spanish)	2011	2021-22
Business Administration BS, MBA, MS	1995	2019-20
Chemical Engineering BS	1972	2023-24
Civil Engineering BS	1970	2023-24
Civil Engineering BS, Geospatial Engineering Option	1992	2023-24
Computer Engineering BS	2004	2023-24
Computer Science BS	1994	2020-21
Construction Engineering and Management BS	1976	2023-24
Didactic Program in Dietetics (Nutrition BS, Dietetics Option)	1993	2019-20
Dietetic Internship Program	1993	2019-20
Education Specialist Mild/Moderate Level II Traditional Credential	1997	2021-22
Education Specialist Mild/Moderate Preliminary Traditional and Preliminary Intern Credentials	2011	2021-22
Education Specialist Moderate/Severe Level II Traditional Credential	1997	2021-22
Education Specialist Moderate/Severe Preliminary Traditional and Preliminary Intern Credential	2011	2021-22
Electrical Engineering BS	1970	2023-24
Electronic Systems Engineering Technology BS	1976	2023-24
Electromechanical Systems Engineering Technology BS	1976	2023-24
Hospitality Management BS	1994	2018-19

**Pomona (continued)**

Industrial Engineering BS	1976	2023-24
Interior Architecture MIA	2010	2019-20
Landscape Architecture BS	1963	2022-23
Landscape Architecture MLA	1975	2022-23
Manufacturing Engineering BS	1988	2023-24
Mechanical Engineering BS	1970	2023-24
Multiple Subject Preliminary Intern Credential	1998, 2003	2021-22
Multiple Subject Preliminary Traditional Credential	1973, 2003	2021-22
Music BA	2013	2020-21
Public Administration MPA	2006	2019-20
Single Subject Preliminary Intern Credential	1998, 2003	2021-22
Single Subject Preliminary Traditional Credential	1973, 2003	2021-22
Urban and Regional Planning BS	1967	2021-22
Urban and Regional Planning MURP	1971	2021-22
Visual Communication Design BFA	1997	2018-19



**California State University, Sacramento**

<b>Program</b>	<b>First Granted</b>	<b>Renewal Date</b>
Accountancy MS	not specified	2017
Art BA, MA	1974	2025
Business Administration BS, MBA	1963	2022
Career and Technical Studies BS	2015	2019
Civil Engineering BS	1965	2022
Communication Sciences and Disorders MS	1985	2019
Computer Engineering BS	1987	2022
Computer Science BS	1986	2022
Construction Management BS	1989	2019
Didactic Program in Dietetics	1996	2024
Dietetic Internship	2003	2024
Electrical and Electronic Engineering BS	1969	2022
Graphic Design BS	2005	2025
Interior Design BA	2001	2018
Mechanical Engineering BS	1965	2022
Music BA, BM, MM	1964	2021
Nursing BS, MS	BS 1962 MS 1986	2019 (CCNE) 2022 (BRN)
Photography BA	2005	2025
Physical Therapy DPT	1997	2025
Recreation Administration BS, MS	1978	2021
School Psychology EDS	2001	2025
Social Work BA, MSW	1966	pending
Studio Art BFA	2018	2025
Theatre BA	Not specified	2020
<b>Credentials</b>		
Administrative Services Credential, Intern	1974	2019/2020
Administrative Services Credential, Level I, Preliminary	1984	2019/2020
Administrative Services Credential, Level II, Professional	1985	2019/2020
Education Specialist, Early Childhood Special Education Credential	1974	2018
Education Specialist, Mild/Moderate Credential	not specified	2020
Education Specialist, Mild/Moderate w/Multiple Subjects Credential	not specified	2020

**Sacramento** (continued)

<b>Credentials</b>	<b>First Granted</b>	<b>Renewal Date</b>
Education Specialist, Moderate/Severe and Moderate/Severe with Multiple Subjects Credential	not specified	2020
Multiple Subjects Teaching Credential	not specified	2019
Multiple Subjects Teaching Credential with Bilingual Authorization	1975	2019
Pupil Personnel Services Credential, School Counseling	1975	2019
Pupil Personnel Services, School Social Work	1996	2019
Pupil Personnel Services Credential, School Psychologist	1977	2019
Single Subject Teaching Credential	not specified	2018
Single Subject Teaching Credential with Bilingual Authorization	1975	2018

**California State University, San Bernardino**

<b>Program</b>	<b>First Granted</b>	<b>Renewal Date</b>
Accountancy MS	2009	2018-19
Administration BA, BS	1994	2018-19
Art BA	1983	2021-22
Business Administration MBA	1994	2018-19
Chemistry BS	1970	2019-20
Computer Engineering BS	2014	2020-21
Computer Science BS	1988	2020-21
Didactic Program in Dietetics (Nutrition and Food BS)	1989	2019-20
Health Science BS	2009	2019-20
Health Science BS, Environmental Health Option	2004	2018-19
Information Systems and Technology BS	2015	2018-19
Music BA	2003	2021-22
Nursing BS	1984	2022-23
Nursing MS	1984	2027-28
Public Administration MPA	1989	2023-24
Public Health MPH	2014	2022-23
Robert and Frances Fullerton Museum of Art	2008	2022-23
Rehabilitation Counseling MA	1988	2023-24
Social Work BA	2006	2025-26
Social Work MSW	1993	2021-22
Theatre Arts BA	2004	2020-21

**San Diego State University**

<b>Program</b>	<b>First Granted</b>	<b>Renewal Date</b>
Accountancy MS	1979	2022-2023
Aerospace Engineering BS	1964	2021-2022
Art BA, MA, MFA	1975	2022
Audiology AUD	2006	2019
Business Administration BA, BS, MBA, MS	1955	2022-2023
Chemistry BS	1950	2023
Civil Engineering BS	1964	2021-2022
Communicative Disorders MA	1979	2019
Computer Engineering BS	2004	2021-2022
Computer Science BS	1994	2022
Construction Engineering BS	2009	2021-2022
Counseling MS, option in Marriage and Family Therapy	2009	2022
Didactic Program in Dietetics	1980	2019
Electrical Engineering BS	1964	2021-2022
Environmental Engineering BS	2004	2021-2022
Journalism BA, concentrations in Advertising, General, Public Relations	2009	2021
Marriage and Family Therapy MS	2009	2022
Mechanical Engineering BS	1964	2021-2022
Nursing BS, MS	not specified	2020
Physical Therapy DPT	2000	2012-2022
Preventive Medicine Residency Certificate Program - SDSU/UCSD	1983	2021
Public Health BS, MPH, MS, PhD	1983, 1985	2021
Rehabilitation Counseling MS	1978	2022
School Psychology EdS	1989	2023
Social Work BA	1974	2026
Social Work MSW	1966	2026
Theatre BA, MA, MFA	1975	2024-2025

**San Francisco State University**

<b>Program</b>	<b>First Granted</b>	<b>Renewal Date</b>
Accountancy MS	1979	2019
Apparel Design and Merchandising BS	2003	2023
Art BA, MA, MFA	1983	2023
Art MFA	1983	2023
Business Administration BA, BS, MBA	1963	2019
Clinical Laboratory Science Graduate Internship Program	1977	2019
Clinical Mental Health Counseling MS	2017	2018
Communicative Disorders MS	1971	2025
Counseling MS	1978	2018
Didactic Program in Dietetics	1987	2019
Dietetics Internship	1991	2019
Engineering, Civil BS	1986	2024
Engineering, Computer BS	2016	2024
Engineering, Electrical BS	1986	2024
Engineering, Mechanical BS	1986	2024
Family and Consumer Sciences BA	2003	2023
Health Education BS	2009	2025
Hospitality and Tourism Management BS	1990	2019
Interior Design BS	2003	2023
Journalism BA	1985	2020
Music BA, BM, MA, MM	1963	2018
Nursing BS, MS	2003	2023
Physical Therapy DPT	2001	2021
Public Administration MPA	2000	2020
Public Health MPH	2003	2025
Recreation, Parks and Tourism Administration BS	1990	2022
Social Work BA, MSW	1975, 1971	2018, in progress
Teacher Education Credential Programs in Administrative Services, Bilingual Authorization, Clinical or Rehabilitative Services, Education Specialist, Multiple Subject Instruction, Pupil Personnel Services, Reading and Language Arts Specialist, Single Subject Instruction, Speech-Language Pathology Services	1900	2020
Theatre Arts BA, MA, and MFA: Concentration in Design and Technical Production	1982	2021

**San José State University**

<b>Program</b>	<b>First Granted</b>	<b>Renewal Date</b>
Accountancy MS	1964	2021
Advertising BS	1971	2021
Aerospace Engineering BS	1991	2024
Art BA, BFA, MA	1974	2020
Athletic Training BS	not specified	2019
Biomedical Engineering BS	2011	2024
Business Administration BS	1964	2021
Business Administration MBA	1973	2021
Chemical Engineering BS	1958	2020
Chemistry BS	not specified	2021
Civil Engineering BS	1958	2024
Communicative Disorders EDAU MA	1989	2026
Computer Engineering BS	1958	2024
Computer Science BS	1996, 2001	2023
Counselor Education Credential	1958	2020
Dance BA, BFA	1987	2019
Didactic Program in Dietetics	1986	2020
Dietetic Internship	1986	2020
Educational Leadership Credential	1958	2020
Electrical Engineering BS	1958	2024
Elementary Education Credential	1958	2020
Human Factors/Ergonomics MS	2014	2021
Industrial and Systems Engineering BS	1958	2024
Industrial Design BS	1974	2020
Industrial Technology BS	1980, 2010	2023
Journalism BS	1971	2021
Library Information Science MLIS	1969	2021
Materials Engineering BS	not specified	2020
Mechanical Engineering BS	1958	2024
Music BA, BM, MM	1958	2018
Music Education MA	2016	2018
Nursing BS	not specified	2022
Nursing MS	1959, 1998	2019
Occupational Therapy MS	1991	2026
Public Administration MPA	1988	2024

**San José (continued)**

<b>Program</b>	<b>First Granted</b>	<b>Renewal Date</b>
Public Health MPH	1974, 1976	2020
Public Relations BS	1971	2021
Pupil Personnel Services Credential	1958	2020
Recreation BS	1987	2020
Secondary Education Credential	1958	2020
Social Work BA, MSW	1977	2023
Software Engineering BS	2016	2024
Special Education Credential	1958	2020
Speech Pathology Credential	1958	2020
Taxation MS	1964	2021
Teacher/Librarian Services Credential	1958	2020
Theatre Arts BA	1982	2018
Transportation Management MS	1964	2021
Urban Planning MUP	1972, 1988	2025

**California Polytechnic State University, San Luis Obispo**

<b>Program</b>	<b>First Granted</b>	<b>Renewal Date</b>
Accounting MS	2014	2023
Administrative Services Credential	not specified	2020
Aerospace Engineering BS	1969	2021
Agriculture Specialist Credential	not specified	2020
Architectural Engineering BS	1975	2021
Architecture BArch	1980	2023
Art and Design BFA	1995	2026-27
Bilingual Authorization (Spanish)	not specified	2020
Biomedical Engineering BS	2012	2021
Bioresource and Agricultural Engineering BS	1973	2021
Business Administration BS, MBA	1981	2023
City and Regional Planning BS	1973	2019
City and Regional Planning MCRP	1993	2019
Civil Engineering BS	1973	2021
Computer Engineering BS	1997	2021
Computer Science BS	1986	2021
Construction Management BS	1978	2020
Didactic Program in Dietetics	2005	2023
Dietetic Internship	2005	2023
Economics BS	1981	2023
Education Specialist Mild/Moderate Credential	not specified	2020
Electrical Engineering BS	1969	2021
Engineering Management MBA/MS	2014	2023
Environmental Engineering BS	1971	2021
Forestry and Natural Resources BS	1994	2024
Graphic Communication BS	2003	2022
Industrial Engineering BS	1969	2021
Industrial Technology and Packaging BS	1974	2023
Landscape Architecture BLA	1975	2020
Manufacturing Engineering BS	1997	2021
Materials Engineering BS	1971	2021
Mechanical Engineering BS	1969	2021
Multiple Subject Teaching Credential	not specified	2020
Music BA	2003	2018-19



**San Luis Obispo** (continued)

<b>Program</b>	<b>First Granted</b>	<b>Renewal Date</b>
Quantitative Economics, MS	2018	2023
Recreation, Parks, and Tourism Administration BS	1986	2025
Single Subject Teaching Credential	not specified	2020
Software Engineering BS	2007	2021

**California State University San Marcos**

<b>Program</b>	<b>First Granted</b>	<b>Renewal Date</b>
Nursing BS	2008	2023
Nursing MS	2012	2027
Social Work MSW	2016	2020
Speech-Language Pathology MS	2015	2019
<b>Credentials</b>		
Administrative Services Credential – Preliminary	2007	2022
Education Specialist: Mild/Moderate Credential – Preliminary/Traditional	2010	2022
Education Specialist: Mild/Moderate Credential – Preliminary/Intern	2010	2022
Education Specialist: Mild/Moderate Credential – Level II/Traditional	2000	2022
Education Specialist: Moderate/Severe Credential – Preliminary/Traditional	2010	2022
Education Specialist: Moderate/Severe Credential – Preliminary/Intern	2010	2022
Education Specialist: Moderate/Severe Credential – Level II/Traditional	2000	2022
Education Specialist Added Authorization: Autism Spectrum Disorder	2010	2022
Multiple Subject – Preliminary/Traditional	1992	2022
Single Subject: English – Preliminary/Traditional	1995	2022
Single Subject: Mathematics – Preliminary/Traditional	1995	2022
Single Subject: Physical Education – Preliminary/Traditional	1995	2022
Single Subject: Science – Preliminary/Traditional	1995	2022
Single Subject: Social Science – Preliminary/Traditional	1995	2022
Single Subject: World Languages – Preliminary/Traditional	1995	2022
Bilingual Authorization: Spanish	2011	2022
Reading and Literacy Added Authorization	2012	2022
Reading and Literacy Specialist Credential	2012	2022

**Sonoma State University**

<b>Program</b>	<b>First Granted</b>	<b>Renewal Date</b>
Art BA, BFA	1982	2020-21
Art History BA	1982	2020-21
Business Administration BS, MBA	2007	2021-22
Counseling MA	1984	2021-22
Education MA	2005	2019-20
Music BA, BM	1972	2027-28
Nursing BS, MS	1974	2020-21

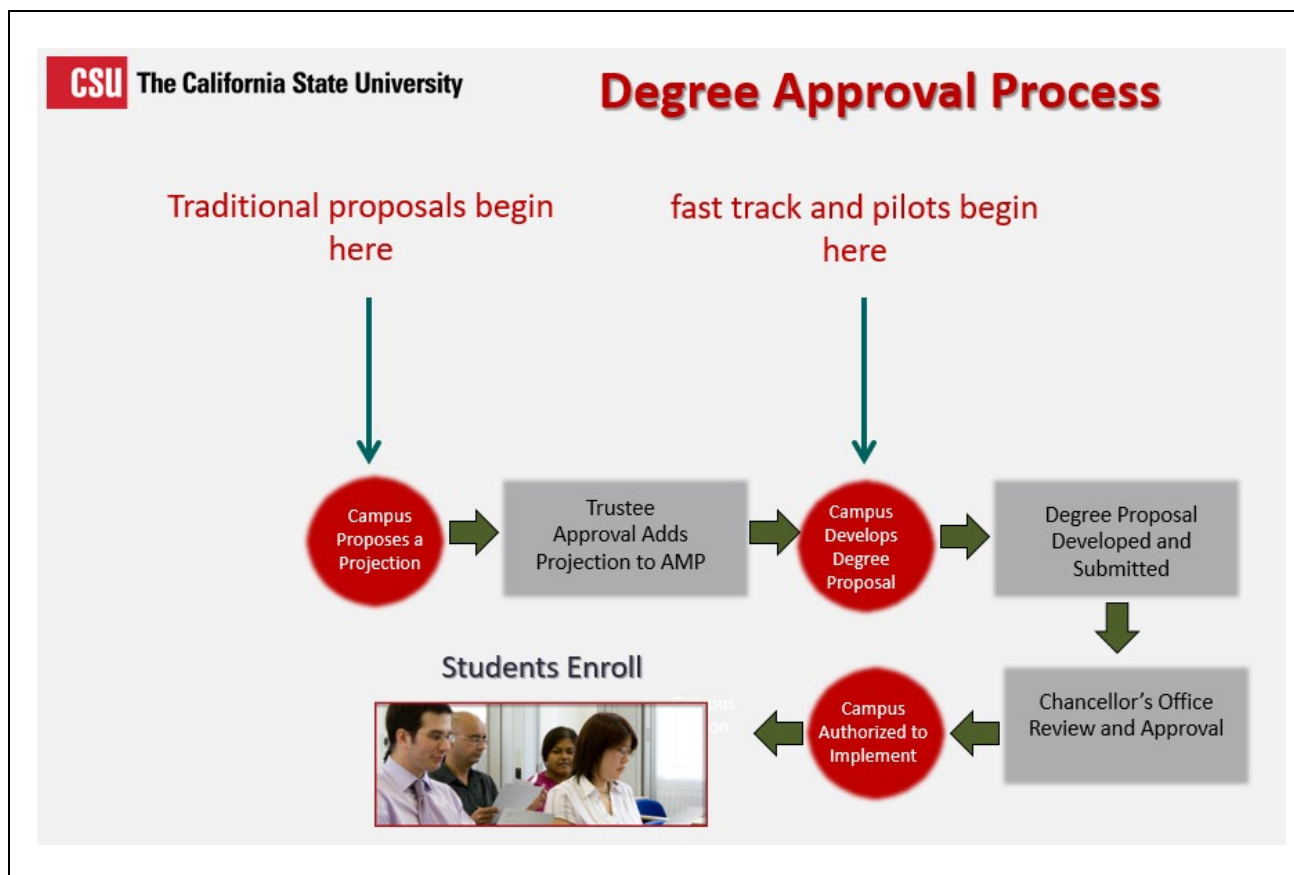
**California State University, Stanislaus**

<b>Program</b>	<b>First Granted</b>	<b>Renewal Date</b>
Art BA, BFA	1983	2020-21
Business BS, MBA	2003	2022-23
Education MA	1991	2017-18
Genetic Counseling MS	2008	2025-26
Music BA, BM	1981	2022-23
Nursing BS	1986	2019-20 2026-27
Nursing MS	2010	2026-27
Public Administration MPA	1982	2024-25
Social Work MSW	1996	2026-27
Theatre Arts BA	1983	2022-23

### CSU Degree Proposal, Review and Approval Process

The CSU degree planning process begins with campus departmental plans and ends with a campus enrolling students in the program. Along the way, plans are subjected to review and approval by the campus, the board and the Chancellor's Office. Campuses may pursue one of three approaches to proposal review and approval, depending on the kind of program envisioned. The approaches are: (1) the traditional process; (2) the fast-track process; or (3) the pilot process. Each process will be explained in this review. The traditional process is shown in Illustration 1.

Illustration 1



## **The Traditional Process**

### **Degree Projections**

The traditional process begins with degree projections. Each January, campuses submit projection proposals, which are very general long-term plans to develop and implement a degree program, to the Chancellor's Office for preliminary review. Projection proposals must make a supportable case that the desired degree program will meet the following criteria in order to obtain a Chancellor's Office recommendation for board approval at the March trustees meeting.

### **Chancellor's Office Projection Review Criteria (All Degree Levels)**

1. Degree designation and title (e.g., BS Biochemistry);
2. Date approved by the academic senate;
3. Projected implementation date;
4. Delivery mode: fully face-to-face, hybrid or fully online program;
5. A brief summary of the purpose and characteristics of the proposed degree program;
6. Support mode: state-support or self-support/extended education;
7. Anticipated student demand;
8. Workforce demands and employment opportunities for graduates;
9. Other relevant societal needs;
10. An assessment of the required resources and a campus commitment to allocating those resources; and
11. As applicable:
  - a. If the projection is a pilot program, campuses will list the academic years during which the program will operate in pilot status.
  - b. For new degree programs that are not already offered in the CSU, campuses include a compelling rationale explaining how the proposed subject area constitutes a coherent, integrated degree program that has potential value to students and meets CSU requirements for an academic program at the undergraduate or graduate level.

### **Additional Criteria for Projected Bachelor's Degree Programs**

Projected bachelor's degrees are general, characterized by breadth and are as enduring as possible in content and title, whereas graduate programs are more appropriately specialized.

Resource: [http://www.calstate.edu/APP/documents/Breadth\\_EPR85\\_13.pdf](http://www.calstate.edu/APP/documents/Breadth_EPR85_13.pdf).

### **Additional Criteria for Projected Graduate Degree Programs**

Master's degree programs should be projected only when the sponsoring department is well established and has achieved a level of quality that has been affirmed by a program review or in subjects for which national accreditation, including review by a visiting team, is available. Further requirements of new graduate programs include that:

1. There are at least five full-time faculty with the appropriate terminal degree;
2. The programs have enrollment sufficient to support offering at least four graduate-level courses each year;
3. Evidence is provided that the department can support the level of research required of a graduate program; and
4. Not less than one half of the units required for the degree shall be in courses organized primarily for graduate students.

Resources:

[http://www.calstate.edu/APP/documents/Graduate\\_Level\\_EPR\\_82\\_39.pdf](http://www.calstate.edu/APP/documents/Graduate_Level_EPR_82_39.pdf) and

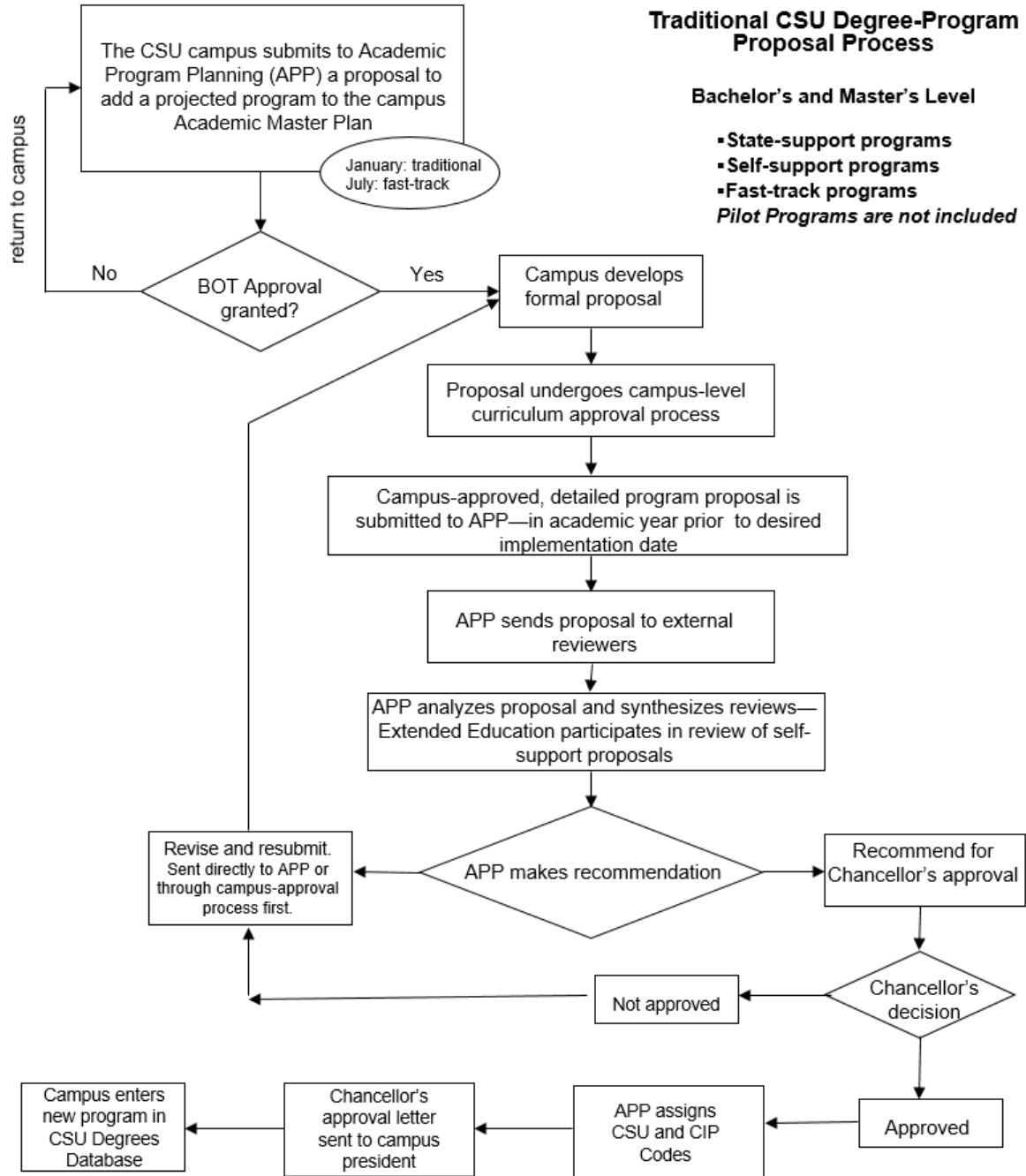
[http://www.calstate.edu/APP/documents/AAP\\_91\\_04\\_Recommendations\\_Graduate\\_Education.pdf](http://www.calstate.edu/APP/documents/AAP_91_04_Recommendations_Graduate_Education.pdf)

### **Degree Program Proposal Development and Review Process**

After obtaining board approval for a proposed projection, the campus may begin developing a full degree proposal, which must obtain campus approvals before being submitted for system-level review. Campus-approved degree proposals are reviewed by Chancellor's Office staff who have faculty experience and curriculum-development and review experience. Additionally, as needed, external experts review degree programs that have highly specialized curricular requirements. It is not unusual for the Chancellor's Office to request modifications to the degree requirements or the assessment plans during the review process. Proposals must obtain the chancellor's approval before the degree program can be implemented and enroll students. All degree program proposals are governed by California Education Code and systemwide policy, including Title 5 regulations, executive orders and coded memoranda.

Illustration 2 depicts the process for the "traditional degree program proposal." This process is used for bachelor's, and master's programs that will be run either through state-support or through self-support extended education as well as for doctoral programs that will be run through state-support. In this process, the full degree proposal is submitted to the Chancellor's Office a year ahead of planned implementation.

**Illustration 2**





## **Degree Proposal Review Criteria**

During the proposal review process, reviewers evaluate proposed programs and resources according to these review criteria.

### **Faculty**

Does the faculty appear qualified to offer this program and at this level? Does the faculty expertise span all appropriate specializations, and are there sufficient faculty members for the projected size of the program? Do they appear to have appropriate research or professional experience? Are the arrangements for administering the program sufficient to ensure that it will operate effectively?

### **Curriculum**

Does the curriculum have appropriate breadth, depth and coherence for an undergraduate or a graduate program in this field? Is it up to date, incorporating the most recent developments in the field? Is it consistent with any pertinent recommendations of professional organizations? Is it responsive to employment opportunities for graduates? If it is a baccalaureate program, would it constitute desirable preparation for graduate or doctoral study in the fields indicated in the proposal? Does the proposed bachelor's degree meet the applicable Bachelor of Arts (BA) and Bachelor of Science (BS) requirements established in Title 5? If the proposal is for a BA or BS degree, does it require no more than 120 units, or does the proposal provide a well-defended rationale for exceeding the Title 5 limit of 120 units for BA and BS degrees? Does the graduate program meet Title 5 section 40510 master's degree requirements?

### **Resources**

Does the description of facilities, equipment and information resources indicate that the campus has the resources (or reliable access to resources) that will be needed for a high-quality program? If not, what information would be minimally necessary to ensure that the resources are adequate? For self-support programs, does the budget contain three-to-five years of operation, showing multiple cohorts? Does it show full cost recovery, and are the student costs within market ranges for similar extension programs?

### **Assessment of Program Quality and Student Learning**

Does the proposal provide an assessment plan that identifies program and student learning goals? Do the student learning outcomes match with the curriculum? Are goals measurable, and will the assessment process be manageable? Is the process meaningful, with assessment results used to influence changes in the curriculum or pedagogy?

### **State Need and Student Demand**

Is a program of this kind needed in California? Is there convincing evidence provided in the proposal to demonstrate student interest in the program and employer demand for graduates? Are the sources of information on need current and credible? If the information on need for the program is not adequate, what other information might we suggest that the campus include in the proposal?

### **Multi-Year Cost-Recovery Budget (Self-Support Programs)**

Does the budget include sufficient years to follow multiple cohorts? Is an appropriate level of student attrition built in? Are costs related to hybrid or online delivery and technical support included for programs not offered entirely in face-to-face mode?

### **The Fast-Track Process: Combined Projection and Proposal**

To review, in the traditional proposal process, a campus requests trustee approval to include a projection on the campus Academic Plan. Subsequent to trustee approval of the projection, the campus may begin developing a degree proposal that will be submitted to the Chancellor's Office for system-level review and approval. In the traditional process, proposals are to be submitted in the academic year preceding planned implementation.

As adopted by the board in July 1997, a "fast-track" process shortens the time to implementation by allowing proposals to be submitted at the same time that the projection is proposed to the trustees. Fast-track proposals still undergo system-level review, and the fast track does not move the proposal through an expedited review process.

### **Fast-Track Criteria**

To be proposed via fast track, a degree program must meet all of the following six criteria:

1. The proposed program could be offered at a high level of quality by the campus within the campus's existing resource base, or there is a demonstrated capacity to fund the program on a self-support basis.
2. The proposed program is not subject to specialized accreditation by an agency that is a member of the Association of Specialized and Professional Accreditors, or it is currently offered as an option or concentration that is already recognized and accredited by an appropriate specialized accrediting agency.
3. The proposed program can be adequately housed without a major capital outlay project.
4. It is consistent with all existing state and federal law, trustee policy and executive orders.
5. It is either a bachelor's or master's degree program.
6. The proposed program has been subject to a thorough campus review and approval process.

### **Fast-Track Timelines**

- The first Monday in January—for July approval
- The second Monday in June—for December approval

Fast-track proposals that are submitted to the Chancellor's Office by the first Monday in January, and that raise no major issues, can be acted on by the Board of Trustees in March, sent through system-level review and could receive Chancellor's Office approval in July.

Proposals that are submitted by the second Monday in June and raise no major issues can be acted on by the Board of Trustees in September, sent through system-level review and could receive Chancellor's Office approval in December.

### **Submitting Fast-Track Proposals**

When submitting an update to the campus Academic Plan, the campus notes any fast-track degree proposals and includes a very brief description of the program and a rationale for offering it through the fast-track process.

Resource: [http://www.calstate.edu/app/documents/Fast\\_Track\\_Pilot\\_Programs.pdf](http://www.calstate.edu/app/documents/Fast_Track_Pilot_Programs.pdf)

### **The Pilot Degree Program Proposal Process**

In support of the CSU tradition of experimentation in the planning and offering of degree programs, trustee policy established in July 1997 that a limited number of proposals meeting fast-track criteria might be implemented as five-year "pilot programs" without prior review and approval by the board. Instead, the Chancellor's Office conducts a review to confirm that all applicable policy requirements have been met. For self-support pilot programs, the Chancellor's Office also reviews proposed projected budgets to ensure all costs will be recovered through student fees and without relying on state funds.

### **Pilot-Program Criteria**

Pilot degree programs must meet all of the following six criteria:

1. The proposed program could be offered at a high level of quality by the campus within the campus's existing resource base, or there is a demonstrated capacity to fund the program on a self-support basis.
2. The proposed program is not subject to specialized accreditation by an agency that is a member of the Association of Specialized and Professional Accreditors, or it is currently offered as an option or concentration that is already recognized and accredited by an appropriate specialized accrediting agency.

3. The proposed program can be adequately housed without a major capital outlay project.
4. It is consistent with all existing state and federal law, trustee policy and executive orders.
5. It is either a bachelor's or master's degree program.
6. The proposed program has been subject to a thorough campus review and approval process.

### **Pilot Program Implementation Procedures**

1. Prior to implementation, the campus is obligated to (1) notify the Chancellor's Office of plans to establish the program, (2) provide a program description and list of curricular requirements and (3) confirm that each of the six pilot criteria apply to the pilot program.
2. While Chancellor's Office approval is not required, a pilot program must be acknowledged by the Chancellor's Office before the program is implemented.
3. A campus may implement a pilot program without first proposing the projection on the campus Academic Plan. In such cases, the program will be identified as a pilot program in the next annual update of the campus Academic Plan.

### **Pilot Operational Policy**

1. A pilot program is authorized to operate only for five years.
2. If no further action is taken by the end of the five years, no new students can be admitted to the pilot program.
3. The campus is obliged to make appropriate arrangements for students already enrolled to complete the program.

### **Pilot Conversion Procedures**

For the program to continue beyond the five-year limit, the campus must propose to the Chancellor's Office converting the program from pilot to regular status. A pilot program could be converted to regular-program status and approved to continue to operate indefinitely if the following conditions are met:

1. The campus committed the resources necessary to maintain the program beyond five years;
2. A thorough program evaluation (including an on-site review by one or more experts in the field) showed the program to be of high quality; to be attractive to students; and to produce graduates attractive to prospective employers and/or graduate programs, as appropriate; and
3. Approval by the chancellor after review and comment by the Chancellor's Office.

## **COMMITTEE ON EDUCATIONAL POLICY**

### **Academic Preparation**

#### **Presentation By**

Loren J. Blanchard  
Executive Vice Chancellor  
Academic and Student Affairs

James T. Minor  
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Academic Success and Inclusive Excellence

This annual item provides a progress update on academic preparation including initial data showing results from the first term after implementation of Executive Order 1110.

#### **Background**

Improving degree completion and eliminating equity gaps among CSU students rely on improving the level of academic preparation of incoming students. Improvements also require fundamentally changing CSU's approach to serving students who arrive in need of additional academic support. What happens to students in the first year of college can determine if they are retained for their second year or whether they ultimately earn a college degree. This is, in large part, why the issue of academic preparation has been a top priority for Graduation Initiative 2025.

The collection of CSU data on student preparation began in 1995. Since then, the percentage of students considered "ready" at fall entry for college-level coursework in both math and/or written communication has more than doubled from 32 percent in 1995 to 69 percent in 2017. This is the result of developing stronger PK-12 partnerships, an increasing number of California high school students completing the "a-g" college preparatory requirements and improvements in cross-sector curriculum alignment. Still, many students successfully complete their high school graduation requirements, meet the eligibility criteria for CSU admission and may arrive to campuses underprepared academically for college-level math and/or written communication courses.

Compounding this challenge are economic and racial disparities that influence the academic resources available to students, whether they have access to advanced high school courses, or college counselors to help identify the best classes to take in preparation for college. Traditionally underserved students of color and those from low-income families are disproportionately identified as underprepared academically. To achieve the Graduation Initiative 2025 goals, addressing the issue of academic preparation head on is critical. Improving the level of academic preparation of students upon entry and fundamentally changing the approach to serving those who arrive in need of additional support are two key areas of focus.

The CSU is committed to strengthening on-going PK-12 partnerships to ensure students have an opportunity to complete four years of mathematics or quantitative reasoning to improve college-readiness. This effort is supported through the CSU's Center for the Advancement of Instruction in Quantitative Reasoning that provides support to educators to help students prepare for the quantitative reasoning and mathematics knowledge required for college-level work. The CSU is also engaging broad and diverse groups of constituents to develop a proposal to potentially change the first-year admission eligibility requirements ("a-g") to a minimum of four years/eight semesters of coursework in mathematics or quantitative reasoning for incoming first year students. Any potential policy change to admission requirements would provide sufficient time for schools and students to prepare. With careful attention to issues of equity, access and PK-12 capacity, the Office of the Chancellor will present a proposal to CSU Trustees at a future board meeting.

In August 2017, Chancellor White issued Executive Order 1110 to effectively address three issues related to academic preparation among admitted students. The policy changes were designed to:

1. Revise the way the CSU assesses college readiness and places students in first-year courses;
2. Strengthen the CSU Early Start Program to offer students college credit in the summer before their first term; and
3. Discontinue stand-alone developmental education courses.

#### *Assessment and Placement*

Prior to Executive Order 1110, incoming first year students were placed into two broad categories—ready or not ready—based largely on standardized exams. Results from these exams were used to place students into first-year math and written communication courses. Students identified as “ready” enrolled in college-level courses immediately. Students identified as “not ready” were assigned to stand-alone developmental education courses that did not earn them college credit. Prior to the policy change, roughly 30 percent of first-time students (approximately 20,000 fall 2017) were informed that they were admitted but not ready for college-level coursework. Students from historically underserved communities were far more likely to be required to complete developmental education courses. For example in fall 2017, 52 percent of African American and 40 percent of Latino first year students were informed that they were not prepared for college coursework after being admitted.

Executive Order 1110 discontinued the use of the Entry-Level Mathematics (ELM) and English Placement Test (EPT) administered by the CSU, exams to determine college readiness for students not exempted by other measures prior to entry. The new policy broadens the incorporation of information used to assess student readiness for college-level courses (i.e. the use of multiple measures). In addition to the traditional measures used to determine readiness such as the ACT, SAT, Advanced Placement (AP), International Baccalaureate (IB) or Smarter Balanced Assessment, the CSU now incorporates high school English and mathematics courses completed, the grades earned in those courses and high school grade point averages (GPA).

High school grades, when used as one of multiple measures, are shown to be a stronger predictor of how likely students are to achieve course outcomes over an academic term if given the opportunity. Placing a greater emphasis on previous classroom performance is expected to improve student assessment and help customize academic support. Today, rather than being placed into two broad categories, students are placed across four categories to better address their academic needs upon entry.

**Category I: Student has fulfilled the GE Subarea A2 or B4 requirement upon arrival**

Student has met the CSU GE Breadth Subarea A2 and/or B4 requirement via Advanced Placement (AP) examination, International Baccalaureate (IB) examination or transferable college course.

**Category II: Student placed directly into a GE Subarea A2 or B4 course**

Student has met the readiness standards via one or several of the multiple measures-informed standards.

**Category III: Student placed into a supported college-level course**

Based on new multiple measures, students demonstrate a need for additional academic support in math and/or written communication. These students are placed directly into college-level courses that embed or attach additional academic support. Participation in the CSU Early Start Program is recommended but not required.

**Category IV: Student required to attend the CSU Early Start Program**

Based on new multiple measures, students demonstrate a need for intense academic support. Participation in the Early Start Program is required and designed to provide students intense and focused support while allowing them an opportunity to earn college-credit in the summer before their first term.

*The CSU Early Start Program*

In June 2010, Executive Order 1048 established the CSU Early Start Program. This program was designed for CSU students who did not demonstrate college-ready proficiency in mathematics and/or written communication by the time of high school graduation. Taking effect in the summer of 2012, incoming students were required to begin remediation in the summer prior to the fall term. As a systemwide policy, the minimum requirement was a one-unit remedial experience that could be fulfilled online, at a community college or on a CSU campus. After careful examination, the previous Early Start Program policy and approach was found to be administered with significant variation across campuses and generally ineffective at advancing students academically. Most students who completed a CSU Early Start Program experience enrolled in developmental education courses the following term.

Executive Order 1110 supersedes the previous policy governing the CSU Early Start Program. Effective summer 2019, students required to attend the Early Start Program will have an opportunity to earn college credit the summer before beginning their first term. The Early Start Program will offer credit-bearing courses in mathematics and written communication systemwide. Instructional content considered pre-baccalaureate (or remedial) will carry a maximum of two units and can only be offered concurrently with a college-level course. The CSU provides financial support to cover Early Start Program fees for students based on standard financial aid practices including expected family contribution calculations.

### *Developmental Education Reform*

Beginning fall 2018, no CSU student was required to enroll in a stand-alone developmental education course for no credit. Students placed in Categories III and IV referenced above were offered college-level math and written communication courses with support embedded or attached to the course. Supportive course models may include, among others, co-requisite approaches, coordinated supplemental instruction modules or “stretch” formats that could extend a course beyond one academic term. For example, a student might be enrolled in a four-unit course—three units for the college-level math course and one-unit of support that could meet an extra day per week or an extended hour before or after the main course.

It is important to note that these new course models are not intended to compromise academic quality or rigor. The objective is not to change learning outcomes of the course, rather it is to change the way campuses support students to meet those outcomes. CSU faculty worked diligently to redesign courses and to develop complementary support modules. Given the scale of the policy change and stakes for the students, there is significant interest in the earliest indication of how students are performing following implementation.

The data presented are preliminary, representing one semester of outcomes. Tracking the fall 2018 cohort through their second year will provide a more comprehensive assessment of their performance following implementation. Still, the first term results provide important information to help understand differences in course-taking and academic progress. The systemwide data provided here are derived from grade files submitted by campuses. The data are presented in the aggregate representing all 23 CSU campuses.

During the fall 2018 term the CSU enrolled 19,662 students who required additional academic support. Among these students, 17,734 attempted a lower division mathematics and/or written communication course in the fall 2018 term (11,719 math/6,014 written communication).



*Math/Quantitative Reasoning Outcomes*

When comparing fall 2017 outcomes to fall 2018, for students requiring additional academic support, the number of those passing a lower-division math course increased eightfold from 950 (fall 2017) to 7,952 (fall 2018). Approximately 5% of the fall 2017 cohort needing additional academic preparation passed a lower-division math course in their first term compared to 46% of the fall 2018 cohort.

CSU Math/QR Preliminary Outcomes Following EO1110 Implementation*	2017 Math	2018 Math
<b>Students in Need of Additional Academic Support</b>	<b>17,371</b>	<b>17,417</b>
<b>Attempted a Developmental Math/QR Course</b>	<b>14,164</b>	<b>*</b>
<b>Completed a Developmental Math/QR Course with "C-" or better</b>	<b>9,941</b>	<b>*</b>
<b>Attempted a Lower Division Math/QR Course</b>	<b>1,438</b>	<b>11,719</b>
<b>Cohort Completion in a Lower Division Math/QR Course with "C-" or better</b>	<b>950 (5%)</b>	<b>7,952 (46%)</b>

\*Fall 2017 represents students entering deemed not ready for college-level math. Fall 2018 represents students placed in supported baccalaureate courses (Category III and IV).

After just one term, the percent and number of students in the fall 2018 cohort completing the B4 general education requirement in mathematics/quantitative reasoning (31 percent; 5,374 students) surpassed the percentage and number of similar students in the previous cohort who completed the same requirement (27 percent; 4,719 students) during the entire 2017-18 academic year.

*Written Communication*

Traditionally, fewer students arrive underprepared in written communication. This is, in part, due to the Expository Reading and Writing Course (ERWC) available to seniors at the majority of California high schools. The course focuses on the use of nonfiction and fiction text, journalistic pieces and novels, emphasizing close reading, argument, critical thinking, rhetoric, and analytical writing. The course is approved by both the University of California and the CSU as fulfilling the senior-level English course requirement. Approximately 14,000 incoming first-year students demonstrate proficiency through completion of ERWC.

More than 80 percent of students in need of additional academic preparation who attempted a college-level written communication course in fall 2018 passed with a C- or better during the fall 2018 term. The majority of these courses represented the first part of what are commonly referred to as "stretch courses" in written communication that extend course expectations and learning

goals over a full year rather than a single semester—a two course sequence. Students who complete the stretch course typically earn six units of credit (three units each semester), all of which count toward the 120 units needed to graduate.

CSU Written Communication Preliminary Outcomes Following EO1110 Implementation*	2017 Written Comm	2018 Written Comm
Entering Class	11,138	7,535
Attempted a Developmental Written Communication Course	1,682	*
Completed a Developmental Written Communication Course with "C-" or better	1,369	*
Attempted a Lower Division Written Communication Course	7,974	6,014
Cohort Completion in a Lower Division Written Communication Course with "C-" or better	6,795 (61%)	4,947 (66%)

\*Fall 2017 represents students entering deemed not ready for college-level written communication. Fall 2018 represents students placed in supported baccalaureate courses (Category III and IV).

### *Early Interpretations*

Although the early results are positive, there are a number of outstanding questions that must be pursued. For example, some raise questions about the ability of students to perform in subsequent higher-level math courses. Others, for instance, express concern about the composition of STEM majors becoming less diverse as a result of non-algebraic math pathways. Still, these numbers provide an opportunity to relinquish major concerns that policy changes associated with Executive Order 1110 are categorically detrimental for students. Students in the fall 2018 cohort are already experiencing better initial outcomes in first-year math and written communication courses compared to previous cohorts. For CSU's underserved students, these outcomes can have a significant impact on closing equity gaps.

There are opportunities for improvement. The Office of the Chancellor will continue to support campus improvement efforts with the expectation that the program models will have an even greater benefit to students over time. These data provide an opportunity to examine structural variation across campuses, to learn from common implementation challenges, and to ask better questions going forward about how to more effectively serve students.

### *Systemwide Evaluation*

The Office of the Chancellor is partnering with WestEd, a nonprofit research agency that works with education and other communities to promote excellence, improve learning and achieve equity for all learners. Consultation with CSU stakeholders about the study began in 2017 to inform the

design of the Implementation Studies Project (ISP). The project covers a three-year period consisting of formative and summative studies that will inform the CSU system about the pathways students take and the progress they make immediately after the implementation of Executive Order 1110.

To the extent possible, the implementation studies will explore what trends have occurred and why. Equally important, the studies will examine the variation of the models and instructional approaches adopted by campuses and analyze how they perform for various student populations, including historically underrepresented students, first generation students and other subgroups. Focus groups and interviews with students, faculty, and campus administrative leaders will be the primary data collected to examine questions related to: 1) course redesign (including instructional modifications to the Early Start Program) and 2) student placement categories.

Focus groups and interviews can only be conducted on a subset of campuses. Some results will be illustrative rather than generalizable to all campuses. Where possible and available, documents and qualitative data will be analyzed for all 23 campuses. The series of summative studies will be developed to build a base of knowledge that allows the CSU to understand: 1) how and if credit accumulation has increased, in which settings, for which students and why; 2) the impact of revamped Early Start Programs; and 3) the validity of the multiple measures placement approach. The implementation study is not evaluative. WestEd is not evaluating individual campuses, departments, courses or faculty. The implementation studies are an attempt to objectively understand how implementation has evolved on different campuses and what lessons might be applied going forward.

## **Summary**

Addressing academic preparation has been a primary area of focus for the CSU's Graduation Initiative 2025. The Office of the Chancellor will continue to monitor the outcomes of Executive Order 1110 for the full academic year and will provide an update to the board when those data are available. Delivering these new course models across the CSU can be a major factor for achieving the goal of eliminating equity gaps. Students from underserved communities were disproportionately assigned to non-credit developmental education courses. Being assigned to these courses had a negative impact on a student's credit accumulation in the first year. It also inadvertently sent the message that the student did not belong in college and decreased the likelihood of degree completion. One-in-four students assigned to developmental education courses did not return for their second year. Only 10 percent earned a degree in four years and fewer than half graduated within six years. Nationally, developmental education courses are considered a major contributor to attrition. Rather than beginning college with a deficit, students who arrive in need of additional academic support now have an opportunity to earn college credit on their first day while receiving the support they need to be successful.

## **COMMITTEE ON EDUCATIONAL POLICY**

### **Student Financial Aid**

#### **Presentation By**

Loren J. Blanchard  
Executive Vice Chancellor  
Academic and Student Affairs

Dean Kulju  
Director, Student Financial Aid Services and Programs  
Student Academic Services

Noelia Gonzalez  
Director, Admissions and Financial Aid  
California State University, Stanislaus

#### **Summary**

The California State University (CSU) continues to offer one of the most affordable undergraduate educational programs in the nation and further supports access to a high quality education through robust financial aid programs. Financial support is a pillar of our strategy supporting Graduation Initiative 2025. Without financial assistance, college likely would not be an option for many students.

As we continue to address financial support for students, two emerging opportunities have the potential to enhance affordability for students:

- The reinstatement of year-round Pell grants; and
- The proposed reforms for the state's Cal Grant program.

Resources supporting the primary financial aid programs — federal Pell Grants, state Cal Grants, state Middle-Class Scholarships and CSU's State University Grants — have increased modestly during the last three years. For 2017-2018, this totaled \$2.4 billion in grant assistance for CSU students, more than half of the \$4.5 billion in total aid to all students.

## **Reinstatement of Year-Round Pell Grants**

Federal Pell grants provide the greatest amount of student financial aid funding in the CSU, followed by the state's Cal Grant program, our institutional State University Grants (SUG) and finally the state's Middle-Class Scholarship. In 2017-2018, there were 229,509 undergraduate students (54 percent of the student body) who received more than one billion dollars in Pell grants.

The federal government made policy changes in 2017-2018 permitting students who are eligible for a Pell Grant to receive more than one award in an academic year. In particular, students could use the additional award to cover costs of enrolling in summer sessions, whereas previously such funding was not available. Students who may not have otherwise been able to afford summer term enrollment now have additional financial aid options to address these costs, and facilitate progress toward completion of their degree.

The late timing of federal rulemaking regarding Pell awards in 2017 limited the impact in summer 2017. However, with an entire college year to prepare and communicate financial aid and enrollment opportunities, campuses were able to leverage these resources to increase student enrollment in summer 2018.

Data from CSU campuses show that just under 7,000 students received a summer Pell award in summer 2017, while more than 21,000 students received an award in summer 2018, a three-fold increase. We will continue to monitor the results from each campus of the impact of the summer Pell Grants for our students on their journey to degree completion.

## **Proposed Cal Grant Reforms**

After federal Pell Grants, state Cal Grants are the greatest source of grant funds for CSU students. These are administered by the California Student Aid Commission (CSAC), which is external to the CSU.

In 2017-18, the state required the CSAC to identify ways in which the Cal Grant program could be improved. The resulting recommendations included:

- Simplifying the state's existing aid programs;
- Considering the total cost of attendance in the Cal Grant program;
- Reinstating a formula for the maximum Cal Grant award available when attending private nonprofit institutions; and
- Augmenting the Cal Grant program to support summer enrollment.

As reforms to the state's aid programs are being considered, CSU Chancellor Timothy White and University of California President Janet Napolitano outlined shared principles regarding state financial aid reforms in November 2018, including:

- Building on the success of existing programs and a philosophy of “do no harm” to student populations currently served;
- Maintaining a focus on tuition coverage for low- and middle-income students;
- Expanding Cal Grants by removing some of the restrictions for nontraditional students;
- Establishing supplemental summer Cal Grant eligibility; and
- Maintaining colleges' and universities' focus on the total cost of attendance.

With these goals and principles in mind, the CSU has identified a number of practical outcomes of the proposed reforms for CSU students.

Current Cal Grant policy does not allow first-time students who enroll in a CSU directly from high school to receive a Cal Grant B tuition award in their first year of enrollment. This limitation is based on an existing provision in law established in the 1970s. Because of this limitation, in the most recent year more than 23,500 first-year students who were otherwise eligible for a Cal Grant did not receive tuition coverage. Instead, campuses awarded the CSU's State University Grants (SUG) to cover this gap. However, this means fewer SUG dollars available for other students. Making this proposed change to Cal Grant could allow CSU campuses to extend SUG awards to more CSU students or cover a greater share of non-tuition costs, such as campus-based fees.

The Cal Grant program currently utilizes a number of eligibility requirements that exclude otherwise eligible students. As one example, the Cal Grant transfer program currently has an age limit of 27, meaning that older, non-traditional students may not qualify for the program. Proposed policy changes would eliminate many of these restrictions, such as the age limit, that prevent otherwise eligible CSU students from accessing a Cal Grant.

Recommendations for the Cal Grant program also include creating opportunities for awards applicable to summer session enrollment. Currently, annual Cal Grant awards are capped at the equivalent of full-time, regular-term tuition for each of the university segments. While access to state financial aid programs for summer enrollment is possible, funds received for summer reduce the student's remaining eligibility for Cal Grant, which may disadvantage the student during a regular term. As such, most eligible students will access institutional aid, and more recently federal Pell grant programs. Proposed policy changes would create opportunities for eligible students to receive a Cal Grant award applicable for up to two summer session enrollments during their undergraduate degree program.

As these and other proposed program changes would result in expanding the population of eligible California students, it is important to note that the state would need to increase funding for Cal Grant to achieve these reforms to the entitlement programs. The Cal Grant program and Middle Class Scholarship program are funded by state general fund dollars and considered part of the state's investment in higher education. To ensure that expanding access to financial support aligns with authentic opportunities for CSU enrollment, advocacy regarding the proposed Cal Grant changes will be coupled with advocacy for further investments in CSU enrollment and the Graduation Initiative 2025.

### **Conclusion**

CSU campuses continue to innovate and seek approaches to lower the total cost of education for students, such as expanding the use of free and low-cost textbooks and course materials and awarding micro-grants to allow students to address unexpected short-term expenses. But it is the CSU's overall low tuition cost and maximization of federal, state and institutional aid programs that provide hundreds of thousands of students access to a high-quality college degree each term.

Financial aid is critical to providing California's students access to a high-quality CSU education. The CSU supports the continuing increase of financial aid resources, the reinstatement of the summer Pell Grant and reforms under consideration in the Cal Grant program because they support student success.

While fewer than half of CSU graduates complete their education with student debt, we continue to strive to reduce even this percentage and be innovative in reducing educational costs for students. The CSU's aid program is vast – awarding more than four billion dollars in aid annually to nearly 400,000 students, and we are keenly interested and engaged in the state of California's efforts to expand access to state aid programs.

## **COMMITTEE ON EDUCATIONAL POLICY**

### **External Partnerships**

#### **Presentation By**

Loren J. Blanchard  
Executive Vice Chancellor  
Academic and Student Affairs

James T. Minor  
Assistant Vice Chancellor and Senior Strategist  
Academic Success and Inclusive Excellence

Judith Botelho  
Director  
Center for Community Engagement

This item provides an update on the development of several external partnerships designed to engage community-based organizations, faith-based communities, and to support service-learning opportunities for CSU students. Through external partnerships, the Office of the Chancellor seeks to improve the number of students who arrive to the CSU academically and socially prepared for college and to leverage community partnerships to support degree completion among CSU students, including those from underserved communities.

#### **Background**

For more than three decades the CSU has actively engaged diverse communities across California as a way to advance the mission of the university and to promote educational opportunity. Through a range of programs and sponsorships, the CSU is reaching into communities to improve the accessibility of the university and to provide service-learning opportunities for current students.

Over the last two years, the Office of the Chancellor has provided approximately \$2.6M dollars for programs to support external partnerships that fill gaps in college readiness across the state. These programs are designed to maximize local resources to support academic progress for PK-12 students and Graduation Initiative 2025 goals. The CSU has identified five key areas of emphasis to improve the collective impact of longstanding and emerging external partnerships:

- Improve community awareness about CSU admissions and the A-G requirements;
- Improve college-readiness of incoming students in math and written communication;
- Improve community and family awareness about student financial aid;
- Improve existing transfer pathways from community colleges; and
- Increase percentage of CSU students completing 15 units each semester.



By increasing the knowledge of prospective students and their families, these programs positively influence college-going behavior, improve the accessibility of local campuses and demystifies the technical aspects of the application process. These programs also acknowledge the critical importance of local partners for preserving educational opportunity, improving degree attainment, and social mobility. This item highlights just a few external partnerships and programs that bring together CSU campuses and diverse communities.

In addition to the external partnership programs, the CSU also provides opportunities for its students to enrich local communities while also learning. As early as the 1990s, the CSU recognized the value of service learning as a vehicle that would meet the state's changing educational needs while also providing vital civic skills and knowledge for its students. The Center for Community Engagement (CCE) in the Office of the Chancellor is marking its 20th anniversary as the first systemwide office of its kind in the nation. Established in 1998, CCE paved the way for many firsts, including the institutionalization of service learning across all 23 CSU campuses and the establishment of California's Call to Service Initiative, a statewide annual investment that supports the advancement of service learning. The National Service Learning Clearinghouse, defines service learning as *"a teaching and learning strategy that integrates meaningful community service with instruction and reflection to enrich the learning experience, teach civic responsibility, and strengthen communities."*

### *CSU Super Sunday*

For the last 13 years, the Office of the Chancellor has coordinated and supported an annual Super Sunday community outreach event. During the month of February, campus leaders visit African American churches and other faith-based organizations to deliver a message about the accessibility of the CSU and the importance of college preparation. More than 100 faith-based organizations participate each year, enabling more than 100,000 students and families throughout the state to hear a common message about the benefits of a college education.

Because CSU remains committed to providing authentic access, it is important to effectively utilize Super Sunday as an engagement opportunity that extends beyond one day per year. Based on feedback gathered from campus leaders, outreach staff, and faith-based partners, the following changes were implemented this year to improve the Super Sunday event and subsequent programming:

- Campus staff were given more autonomy to identify Super Sunday church partners;
- A common planning toolkit was provided to campuses by the Office of the Chancellor;
- Super Sunday messaging was tailored to promote local campuses; and
- Increased focus was placed on continuous partnership and programming beyond the single day event.

One intended consequence of these program developments is to increase direct campus engagement with faith-based partners affording them greater opportunity to align developing partnerships with campus goals.

### *Summer Algebra Institute*

The Summer Algebra Institute is a six-week math enrichment program for rising 9th -12th grade students. At 17 sites across the state, students improve their math skills with instruction from certified math teachers, they use adaptive online learning tools, receive SAT preparation, participate in hands-on science, technology, engineering and mathematics (STEM) projects and visit a local CSU campus. One primary goal of the program is to positively improve college readiness while providing early engagement with a local CSU campus.

Each community-based site is required to provide at least two parent workshops to cover CSU eligibility requirements, “a-g” course-taking in high school, financial aid, and college admissions. The workshops often include outreach staff from a local CSU campus to address questions associated with impactation or local preference consideration when they arise. The sites serve a minimum of 50 students. Some sites serve more than 100 students and independently extend programming throughout the school year. Students take a pre-test and post-test to demonstrate gains in math competency over the six weeks. The CSU hosts a formal closing meeting with site directors each August to review outcomes and to discuss potential program improvements. This program not only improves mathematics skills and college knowledge, it also delivers culturally relevant pedagogy and mathematical references to help students see themselves as mathematicians or scientists.

### *Cultural Initiatives*

The CSU’s external relations programming supports a diverse California including Native American, Asian and Pacific Islander and Latino communities. Partnerships with these communities take many forms. Some, for example, focus on improving the number of underserved students successfully completing STEM majors. Others focus on ensuring more students from underserved communities arrive to college prepared to pursue a STEM degree program. The cultural initiatives began to ensure that the CSU has working relationships and programming to support educational opportunities for Californians of every ethnicity. Some campuses, based on location, serve different populations more directly or with greater intensity.

CSU Long Beach, Los Angeles, San Bernardino, Fullerton and Cal Poly Pomona train Student Ambassadors with skills to support college preparation among PK-12 students. These Ambassadors then work in Asian American and Pacific Islander communities to guide students and their families through the CSU admissions process. Once a year, student ambassadors from all five campuses come together for a two-day, overnight retreat on the Cal Poly Pomona campus to

develop leadership skills and culturally relevant approaches to their work. Approximately 50 undergraduate students participate. Many students describe the experience as life changing and walk away with a renewed sense of purpose to serve their community.

The CSU began collaborating with Native American tribal governments more than a decade ago, after hosting a summit with leaders. This initial summit drew representatives from more than 40 tribes to discuss strategies to build a college-going culture among Native youth and their families. The CSU also publishes a “*How To Get To College*” brochure, written in the Luiseño language for several of the larger tribal communities in California. Through Native American Students United, an on-campus student club established in 2017, and the Native Advisory Council, CSU Monterey Bay is developing the infrastructure to support American Indian students in college. This includes exposing students to on-campus resources, discussing the potential benefits of taking 15-units per semester and providing Native wellness tips. Participating students report a greater sense of belonging to the university community. More than 140 students participated in related programs and events.

Given that 21 campuses are designated as Hispanic-Serving Institutions (HSIs), the CSU collaborates with a number of Latino community organizations to coordinate institutional resources to close equity gaps for Latino students. A HSI is defined in federal law as an accredited, degree-granting institution of higher education with 25% or more total undergraduate full-time equivalent (FTE) student enrollment that identify as Hispanic.

Through an innovative partnership with Univision Inc., an estimated 28,000 students and families attend Feria de Educación at CSU Northridge, Sacramento State and Fresno State each year. The one-day event features a book giveaway, workshops and educational resources for all ages, including a college fair focused on high school and community college students. As the largest Spanish language media company, Univision helps amplify the importance of academic preparation for college success through airtime and digital platforms. The event is supported with televised educational forums during a national week-long focus on the importance of college.

### *Center for Community Engagement*

Community engagement experiences, identified as a high impact practice, afford students the opportunities to immerse themselves in the issues and realities of communities. From service-learning courses that address environmental justice to research with nonprofit organizations on criminal justice reform, these experiences encourage students to learn from and serve alongside community members.

In 2000, Governor Gray Davis requested a community service requirement for all students in California’s public institutions of higher education. Receiving national recognition, the CSU Board of Trustees passed a resolution calling for the chancellor and each CSU president to “*ensure that*

*all students have opportunities to participate in community service, service learning deemed academically appropriate by faculty, or both.”* The State of California has authorized nearly \$1.1 million each year over the last 20 years to support the expansion of service-learning opportunities on all CSU campuses. In the 2017-18 academic year, an additional \$5.5 million was secured from external sources to support community engagement, a return on investment of nearly \$5 for every dollar invested by the state.

Today, CCE actively advances the CSU’s commitment to inclusivity, equity and student success through high quality community programs and scholarship. Since 1998, the CSU has seen a 248 percent increase in the number of service-learning courses offered. For the 2017-18 academic year, more than 67,500 students enrolled in nearly 3,500 service-learning courses. These courses contributed 1.5 million hours of service to California communities while partnering with 5,500 organizations.

The CSU designates 20 percent of Federal Work Study funds for community service placements annually, above the national average of 14 percent. A recently completed CCE Keck Service Learning Study found that students who participated in STEM service-learning courses reported significantly higher civic engagement attitudes than students who did not. Service-learning students’ STEM career interests also increased. During the first three years of CCE’s CSU STEM VISTA program, VISTA members supported hands-on learning opportunities for nearly 21,000 PK-12 students across local communities. Of the STEM students who participated, available retention data indicates that equity gaps for retention were eliminated.

A secondary analysis from the CCE Keck STEM Service Learning Study showed that six-year graduation rates were higher for service-learning students. A 2010 cohort of first time, first-year students who completed a service-learning course had six-year graduation rates of 79% compared to 45% of a matched-sample of control students. A 2011 cohort of participating traditionally underserved students had six-year graduation rates of 74% compared to 52% of matched peers in non-service-learning classes.

## **Summary**

To meet the needs of California’s future, a greater number of PK-12 students must successfully transition to a postsecondary institution and be successful. The persistent disparities in college enrollment and completion have serious consequences for the economic and democratic future of the state. Once enrolled in college, it is equally important that students, regardless of their ethnicity or background, have an equal opportunity to earn a college degree. CSU external partnerships have intentionally evolved to focus more explicitly on readiness, access and completion in ways that are culturally responsive. To maximize these community investments, the Office of the Chancellor is also working to ensure that supported programs demonstrate, to the extent possible, effectiveness in advancing the stated goals.

## AGENDA

### COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL

**Meeting:** 8:30 a.m., Wednesday, March 20, 2019  
Glenn S. Dumke Auditorium

Hugo N. Morales, Chair  
Silas H. Abrego, Vice Chair  
Rebecca D. Eisen  
Douglas Faigin  
Debra S. Farar  
Jean P. Firstenberg  
Lillian Kimbell

**Consent**

1. Approval of Minutes of the Meeting of January 23, 2019, *Action*

**Discussion**

2. Executive Compensation: President – California State University, Fullerton, *Action*
3. Executive Compensation: President – California State University San Marcos, *Action*
4. Approval of Recommended Revisions of Title 5, California Code of Regulations, Article 4.2, Catastrophic Leave Donation Program, *Action*
5. Recommended Amendment to Presidential Selection Policy, *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**

**January 23, 2019**

**Members Present**

Silas H. Abrego, Vice Chair  
Rebecca D. Eisen  
Douglas Faigin  
Debra Farar  
Jean Picker Firstenberg  
Lillian Kimbell  
Adam Day, Chairman of the Board  
Timothy P. White, Chancellor

Trustee Abrego called the meeting to order.

**Public Comment**

The committee heard from four individuals during the public comment period addressing concerns about the proposed revisions to Title 5, Catastrophic Leave Donation Program and the long-lasting effects on the impacted employees and campuses in the aftermath of the recent fires.

**Recommended Revisions of Title 5, California Code of Regulations, Article 4.2, Catastrophic Leave Donation Program**

Ms. Evelyn Nazario, Vice Chancellor of Human Resources, presented information on proposed revisions to Article 4.2 of Title 5 which addresses the Catastrophic Leave Donation Program. It was stated the revisions are mainly in response to the devastating wildfires we have experienced for the past two years. The proposed revisions include expanding the current catastrophic leave donation program to include catastrophic leave for a natural disaster/state of emergency; which will align CSU with other state agencies, provide more flexibility to our presidents in managing their workforce needs and will provide CSU employees who have experienced a major catastrophe with support during unprecedented difficult times. Vice Chancellor Nazario also stated that they

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are currently exploring the viability for employees to be able to donate leave credits across campuses for catastrophic leave for future action.

There was a discussion regarding the proposed revisions. Based upon the discussion among the committee members, as well as comments from the public, a revised proposed amendment will be presented for action at the March 2019 Board of Trustees meeting.

Trustee Abrego adjourned the committee meeting.

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

### **Executive Compensation: President – California State University, Fullerton**

#### **Presentation By**

Timothy P. White  
Chancellor

#### **Summary**

This action item establishes the compensation for Mr. Framroze Virjee as president of California State University, Fullerton.

#### **Background**

The CSU Board of Trustees is pleased to present Mr. Framroze (Fram) Virjee as the next president of California State University, Fullerton (CSUF). Mr. Virjee has been serving as campus president under a term appointment since January, 2018 and will assume the permanent presidency immediately.

Virjee becomes the sixth permanent president of CSUF. He succeeds Mildred García who was appointed president of the American Association of State Colleges and Universities (AASCU) in November, 2017. Virjee was subsequently appointed by CSU Chancellor Timothy P. White to serve as president of CSUF until the next president was appointed by the Board of Trustees, and he has served in that capacity since García's departure.

From January 2014 through December 2017, Virjee served as executive vice chancellor, general counsel and secretary to the CSU Board of Trustees. In that capacity, Virjee led a staff of attorneys, paralegals and support personnel, and oversaw all legal services for the 23-campus CSU. Virjee also served as chief legal officer to the Board of Trustees, advising them on all legal issues including open meeting laws, board rules and procedures and education code compliance.

Prior to joining CSU, Virjee was a partner in private practice for almost 30 years at O'Melveny & Myers, the oldest law firm in Los Angeles and one of the largest in the nation. At O'Melveny, Virjee specialized in labor and employment law with an emphasis in representing educational institutions in the areas of collective bargaining, education code compliance, and discrimination and employment litigation. Virjee's practice included representing employers in employment litigation, providing preventative advice through client counseling, policy and procedure review and drafting, and extensive in-house training and education on important labor and employment issues. Virjee also served in several leadership positions at O'Melveny, including Secretary to the Management Committee, Chair of the Employment Committee, and the Partner-in-Charge of both Lateral Hiring and Diversity.



## **AMENDED**

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Virjee graduated summa cum laude, earning a bachelor's degree in political science and sociology from the University of California, Santa Barbara. He earned his J.D. cum laude from the University of California Hastings College of the Law.

### **Executive Compensation**

Chancellor White recommends that Mr. Framroze Virjee receive an annual salary of \$367,124 effective immediately as president of California State University, Fullerton. This is the same salary as his current president term appointment. Additionally, Mr. Virjee will be required to live in the university's presidential residence located in Fullerton, California, as a condition of his employment as president.

In accordance with existing policy, Mr. Virjee will receive the following benefits:

- An auto allowance of \$1,000 per month;
- Standard benefit provisions afforded CSU Executive classification employees;
- An executive transition program provided he meets the eligibility requirements passed by the Board of Trustees on November 15, 2006 (RUF 11-06-06); and
- Reimbursement for actual, necessary and reasonable moving and relocation expenses.

Mr. Framroze Virjee will hold the academic rank of full professor with tenure, subject to faculty consultation, in the College of Business and Economics.

Chancellor White recommends the trustees approve the salary for the next president of California State University, Fullerton, Mr. Framroze Virjee.

### **Recommended Action**

The following resolution is recommended for adoption:

**RESOLVED**, by the Board of Trustees of the California State University, that Mr. Framroze Virjee shall receive a salary set at the annual rate of \$367,124 effective the date of his appointment as president of California State University, Fullerton; and be it further

**RESOLVED**, that Mr. Framroze Virjee shall receive additional benefits as cited in Item 2 of the Committee on University and Faculty Personnel at the March 18-20, 2019 meeting of the Board of Trustees.

**COMMITTEE ON UNIVERSITY AND FACULTY PERSONNEL**

**Executive Compensation: President – California State University San Marcos**

**Presentation By**

Timothy P. White  
Chancellor

**Summary**

This action item establishes the compensation for Dr. Ellen J. Neufeldt as president of California State University San Marcos.

**Background**

The CSU Board of Trustees is pleased to present Dr. Ellen J. Neufeldt as the next president of California State University San Marcos (CSUSM). It is expected that Dr. Ellen J. Neufeldt will assume her presidency on or before July 1, 2019.

Dr. Neufeldt becomes the fourth president of CSUSM. She succeeds Karen Haynes who will be retiring at the end of June, 2019 after serving as CSUSM president for 16 years.

Neufeldt has served as a vice president of student engagement and enrollment services at Old Dominion University (ODU), in Norfolk, Virginia since 2011 where she leads the areas of student engagement, student success enrollment services, government relations, institutional research, marketing and public relations. Her previous higher education leadership roles include service as vice president of student affairs at Salisbury University and assistant vice chancellor for student development and dean of student life at the University of Tennessee at Chattanooga where she also served as the assistant dean of students.

Neufeldt earned a bachelor's degree in business administration, and a master's in educational psychology and counselor education from Tennessee Technological University, and a doctorate of education from the University of Tennessee, Knoxville.

## **AMENDED**

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### **Executive Compensation**

Chancellor White recommends that Dr. Ellen J. Neufeldt receive an annual salary of \$336,719 effective on or before July 1, 2019 the date of her appointment as president of California State University San Marcos. This is the same salary as the current president. Additionally, Dr. Ellen J. Neufeldt will receive an annual housing allowance of \$60,000.

In accordance with existing policy, Dr. Neufeldt will receive the following benefits:

- An auto allowance of \$1,000 per month;
- Standard benefit provisions afforded CSU Executive classification employees;
- An executive transition program provided she meets the eligibility requirements passed by the Board of Trustees on November 15, 2006 (RUF 11-06-06); and
- Reimbursement for actual, necessary and reasonable moving and relocation expenses.

Dr. Ellen J. Neufeldt will hold the academic rank of full professor with tenure, subject to faculty consultation, in the College of Education, Health and Human Services.

Chancellor White recommends the trustees approve the salary for the next president of California State University, San Marcos, Dr. Ellen J. Neufeldt.

### **Recommended Action**

The following resolution is recommended for adoption:

**RESOLVED**, by the Board of Trustees of the California State University, that Dr. Ellen J. Neufeldt shall receive a salary set at the annual rate of \$336,719 and an annual housing allowance of \$60,000 effective the date of her appointment as president of California State University San Marcos; and be it further

**RESOLVED**, that Dr. Ellen J. Neufeldt shall receive additional benefits as cited in Item 3 of the Committee on University and Faculty Personnel at the March 18-20, 2019 meeting of the Board of Trustees.

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

### **Approval of Recommended Revisions of Title 5, California Code of Regulations, Article 4.2, Catastrophic Leave Donation Program**

#### **Presentation By**

Evelyn Nazario  
Vice Chancellor  
Human Resources

#### **Summary**

It is proposed that Article 4.2 of Title 5 which addresses the catastrophic leave donation program be revised to: (a) update Section 42930 to include catastrophic leave for natural disasters/state of emergency; (b) update Section 42931 to include the definition of catastrophic leave for natural disasters/state of emergency; (c) update the participation and eligibility requirements as defined in Section 42932; and (d) update the donation criteria as defined in Section 42933.

These revisions to Title 5 are proposed to expand the current Catastrophic Leave Donation Program to include Catastrophic Leave for a Natural Disaster /State of Emergency declared by the Governor. This benefit would be available to an employee who faces financial hardship because the employee has exhausted all accrued personal holiday credits and compensating time off, and has a balance of forty (40) hours or less in each accrued vacation credits and accrued sick leave credits, and is unable to work due to the effect of a natural disaster on the employee's principal residence.

Additionally, it is proposed that Article 4.2 be revised to include that the president of each campus, subject to the approval of the Chancellor, has the authority to make exceptions to the prescribed policy for the purpose of responding to other catastrophic occurrences of comparable impact and/or to expand the benefits of the prescribed policy when compelling and unusual circumstances exist. These revisions to Title 5 are proposed to expand the current Catastrophic Leave Donation Program to include Catastrophic Leave for a Natural Disaster/State of Emergency declared by the Governor.

#### **Background**

This agenda item would revise Article 4.2 of Title 5, which addresses the Catastrophic Leave Donation Program to (a) update Section 42930 to include catastrophic leave for natural disasters/state of emergency; (b) update Section 42931 to include the definition of catastrophic leave for natural disasters/state of emergency; (c) update the participation and eligibility requirements as defined in Section 42932; and (d) update the donation criteria as defined in Section 42933.

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Additionally, this agenda item would revise Article 4.2 to include that the president of each campus, subject to the approval of the Chancellor, has the authority to make exceptions to the prescribed policy for the purpose of responding to other catastrophic occurrences of comparable impact and/or to expand the benefits of the prescribed policy when compelling and unusual circumstances exist.

### **Recommended Action**

Adoption of Resolution

### **Proposed Revision**

The following resolution is recommended for adoption:

**RESOLVED**, By the Board of Trustees of the California State University, acting under the authority prescribed herein and pursuant to Section 89030.1 of the Education Code, that the board hereby amends its regulations in Article 4.2, Subchapter 7, Chapter 1, Division 5 of Title 5 of the California Code of Regulations as follows:

**Title 5, California Code of Regulations**  
**Division 5 – Board of Trustees of the California State Universities**  
**Chapter 1 – California State University**  
**Subchapter 7 – Employees**  
**Article 4.2 – Catastrophic Leave Donation Program**

**§ 42930. Purpose.**

An employee who accrues vacation or sick leave credits may voluntarily donate either of those credits to another employee on the same campus, or, for employees in the Office of the Chancellor, to another employee in the Office of the Chancellor. To qualify for catastrophic leave for catastrophic illness or injury, the recipient employee shall have exhausted all accrued leave credits due to catastrophic illness or injury as defined in this Article. ~~that has totally incapacitated the employee from work.~~ “Accrued leave credits” include credits for sick leave, vacation, personal holiday and compensating time off. To qualify for catastrophic leave for a natural disaster/state of emergency, the recipient employee whose principal residence has been affected by a declared natural disaster/state of emergency, as defined in Section 42931, shall have exhausted all accrued personal holiday credits and compensating time off, and have a balance of forty (40) hours or less in each accrued vacation credits and accrued sick leave credits.

The president of each campus, subject to the approval of the Chancellor, has the authority to make exceptions to the prescribed policy for the purpose of responding to other catastrophic occurrences of comparable impact and/or to expand the benefits of the prescribed policy when compelling and unusual circumstances exist.

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

**§ 42931. Definition of Catastrophic Illness or Injury and Catastrophic Leave for a Natural Disaster/State of Emergency.**

A catastrophic illness or injury is one which has totally incapacitated the employee from work. Catastrophic illness or injury may also include an incapacitated member of the employee’s family, if this results in the employee’s being required to take time off for an extended period of time in order to care for the family member and the employee has exhausted all of accrued vacation credits and all accrued sick leave credits which may be used for family care. Only donated vacation credits may be used for such family care catastrophic leave.

Catastrophic leave for a natural disaster/state of emergency is leave for an employee whose principal residence is located in a county where a state of emergency has been declared by the Governor, is unable to work due to the effect of the natural disaster/state of emergency on the recipient employee’s principal residence, and who faces financial hardship because the employee has exhausted all accrued personal holiday credits and compensating time off, and has a balance of forty (40) hours or less in each accrued vacation credits and sick leave credits.

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

**§ 42932. Participation and Eligibility.**

An employee, the employee's representative or the employee's family member shall request participation and provide appropriate verification ~~of illness or injury~~ as determined by the employee's appointing authority. The appointing authority shall determine eligibility to receive donations of vacation and sick leave credits based upon the definitions provided in this Article. An incapacitated employee may elect to defer a request to participate during a period of Industrial Disability Leave eligibility.

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

**§ 42933. Donation.**

(a) Only vacation and sick leave credits may be donated in increments of one hour or more. ~~For catastrophic illness or injury, Employees may donate a maximum of forty (40) hours of accrued leave credits per fiscal calendar year in increments of one hour or more. For catastrophic leave for a natural disaster/state of emergency, there is no maximum limit that an employee can donate as long as the employee maintains a balance of forty (40) hours of vacation leave credits and forty (40) hours of sick leave credits per calendar year.~~ Donations are irrevocable. Donated leave credits may be used to supplement Industrial Disability leave, Nonindustrial Disability Insurance or Temporary Disability payments upon the application for these benefit(s) by an eligible employee. The total amount of leave credits donated and used may not exceed an amount sufficient to ensure the continuance of the employee's regular monthly rate of compensation.

(b) The total donated leave credits an employee can receive shall normally not exceed an amount necessary to continue the employee for three calendar months calculated from the first day of catastrophic leave. The appointing authority may approve up to an additional three-month period in exceptional cases. The leave credits shall not be deemed donated until actually transferred by the appointing authority's recordkeeper to the record of the employee receiving leave credits. Such transfer shall be accomplished at ~~the~~ the end of a pay period, and credits shall be transferred in the order of the dates actually pledged.

(c) For employees whose appointments have not been renewed, donated time may not be used beyond the employee's appointment expiration date in effect at the beginning of the disability for catastrophic leave for illness or injury or the date the employee begins catastrophic leave for a natural disaster/state of emergency.

(d) Unused donated leave credits may not be used to receive service credit following a service or disability retirement.

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

And, be it further

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

And, be it further

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



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

### **Recommended Amendment to Presidential Selection Policy**

#### **Presentation By**

Evelyn Nazario  
Vice Chancellor  
Human Resources

#### **Summary**

This action item is a recommendation to increase the student representation on the Advisory Committee to the Trustees for the Selection of the President (ACTCSP). The proposed change increases the number of students serving on the ACTCSP from one to two. This change will require a revision to the existing Board of Trustees Policy for the Selection of Presidents.

#### **Background**

The existing Board of Trustees Policy for the Selection of Presidents was established and approved at the September 2011 board meeting upon a recommendation of the special committee created to adopt a new policy.

The proposed policy revision, which is shown in Attachment A, would increase the number of students serving on the ACTCSP from one to two, and will broaden the student voice during the presidential selection process. As stated in the policy, the two students are to be selected by the duly constituted representatives of the campus student body, according to procedures established by each campus.

#### **Recommended Action**

The following resolution is recommended for approval:

**RESOLVED**, By the Board of Trustees of the California State University, that the Board of Trustees Policy for the Selection of Presidents shall be amended as reflected in Attachment A to agenda item 5 of the Committee on University and Faculty Personnel at its March 18-20, 2019 meeting, so that two students shall now be selected to serve on the ACTCSP. The amended policy shall apply prospectively to any newly-constituted ACTCSP.

## **Board of Trustees Policy for the Selection of Presidents**

### **Responsibility for Appointment of Presidents**

The Board of Trustees of the California State University, in partnership with the Chancellor, is responsible for the recruitment, selection and appointment of CSU campus presidents. There is a deep commitment throughout the process to the principles of consultation with campus and community representatives and diversity. The ultimate decision and responsibility for the transition of executive leadership rests with the Board. The Chancellor designates staff to support the process.

### **The Trustees Committee for the Selection of the President**

The Chair of the Board appoints a Trustees Committee for the Selection of the President (TCSP) for any campus with an impending vacancy. The TCSP is composed of the Chair of the Board, four Trustees, and the Chancellor. The Chair designates a Trustee as chair of the TCSP.

The TCSP determines the attributes desired for a successful candidate, approves the final campus and job descriptions, and any advertising copy, and reviews and interviews candidates. Although the TCSP is the ultimate body to make the final decisions, including the advancement of candidates to the full Board, the process is to be conducted in a manner that includes the campus representatives. The Chancellor may indicate his or her ranking of final candidates before the Board. The Board Chair and the Chancellor may use executive search firms to assist on specific tasks related to the selection process. The Chancellor is responsible for background and reference checks of the final candidates advanced to the Board.

### **The Advisory Committee to the Trustees Committee for the Selection of the President**

The Chair of the Board also appoints an advisory group to the TCSP, known as the Advisory Committee to the Trustees Committee for the Selection of the President (ACTCSP). The ACTCSP is composed of the Chair of the Academic Senate on the campus, two faculty representatives selected by the campus faculty, one member of the campus support staff selected by the staff, ~~one~~ **two** students selected by the duly constituted representatives of the campus student body, one member of the campus Advisory Board selected by that board, one alumnus/alumna of the campus selected by the campus Alumni Association, and one Vice President or academic Dean from the campus, and the President of another CSU campus selected by the Chancellor. Each of the campus representatives shall be determined according to procedures established by the campus. If the campus has a standing policy on campus representation to the ACTCSP that does not call for open election by each constituency, that policy shall be reviewed at the start of a new presidential search, and ratified or amended. The Chair of the Board or the Chancellor may appoint up to two additional members from constituent groups to the ACTCSP to strengthen its capacity to cope with the complex requirements of a specific search, including diversity of the campus, the service area or the state.

The ACTCSP provides advice and consultation regarding the position and campus descriptions and any advertisement of the position. Members of the ACTCSP may also suggest potential candidates with the leadership qualities, administrative ability, academic qualities and other talents appropriate to the position. The ACTCSP reviews and comments on all candidate applications, participates in candidate interviews and the deliberations that lead to the selection of the final candidate(s). The consultative procedures are to be conducted in a manner designed to generate confidence in the selection process and garner local support for the eventual appointee.

### **Confidentiality and Professionalism**

To ensure that the search process respects the professional needs of candidates and is conducted with integrity, strict confidentiality must be maintained by members of the TCSP and the ACTCSP, the Chancellor and staff. Only the Chair of the TCSP or the Chancellor will act as spokesperson for the committees during the presidential search process. After providing a notice of violation and an opportunity for a meeting, the Chair may dismiss a member of the TCSP or the ACTCSP if confidentiality is determined by the Chair to have been violated, or if the behavior of a member is determined by the Chair to have been unethical, unprofessional, disruptive to the conduct of business, or if a member is determined by the Chair to have ignored or failed to follow these rules and procedures.

### **The Presidential Selection Process**

The TCSP meets initially, together with the ACTCSP, to discuss the needs of the campus, and the desired attributes of the new President. The committees also receive information from the campus and the community on these subjects. After these initial sessions, advertising copy is developed, candidates are invited to submit applications, and a broad pool is developed. The Chancellor and the Chair of the TCSP confer and evaluate whether any additional internal CSU candidate(s) is/are a good fit for the position to be added to the pool and considered for the position. The TCSP and the ACTCSP then meet again, review all candidates and decide whether to interview internal candidates, internal and external candidates, or external candidates. After consultation with the TCSP and the ACTCSP, the Chancellor and the Chair of the TCSP determine whether to schedule campus visits, which are optional, or to schedule campus visits on a modified basis, depending on the circumstances of the search.

### **Deviations from These Procedures**

The Board of Trustees will normally confine itself to the names presented by the TCSP. In rare instances and for compelling reasons, the Board reserves the right if, in its judgment, circumstances warrant to depart from the recommended candidate(s) or from the procedures outlined in this policy.

## AGENDA

### COMMITTEE ON ORGANIZATION AND RULES

**Meeting:** 9:20 a.m., Wednesday, March 20, 2019  
Glenn S. Dumke Auditorium

Thelma Meléndez de Santa Ana, Chair  
Lillian Kimbell, Vice Chair  
Silas H. Abrego  
Jane W. Carney  
Jean Picker Firstenberg  
Lateefah Simon  
Christopher Steinhauser

**Consent**

1. Approval of Minutes of the Meeting of January 23, 2019, *Action*
2. Approval of the California State University Board of Trustees' Meeting Dates for 2020, *Action*

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

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

**January 23, 2019**

**Members Present**

Thelma Meléndez de Santa Ana, Chair  
Lillian Kimbell, Vice Chair  
Silas H. Abrego  
Jane Carney  
Jean Picker Firstenberg  
Lateefah Simon  
Christopher Steinhauser  
Adam Day, Chairman of the Board  
Timothy P. White, Chancellor

Trustee Meléndez de Santa Ana called the meeting to order.

**Consent Agenda**

The minutes of the March 20, 2018 meeting were approved as submitted.

**Proposed California State University Board of Trustees' Meeting Dates for 2020**

Trustee Meléndez de Santa Ana presented agenda item 2 as a consent information item. The item will come before the Board for action at the March 2019 meeting.

Trustee Meléndez de Santa Ana adjourned the meeting.

**COMMITTEE ON ORGANIZATION AND RULES**

**Approval of the California State University Board of Trustees' Meeting Dates for 2020**

**Presentation By**

Thelma Meléndez de Santa Ana  
Committee Chair

**Summary**

The following schedule of the CSU Board of Trustees' meetings for 2020 is presented for approval:

**RESOLVED**, by the Board of Trustees of the California State University, that the following schedule of meetings for 2020 is adopted:

**2020 Meeting Dates**

January 28-29, 2020	Tuesday – Wednesday	Chancellor's Office
March 24-25, 2020	Tuesday – Wednesday	Chancellor's Office
May 12-13, 2020	Tuesday – Wednesday	Chancellor's Office
July 21-22, 2020	Tuesday – Wednesday	Chancellor's Office
September 22-23, 2020	Tuesday – Wednesday	Chancellor's Office
November 17-18, 2020	Tuesday – Wednesday	Chancellor's Office

## AGENDA

### COMMITTEE OF THE WHOLE

**Meeting:** 9:30 a.m., Wednesday, March 20, 2019  
Glenn S. Dumke Auditorium

Adam Day, Chairman  
Lillian Kimbell, Vice Chair  
Silas H. Abrego  
Jane W. Carney  
Rebecca D. Eisen  
Douglas Faigin  
Debra S. Farar  
Jean Picker Firstenberg  
Wenda Fong  
Juan F. Garcia  
Emily Hinton  
Jack McGrory  
Thelma Meléndez de Santa Ana  
Hugo N. Morales  
John Nilon  
Larry Norton  
Romey Sabalius  
Lateefah Simon  
Christopher Steinhauser  
Peter Taylor  
Timothy White, Chancellor

- Consent**
1. Approval of Minutes of the Meeting of May 16, 2018, *Action*
  2. Appointment of Five Members to the Committee on Committees for 2019-2020, *Action*
  3. General Counsel's Annual Litigation Report, *Information*
- Discussion**
4. Conferral of the Title of Trustee Emeritus—James Lawrence Norton, *Action*

**MINUTES OF THE MEETING OF  
COMMITTEE OF THE WHOLE**

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

**May 16, 2018**

**Members Present**

Rebecca D. Eisen, Chair  
Adam Day, Vice Chair  
Silas H. Abrego  
Jane W. Carney  
Douglas Faigin  
Debra S. Farar  
Jean Picker Firstenberg  
Emily Hinton  
Lillian Kimbell  
Jack McGrory  
John Nilon  
Larry Norton  
Jorge Reyes Salinas  
Romey Sabalius  
Lateefah Simon  
Peter Taylor  
Timothy P. White, Chancellor

Chair Eisen called the meeting to order.

**Approval of Minutes**

The minutes of March 21, 2018, were approved as submitted.



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**Presentation of the Association of Governing Boards John W. Nason Award for Board Leadership**

Mr. Rick Legon, President of the Association of Governing Boards (AGB), presented the CSU Board of Trustees with the 2017 John W. Nason Award for Board Leadership. Mr. Legon commended the CSU system and Board's leadership in developing the Graduation Initiative 2025. He noted the Board was unanimously selected to receive this award – along with their fellow winning governing boards from Agnes Scott College, Augsburg University, Ohio University, and Unity College.

**Conferral of the Title of Student Trustee Emeritus—Jorge Reyes Salinas**

The Board unanimously approved the resolution recognizing Student Trustee Jorge Reyes Salinas for his dedication and service to the CSU system. (RCOW 05-18-02)

**Conferral of Commendation—Sally Roush**

The Board unanimously approved the resolution commending President Sally Roush for her more than three decades of service to San Diego State University and the CSU system. (RCOW 05-18-03)

**Conferral of the Title of President Emeritus—Willie Hagan**

The Board unanimously approved the resolution recognizing President Willie Hagan's more than five decades of service in higher education and leadership at CSU Dominguez Hills and the CSU system. (RCOW 05-18-04)

**Conferral of the Title of President Emeritus—Horace Mitchell**

The Board unanimously approved the resolution recognizing President Horace Mitchell for his more than five decades of service in higher education and fourteen years of leadership at CSU Bakersfield. (RCOW 05-18-05)

Chair Eisen adjourned the meeting.

**COMMITTEE OF THE WHOLE**

**Appointment of Five Members to the Committee on Committees for 2019-2020**

**Presentation By**

Adam Day  
Chairman of the Board

**Summary**

At the January 22-23, 2019 meeting of the CSU Board of Trustees, five trustees were nominated to serve as members of the Committee on Committees for the 2019-2020 term.

The following resolution is recommended for approval:

**RESOLVED**, by the Board of Trustees of The California State University, that the following trustees are appointed to constitute the Board's Committee on Committees for the 2019-2020 term:

Jane W. Carney, Chair  
Wenda Fong  
Emily Hinton  
Jack McGrory  
Hugo Morales

**COMMITTEE OF THE WHOLE**

**General Counsel’s Annual Litigation Report**

**Presentation By**

G. Andrew Jones  
Executive Vice Chancellor and General Counsel

**Summary**

This is the Office of General Counsel’s (OGC) annual report on the status of significant litigation confronting the California State University (CSU), and is presented for information. “Significant” for purpose of this report is defined as litigation: (1) with the potential for a systemwide impact on the CSU; (2) that raises significant public policy issues; (3) brought by or against another public agency; or (4) which, for other reasons, has a high profile or is likely to generate widespread publicity.

The pending cases in this report have been selected from **116** active litigation files as well as cases that closed out during 2018.

## Litigation Report

### Channel Islands

<b>Case Name</b>	Mansour v. CSU (17-0057)		
<b>Date Filed</b>	12/30/2016	<b>Matter Type</b>	Employment (Lit)
<b>Court/Forum</b>	Ventura County Superior Court	<b>Case/Docket #</b>	56-2016-00490721-CU-OE-VTA
<b>Case Status</b>	Plaintiff Terri Mansour is an African-American Library Services Specialist II at CSU Channel Islands. Plaintiff alleges that beginning February 2015, she has been discriminated against on the basis of race and that she has been retaliated against because she complained of a comment by her lead. Plaintiff also claims she has been retaliated against since her return from an extended medical leave. CSU filed a motion for summary judgment on the merits, and prevailed in June 2018. Plaintiff then appealed, and the appeal in the briefing stage.		

### Chico

<b>Case Name</b>	Board of Trustees of the California State University v. Feisel (18-0758)		
<b>Date Filed</b>	07/11/2018	<b>Matter Type</b>	Other (Lit)
<b>Court/Forum</b>	Butte County Superior Court	<b>Case/Docket #</b>	18CV02241
<b>Case Status</b>	Respondent Duane Feisel was a student at CSU Chico who graduated in Spring 2018. In the months following his graduation, Feisel sent emails of a threatening nature to the President of CSU Chico and a CSU Chico professor. In July 2018, the CSU filed this action seeking a restraining order against Respondent, and the Court granted a temporary restraining order. The Court has extended the temporary restraining order several times, pending the setting of a trial date. CSU is currently pursuing an order holding Feisel in contempt, for disobeying the restraining order. CSU is also seeking a permanent restraining order against Feisel.		

<b>Case Name</b>	CSU v. Pacific Gas & Electric Company (14-0156)		
<b>Date Filed</b>	02/04/2014	<b>Matter Type</b>	Environmental (Lit)
<b>Court/Forum</b>	Superior Court of State of California, Butte	<b>Case/Docket #</b>	161356
<b>Case Status</b>	The campus and its Research Foundation sued PG&E to recover money spent on costly remedial activities and disposal of waste discovered during the construction of an activity center on the Chico campus. The waste was created by an old manufactured gas plant. PG&E is responsible for the manufactured gas plant. The parties entered into a settlement agreement in which PG&E agreed to pay CSU \$1.65 million. In March 2018, a motion for good faith settlement determination was filed, and the Court granted the motion. In April 2018, the campus received the settlement payment from PG&E, and the action was dismissed.		

<b>Case Name</b>	Doe v. CSU, et al. (17-0211)		
<b>Date Filed</b>	12/30/2016	<b>Matter Type</b>	Student (Lit)
<b>Court/Forum</b>	Los Angeles Superior Court - Central District	<b>Case/Docket #</b>	BS167261
<b>Case Status</b>	John Doe, a student at CSU Chico, brought a writ action challenging his expulsion following a disciplinary proceeding where Doe was found to have committed sexual misconduct. Doe alleged that CSU's disciplinary procedures did not afford him due process and that CSU's decision and findings were not supported by the evidence. At a hearing on April 12, 2018, the Court granted Doe's petition, stating "a writ will issue directing CSU to set aside its findings and Doe's expulsion, and accord him a new hearing or take such other action in its discretion that is consistent with this decision."		

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	After the judgment, CSU and Doe settled the matter. CSU agreed to (1) confer Doe's degree; (2) maintain the underlying EO 1097 investigative report in Doe's records as the final outcome; (3) rescind Doe's expulsion; and (4) impose an 11-month suspension. Doe agreed to (1) dismiss the action with prejudice; (2) complete CSU Chico's online "Not Anymore" training program; and (3) stay away from CSU Chico through May 31, 2019. CSU did not pay any money in this settlement.
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<b>Case Name</b>	Fayek v. CSU, et al. (13-0798)		
<b>Date Filed</b>	06/19/2013	<b>Matter Type</b>	Employment (Lit)
<b>Court/Forum</b>	Superior Court of State of California, Butte	<b>Case/Docket #</b>	159799
<b>Case Status</b>	Plaintiff Abdel-Moaty Fayek was a faculty member in the Department of Computer Science. He contends he entered into a self-funded buy out agreement with the campus where he would gain industry experience while on an approved leave. From approximately 1997 to 2006, plaintiff received his campus salary and reimbursed it to the Research Foundation as part of the alleged agreement. The campus discovered this arrangement and immediately contacted CalPERS and the State Controller's Office to correct the employee's payroll records. Plaintiff has sued the campus, the Research Foundation, three individual defendants and CalPERS to restore his service credit. The Court granted CSU Defendants' motion challenging all claims except one, and dismissing CalPERS. Plaintiff accepted CSU's offer of \$27,000 to resolve the remaining claim, and the Court entered judgment. Plaintiff appealed the Court's decision dismissing the claims against CSU and CalPERS. The appeal is fully briefed, and oral argument is set for April 16, 2019.		

<b>Case Name</b>	Hutchinson v. Mendez (17-0282)		
<b>Date Filed</b>	02/27/2017	<b>Matter Type</b>	Other (Lit)
<b>Court/Forum</b>	Butte County Superior Court	<b>Case/Docket #</b>	17-0102
<b>Case Status</b>	Axel Flores Mendez, a student at CSU Chico, threatened University President Gayle Hutchinson while he was in a counseling session with a therapist, soon after he was interim suspended from the campus for threatening behavior. After receiving the counselor's notification, the campus brought this action seeking a restraining order against the student. A hearing was held and the Court granted a permanent restraining order against the student, which will remain in effect through March 20, 2020.		

<b>Case Name</b>	Wattenburg v. CSU, et al. (17-1537)		
<b>Date Filed</b>	12/11/2017	<b>Matter Type</b>	Contracts (Lit)
<b>Court/Forum</b>	Butte County Superior Court	<b>Case/Docket #</b>	17CV03546
<b>Case Status</b>	Plaintiff Willard Wattenburg, a former adjunct research professor at CSU Chico, brought this action against CSU and the CSU Chico Research Foundation seeking to recover money that Defendants have allegedly withheld from him. Pursuant to a 2001 memorandum of understanding, Plaintiff was performing research under a research fund managed, invested, and accounted for by Defendants. In 2015, the parties entered into a settlement agreement to liquidate the research fund, in which Plaintiff agreed to allow Defendants to retain 10% of the fund, with the balance of the fund to be paid out to Plaintiff. Plaintiff alleges that the parties made a mutual mistake regarding the value of the fund and, as a result, Defendants allegedly withheld approximately \$60,000 which Plaintiff seeks to recover in this action. The action is in the discovery phase. Dr. Wattenburg has passed away but his estate is pursuing the claim. The case is set for trial on September 30, 2019.		

**Dominguez  
 Hills**

<b>Case Name</b>	Butts v. CSU, et al. (09-0260)		
<b>Date Filed</b>	12/31/2008	<b>Matter Type</b>	Employment (Lit)
<b>Court/Forum</b>	Superior Court of State of California, Los Angeles	<b>Case/Docket #</b>	TC 022325
<b>Case Status</b>	<p>After Sheila Butts was nonretained as the Director of Alumni Relations at CSUDH, she filed a complaint alleging age, gender, and race discrimination, harassment, retaliation and violations of the Equal Pay Act. Because she had been employed as a represented employee on campus in various positions for the previous 27 years, she also sought retreat rights. In 2012, after a month-long trial, the jury returned a unanimous verdict in favor of CSU. The appellate court reversed the trial court judgment solely with regard to plaintiff's right to claim retreat rights under California Code of Regulations, Title V section 42723 as an MPP employee who had permanent status prior to January 1, 1984. The case was remanded to the trial court to determine whether plaintiff was actually entitled to retreat rights. On remand, plaintiff filed an amended complaint alleging both discrimination and denial of retreat rights. Plaintiff refused CSU's offer to permit her to retreat to her former classification. The court granted summary judgment to CSU on the FEHA claims and, after a bench trial on the retreat rights issue, granted judgment for CSU on all claims. Plaintiff appealed. The Court of Appeal held oral argument in February 2019 and the parties are awaiting the decision.</p>		

<b>Case Name</b>	City of Carson v. OPR, CSU, et al. (17-1353) and City of Carson v. CSUDH (18-0085)		
<b>Date Filed</b>	10/31/2017 and 01/24/2018	<b>Matter Type</b>	Environmental (Lit)
<b>Court/Forum</b>	Los Angeles Superior Court - Central District	<b>Case/Docket #</b>	BS171386 and BS172187
<b>Case Status</b>	<p>The City of Carson, unhappy with its failure to obtain a financial offset from the Chargers' use of the StubHub Center, asserted that the City should be the lead agency in any development project on the CSUDH campus. The City sought a court order declaring that Carson is the correct lead agency on the CSUDH Master Plan activities, including University Village. The City dismissed the lawsuit without prejudice following a settlement in which OPR agreed to re-open the determination to obtain more input from both parties, and to issue a revised determination letter by January 26, 2018. That letter was re-issued, reaffirming that CSU is the lead agency.</p> <p>The City subsequently brought a second lawsuit against OPR and CSU making substantially similar arguments about why the City should be lead agency. The City of Carson objected to the designation of CSU as the lead agency for the CSUDH Master Plan. This is the second attempt by the City to get a court order declaring it the lead agency, and to enjoin CSU from proceeding with Master Plan activities (specifically, the University Village EIR) until all appeals of this lawsuit have been exhausted. The court denied the City's attempt to get a temporary restraining order. Carson amended the complaint to include the California Office of Planning &amp; Research.</p> <p>In June 2018, the court granted CSU's motion for judgment on the pleadings, with the exception of the writ cause of action. In July 2018, the court granted CSU's motion for a protective order. After a hearing on the merits, the court denied the City's writ of mandate. Judgment in favor of CSU and the California Office of Planning &amp; Research was entered on January 30, 2019.</p>		

<b>Case Name</b>	Fregoso v. CSU, et al. (16-0491)		
<b>Date Filed</b>	09/25/2015	<b>Matter Type</b>	Personal Injury (Lit)
<b>Court/Forum</b>	Los Angeles Superior Court - Central District	<b>Case/Docket #</b>	BC595868
<b>Case Status</b>	<p>This personal injury complaint arose from an incident on September 11, 2014 when a CSUDH police officer struck two pedestrians, including plaintiff Luis Fregoso, in a crosswalk adjacent to the campus. One pedestrian settled; Fregoso filed suit against the CSU for negligence. The matter settled on May</p>		

	10, 2018, with a payment of \$450,000 to the plaintiff by the State's vehicle risk management program (with no CSU payment).
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<b>Case Name</b>	Tweedy v. CSU, et al. (17-1048)		
<b>Date Filed</b>	08/08/2017	<b>Matter Type</b>	Student (Lit)
<b>Court/Forum</b>	Los Angeles Superior Court - Central District	<b>Case/Docket #</b>	BC671497
<b>Case Status</b>	Yasmine Tweedy, a student basketball athlete, alleged personal injuries associated with excessive running at team practice and callous behavior by coaches. The matter was resolved at mediation on April 19, 2018, with a payment of \$60,000 to plaintiff.		

### East Bay

<b>Case Name</b>	City of Hayward v. CSU, et al.(CSUEB II) (18-0226)		
<b>Date Filed</b>	03/02/2018	<b>Matter Type</b>	Environmental (Lit)
<b>Court/Forum</b>	Superior Court of California, County of Alameda	<b>Case/Docket #</b>	RG18895213
<b>Case Status</b>	<p>This matter filed by the City of Hayward is the latest iteration of litigation by the City against the CSU dating back almost a decade. After the City challenged the environmental review that accompanied the Board of Trustees' 2009 approval of the CSU East Bay Master Plan, CSU was directed by the Court of Appeal in the earlier matter to reconsider two substantive issues: the feasibility of obtaining funding to pay for offsite traffic improvements, and the impact of the proposed campus build-out on two nearby regional parks.</p> <p>As directed by the Court of Appeal, the CSU conducted a thorough analysis of the impacts of an increased student population on the adjacent regional parks, reconsidered the feasibility of funding its fair share traffic mitigation, and completed a revised Environmental Impact Report (EIR). On January 31, 2018, the Trustees decertified the 2009 Master Plan and Final EIR, and certified the 2017 Master Plan and Revised EIR, Findings of Fact and Statement of Overriding Considerations.</p> <p>The City has now filed this new lawsuit alleging that CSU's reconsideration of these issues was insufficient. The Administrative Record was certified and the matter was fully briefed. The hearing on the merits will be held on April 23, 2019.</p>		

### Fresno

<b>Case Name</b>	Doe v. CSU, et al. (17-0591)		
<b>Date Filed</b>	01/10/2017	<b>Matter Type</b>	Student (Lit)
<b>Court/Forum</b>	Los Angeles Superior Court - Central District	<b>Case/Docket #</b>	BS167329
<b>Case Status</b>	<p>Former student "John Doe" was charged with sexual misconduct against two female students at Fresno State. He was expelled after an investigation and sanctions hearing. He then filed a petition for writ of mandate to challenge his expulsion, alleging due process violations. After receiving the petition, CSU conceded that a minor procedural error was made, and agreed to reopen Doe's underlying appeal. The lawsuit was placed on hold while the underlying disciplinary matter was reopened. Subsequently CSU issued a new investigation report, and held another sanctions hearing. The final decision was again expulsion, and the lawsuit was reactivated.</p> <p>At the hearing in February 2019, the court, in reliance on a new appellate decision that changed California law, found another process error had occurred, and ruled that the underlying findings and sanctions must be overturned. But, the court ruled that CSU can go back and fix the procedural error by restarting the investigatory and campus hearing process in conformance with the change in law.</p>		

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<b>Case Name</b>	Doe v. White, et al. (19-0106)		
<b>Date Filed</b>	01/22/2019	<b>Matter Type</b>	Employment (Lit)
<b>Court/Forum</b>	Los Angeles Superior Court - Central District	<b>Case/Docket #</b>	19STCP00104
<b>Case Status</b>	On January 22, 2019, a former CSU professor, "Jane Doe," filed claims alleging violations of her rights as a respondent in a Title IX investigation, asserting she was subjected to unreasonable delays in the investigation and denied procedural due process protections such as the right to cross-examination and an impartial adjudication. Petitioner seeks a court order to set aside the investigation. The matter is in the initial pleading stage.		

<b>Case Name</b>	N.M., a minor, by and through her Guardian Ad Litem, D.M. v. Fresno Unified School District, et al. (17-1348)		
<b>Date Filed</b>	09/05/2017	<b>Matter Type</b>	Personal Injury (Lit)
<b>Court/Forum</b>	Fresno County Superior Court	<b>Case/Docket #</b>	17CECG03023
<b>Case Status</b>	Plaintiff, a minor child, filed a complaint for damages against CSU as well as several other public entities. Complainant was a student participating in a Migrant Education program at the local elementary school. She alleges that student teacher from the Mini Corps program sexually abused her while in the program. CSU tendered its defense with Butte County Office of Education, the entity that is responsible for Mini Corps, the Migrant Education program. Butte County accepted this tender. CSU had no direct role with the training or supervision of the Fresno State student alleged to have harassed the minor while she was participating in the Mini Corps program. CSU filed a motion for summary judgment on the basis of its lack of any duty to plaintiff and lack of supervisory responsibility for the student teacher. On January 24, 2019, the court granted CSU's summary judgment motion and dismissed CSU from the case.		

<b>Case Name</b>	Quoc Duong v. CSU Fresno, et al. (18-1078)		
<b>Date Filed</b>	09/25/2018	<b>Matter Type</b>	Employment (Lit)
<b>Court/Forum</b>	Fresno County Superior Court	<b>Case/Docket #</b>	18CECG03478
<b>Case Status</b>	Lecturer Hung Quoc Duong has filed suit claiming that he received bad peer evaluations; was not assigned all of the weighted teaching units that he was entitled to receive; and the University failed to grant his salary range elevation on the basis of discrimination (age and race) and retaliation for having complained (Numerous internal DHR complaints; EEOC/FEHA complaints). The matter is in the pleading stage.		

<b>Case Name</b>	Vang v. CSU, et al. (18-0034)		
<b>Date Filed</b>	12/21/2017	<b>Matter Type</b>	Student (Lit)
<b>Court/Forum</b>	Fresno County Superior Court	<b>Case/Docket #</b>	17CECG04085
<b>Case Status</b>	Plaintiff Jim Vang is a graduate student who filed a complaint and a writ of mandate as a pro per. He alleges that the University denied his educational rights under state law, discrimination laws, and various tort laws by denying him the right to pursue the subject that he had selected for his master thesis. In August 2018, CSU filed a motion to dismiss the case on the basis that there was no private right of action; his claims are time barred; and failure to allege facts establishing discrimination under any protected category. On November 1, 2019, the court granted CSU's motion to dismiss the case. Plaintiff filed a writ claiming the judge was biased. The court denied his writ and the Court of Appeal denied his appeal of the writ. In February 2019, plaintiff filed an appeal of the trial court's dismissal of his case. The appeal is pending before the Court of Appeal.		



**Fullerton**

<b>Case Name</b>	Cheng v. CSU, et al. (17-1334)		
<b>Date Filed</b>	08/01/2017	<b>Matter Type</b>	Employment (Lit)
<b>Court/Forum</b>	Orange County Superior Court	<b>Case/Docket #</b>	30-2017-00934494-CU-OE-CJC
<b>Case Status</b>	Plaintiff David Cheng is a Full Professor in the Department of Electrical Engineering at CSU Fullerton. He is suing CSU and Dr. Hassan Hashemi, another Full Professor in the Electrical Engineering Department. Cheng claims he has been discriminated against, harassed and suffered retaliation on account of race and national origin and his language ability by Dr. Hashemi and that CSU did not intervene to stop the harassment and discrimination. Cheng dismissed his claims against Dr. Hashemi in December 2018. The case remains in the discovery phase, and is set for trial on April 22, 2019.		

<b>Case Name</b>	Coe v. CSU, et al. (15-1366)		
<b>Date Filed</b>	08/14/2015	<b>Matter Type</b>	Student (Lit)
<b>Court/Forum</b>	Orange County Superior Court	<b>Case/Docket #</b>	30-2015-00825820
<b>Case Status</b>	John Paul Coe, a former graduate student in Electrical Engineering, alleged breach of contract, breach of implied covenant of good faith and fair dealing, violation of Consumer Legal Remedies Act, violation of unfair competition, misleading and deceptive advertising, unjust enrichment, intentional and negligent misrepresentation, on the grounds that certain courses were not offered to him in his time as a student studying for a Masters degree in Electrical Engineering. The former Dean of the College of Engineering and Computer Science was also named as a defendant. Trial took place from late February 2018 to early April 2018 and resulted in an award by the jury to Mr. Coe of only \$1.00, far less than the settlement sum CSU offered a year earlier. CSU obtained an award of \$26,386 in fees and costs against Mr. Coe, which CSU agreed to accept in 24 monthly installments in exchange for Coe dismissing his appeal from the judgment and cost award.		

<b>Case Name</b>	Garcia v. ASC (17-1222)		
<b>Date Filed</b>	03/29/2017	<b>Matter Type</b>	Other (Lit)
<b>Court/Forum</b>	Orange County Superior Court	<b>Case/Docket #</b>	30-2017-00912195-CU-OE-CXC
<b>Case Status</b>	Plaintiff Jennifer Garcia is a former employee of the Auxiliary Services Corporation (ASC); Plaintiff worked as an adjunct instructor in the American Language Program, a program of University Extended Education. The Complaint is being brought as a class action on behalf of all the adjunct instructors who allegedly ASC failed to compensate for work related activities performed outside of scheduled instructional sessions (such as office hours and preparation time) and failed to authorize and pay for rest periods employees were entitled to be given under state law. The parties reached a settlement by which the class will receive \$330,000, and the court is expected to approve the settlement some time in 2019.		

<b>Case Name</b>	Hamzat v. CSU (18-0365)		
<b>Date Filed</b>	04/04/2018	<b>Matter Type</b>	Student (Lit)
<b>Court/Forum</b>	Orange County Superior Court - Central Justice Center	<b>Case/Docket #</b>	30-2018-00983764
<b>Case Status</b>	Plaintiff Sikiru Hamzat, a CSUF graduate student in Engineering, is suing CSU and two CSUF employees, Sylvia Davalos and Sandra Rhoten, alleging violation of civil rights and a variety of contract and tort claimss. Many of his claims are duplicative of claims he asserted in a 2016 case that was resolved by summary judgment and that is still pending on appeal (Matter 16-1368). CSU filed a motion to dismiss, but the court has postponed ruling until after the appeal in the other case is resolved.		

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<b>Case Name</b>	Hamzat v. CSUF (16-1368)		
<b>Date Filed</b>	09/28/2016	<b>Matter Type</b>	Student (Lit)
<b>Court/Forum</b>	Orange County Superior Court - Central Justice Center	<b>Case/Docket #</b>	30-2016-00877738
<b>Case Status</b>	<p>Plaintiff Sikiru Hamzat, a CSU Fullerton graduate student in Engineering, is suing Chancellor Timothy White, President Mildred Garcia, and two CSU Fullerton employees, Kathy Spofford and Sandra Rhoten, alleging violation of civil rights and breach of contract. He is acting as his own counsel. He complains that a hold was placed on his record by the Student Judicial Conduct office, thereby impeding his educational goals. CSU successfully filed a motion to dismiss for failure to state a claim on behalf of all of the individual defendants; Plaintiff was given 30 days leave to amend his complaint and he did so. On a further demurrer White was dismissed without leave to amend, and on a further motion Garcia was also dismissed without leave to amend. Only Spofford and Rhoten remained as defendants, and motions for summary judgments dismissing the case against both were granted, ending the case. Plaintiff filed an appeal, which is still pending as of February 2019.</p>		

<b>Case Name</b>	Hashemi v. CSU, et al. (14-1029)		
<b>Date Filed</b>	07/28/2014	<b>Matter Type</b>	Employment (Lit)
<b>Court/Forum</b>	United States District Court, Central District of California	<b>Case/Docket #</b>	8:14-CV-01184
<b>Case Status</b>	<p>Hassan Hashemi, a faculty member in the Department of Electrical Engineering, complains of a violation of his right to free speech, a due process violation and intentional infliction of emotional distress, all arising out of a reprimand he received. He is suing five individuals: the former Dean of the College of Engineering and Computer Science, the campus President, the former Provost, the former Vice President for Human Resources, Diversity and Inclusion, as well as the former Director of Labor Relations. After prevailing on two motions to dismiss, and each time plaintiff was given leave to amend, Defendant's Motion to Dismiss Plaintiff's Fourth Amended Complaint was granted with prejudice on May 25, 2016. Plaintiff filed an appeal, which was denied by the Ninth Circuit Court of Appeals on February 16, 2018. Plaintiff decided not to seek review in the US Supreme Court, and the case was finally dismissed in May 2018 after he paid our costs of nearly \$5,000.</p>		

<b>Case Name</b>	Hashemi v. CSU et al. (15-1647)		
<b>Date Filed</b>	12/04/2015	<b>Matter Type</b>	Employment (Lit)
<b>Court/Forum</b>	Orange County Superior Court - Central Justice Center	<b>Case/Docket #</b>	30-2015-00823595-CU-OE-CJC
<b>Case Status</b>	<p>Plaintiff Hassan Hashemi, a CSUF Electrical Engineering faculty member, is suing CSU and as individual defendants the campus President, the Provost and the Dean of the College of Engineering and Computer Science, claiming race and disability discrimination, harassment and retaliation. The complaint alleges that the plaintiff was 'overloaded' with a large number of courses to teach, required to teach a 3 day schedule rather than the 2 day schedule he had previously taught, and that he was assigned a new course he had not previously taught. The complaint also alleges the classroom for one of his classes was changed, which harmed him, and that he was given an inaccurate performance review and investigated for frivolous reasons. After filing motions to strike and writing to Plaintiff, the President was dismissed as an individual defendant and punitive damages are no longer sought from the Provost. CSU made a statutory offer to compromise on behalf of CSU and defendant Unnikrishnan, which Plaintiff accepted, thereby dismissing the case against these two defendants in exchange for \$50,000. A separate offer to compromise for Cruz was not accepted but the case against him was dismissed following a summary judgment motion. Plaintiff appealed the dismissal of the case, and the Court of Appeal affirmed the dismissal in January 2019 and awarded costs on appeal to CSU.</p>		

<b>Case Name</b>	Liu v. CSU et al. (18-0601)		
<b>Date Filed</b>	04/27/2018	<b>Matter Type</b>	Employment (Lit)
<b>Court/Forum</b>	Orange County Superior Court - Central Justice Center	<b>Case/Docket #</b>	30-2018-00989053-CU-OE-CJC

<b>Case Status</b>	Plaintiff Joanna Liu, a long-time ASC I in the Career Services center, alleges age, race and national origin discrimination and retaliation, relating to her not having been promoted and her position not having been reclassified since 1999. Most of plaintiff's allegations concern statements and representations by her prior supervisor, who retired in 2015. Discovery is ongoing, and trial is scheduled to begin June 10, 2019.
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<b>Case Name</b>	Porter v. CSU, et al. (18-0765)		
<b>Date Filed</b>	06/11/2018	<b>Matter Type</b>	Personal Injury (Lit)
<b>Court/Forum</b>	Orange County Superior Court - Central Justice Center	<b>Case/Docket #</b>	30-2018-00998453-CU-PO-CJC
<b>Case Status</b>	Plaintiff, Lauren Porter, is a student who sustained a head injury in December 2017 while rehearsing a scene for an acting class. She has asserted a claim for negligence against the University. The case is in the discovery phase, and is set for trial in October 2019.		

<b>Case Name</b>	Ross, et al. v. White, et al. (17-0792)		
<b>Date Filed</b>	06/02/2017	<b>Matter Type</b>	Employment (Lit)
<b>Court/Forum</b>	United States District Court, Central District of California	<b>Case/Docket #</b>	2:17-cv-04149-ODW-JC
<b>Case Status</b>	Natalie Operstein, a former CSU Fullerton tenure track faculty member, and her husband, Craig Ross, are proceeding without counsel and suing 51 individual defendants alleging that CSU Fullerton adopted "an official ethnic change policy and strategic goal to make Hispanics the majority among faculty, administrators and staff at the CSUF campus ("the Hispanization policy")" and pursuant to that policy discriminated against and harassed Operstein because of her race, ethnicity, national origin, age and gender and constructively discharged her from what was a "lifetime" contract. The court dismissed all of Mr. Ross's claims in April 2018, and his appeal to the 9th Circuit was denied as premature because there is no final order in the case. The case is in the discovery phase and is set for trial July 8, 2019. CSU filed a motion for summary judgment on behalf of all defendants, which the Court will hear on May 20, 2019 after discovery has closed.		

<b>Case Name</b>	Ross & Operstein v. CSU, et al. (16-0715)		
<b>Date Filed</b>	03/15/2016	<b>Matter Type</b>	Employment (Lit)
<b>Court/Forum</b>	Los Angeles Superior Court	<b>Case/Docket #</b>	SC125558
<b>Case Status</b>	Plaintiff Natalie Operstein was a tenure track, probationary faculty member who was denied early tenure and denied reappointment; she served a terminal year and was separated from the University. Plaintiff Craig Ross is her husband. They are proceeding without counsel. Following CSU's partially-successful motions to dismiss, plaintiffs filed a Third Amended Complaint in January 2019 and the case remains in the pleading stage.		

<b>Case Name</b>	Wildstar v. City of Fullerton, et al. (18-1161)		
<b>Date Filed</b>	08/21/2018	<b>Matter Type</b>	Other (Lit)
<b>Court/Forum</b>	United States District Court, Central District of California	<b>Case/Docket #</b>	8:18-CV-01486-JVS-KES
<b>Case Status</b>	Plaintiff, Nickolas Wildstar, has sued the City of Fullerton, one of its police officers and a CSUF police officer, alleging civil rights violations in connection with his January 2017 arrest on suspicion of burglary and for resisting arrest. The burglary charge was dropped and Wildstar later was acquitted on the resisting arrest charge. CSU has engaged the Attorney General's office to defend the CSUF officer. The case is in the discovery phase, and set for trial in September 2019.		

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<b>Case Name</b>	Wright v. CSU (18-0061)		
<b>Date Filed</b>	01/05/2018	<b>Matter Type</b>	Personal Injury (Lit)
<b>Court/Forum</b>	Orange County Superior Court - Central Justice Center	<b>Case/Docket #</b>	30-2018-01002965
<b>Case Status</b>	Plaintiff, Margaret Wright, is a 67 year old woman who attended a baseball game at CSU Fullerton in May 2017. At the game, after dark, she left her seat and fell on the stairs, landing on her knees and face and incurring injuries. She alleges the stairs had no handrail, the steps were uneven and insufficiently lit so that they were dangerous. The case is in the discovery stage, and set for trial in August 2019.		

<b>Case Name</b>	Yow v. CSU, et al. (16-1511)		
<b>Date Filed</b>	08/08/2016	<b>Matter Type</b>	Personal Injury (Lit)
<b>Court/Forum</b>	Orange County Superior Court	<b>Case/Docket #</b>	30-2016-00868083
<b>Case Status</b>	Plaintiff, Lauren Yow, a CSU Fullerton student, alleged that she visited the Student Health Center for a women's health exam and was told that her test results were normal. She alleged that approximately twenty months later she returned to the Student Health Center and at that time was diagnosed with cervical cancer. She claimed the care she received on her first visit was negligent in not detecting the cancer, and she asserted negligence claims against the University, the medical personnel who cared for her at the Student Health Center, and Quest, the laboratory to which the University sent her test results. After conducting discovery CSU requested that Plaintiff dismiss the two individual defendants (the medical personnel employed by CSU), which she did voluntarily. CSU filed a motion for summary judgment, arguing it was not negligent, and plaintiff did not oppose the motion. Plaintiff's case will proceed against Quest, the laboratory that allegedly misread the test results.		

### Humboldt

<b>Case Name</b>	Doe v. Brumfield, et al. (18-0550)		
<b>Date Filed</b>	05/07/2018	<b>Matter Type</b>	Student (Lit)
<b>Court/Forum</b>	Los Angeles Superior Court - Central District	<b>Case/Docket #</b>	BS173534
<b>Case Status</b>	"John Doe," a former student at Humboldt State, brought this writ action challenging his three-year suspension following a disciplinary proceeding where Doe was found to have committed sexual misconduct. On January 21, 2019, the parties executed a settlement agreement in which Humboldt State agreed to vacate the discipline.		

<b>Case Name</b>	Doe v. CSU, et al. (17-0268)		
<b>Date Filed</b>	02/10/2017	<b>Matter Type</b>	Student (Lit)
<b>Court/Forum</b>	Los Angeles Superior Court - Central District	<b>Case/Docket #</b>	BS167545
<b>Case Status</b>	"John Doe," a former student at Humboldt State, brought this action challenging his year-long suspension for sexual misconduct. On September 13, 2018, the court granted John Doe's petition finding that he was denied a fair hearing. The court directed CSU to set aside the discipline, while allowing CSU to exercise its discretion to decide whether to have a new hearing. Because Doe already graduated and served his year long suspension, CSU elected to vacate the findings and sanctions without reopening the investigation.		

### Long Beach

<b>Case Name</b>	Doe v. White, et al. (17-0551)		
<b>Date Filed</b>	04/20/2017	<b>Matter Type</b>	Student (Lit)
<b>Court/Forum</b>	Los Angeles Superior Court - Central District	<b>Case/Docket #</b>	BS169451
<b>Case Status</b>	"John Doe," a graduate student and research assistant at CSULB, brought a Petition for a Writ of Mandate challenging his suspension based on findings of sexual misconduct. Doe claims he was denied		

	due process and a fair hearing and the findings of sexual misconduct are unsupported by the evidence. At trial the Court granted Doe's Petition on the basis of an insufficient fair hearing. The Court vacated the underlying finding and sanction, and remanded the matter to the campus for further administrative action, if any, consistent with the Court's fair hearing discussion. Judgment was entered and a Writ was issued reflecting the Court's ruling.
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<b>Case Name</b>	Lane, et al. v. CSU (15-0600)		
<b>Date Filed</b>	04/07/2015	<b>Matter Type</b>	Employment (Lit)
<b>Court/Forum</b>	Superior Court of State of California, Los Angeles	<b>Case/Docket #</b>	LC102821
<b>Case Status</b>	Plaintiffs Brian Lane, Micheal Pounds, Maria Beatty, and Hamid Hefaz are former CSULB faculty claiming CSU incorrectly calculated and reported to CalPERS their salary, resulting in CalPERS under-calculating their respective retirement benefits. Plaintiffs claim CSU should have recorded monthly pay as what they earned each academic year (annual salary ÷ 9 months), which would have resulted in a larger monthly figure for purposes of determining Plaintiffs' retirement benefits with CalPERS. The court dismissed Plaintiff's lawsuit against CSU, but Plaintiffs appealed. The Court of Appeal sustained CSU's summary judgment against Plaintiffs. Plaintiffs did not appeal to the Supreme Court, and the time to do so has passed. The Court of Appeal remanded the matter to the Superior Court to determine the amounts of costs CSU will recover against Plaintiffs.		

<b>Case Name</b>	Ness, et al. v. City of Long Beach, CSU, et al. (18-0710)		
<b>Date Filed</b>	05/31/2018	<b>Matter Type</b>	Personal Injury (Lit)
<b>Court/Forum</b>	Los Angeles Superior Court - Central District	<b>Case/Docket #</b>	BC708409
<b>Case Status</b>	Plaintiff Karla Ness, 75 years old at the time of the alleged incident, alleges she was injured in a slip-and-fall incident while attending a CSULB baseball game at Blair Field with her husband. Plaintiff Karla Ness has asserted personal injury claims for negligence and dangerous premises, and her husband Plaintiff Doug Ness has asserted a claim for loss of consortium. This matter is in the discovery phase.		

<b>Case Name</b>	O'Brien v. CSU Long Beach (16-0931)		
<b>Date Filed</b>	06/28/2016	<b>Matter Type</b>	Student (Lit)
<b>Court/Forum</b>	Los Angeles Superior Court	<b>Case/Docket #</b>	NC060699
<b>Case Status</b>	Plaintiff Christopher O'Brien, a non matriculated student, sued to be admitted to CSU Long Beach. O'Brien applied to the campus on at least three occasion and was conditionally admitted at least once. However, his conditional admittance was withdrawn when he failed to provide official transcripts from another institution. O'Brien alleges age discrimination and seeks \$3,000,000 in damages. This case is identical to another case O'Brien filed in 2015, which was dismissed. The court dismissed this matter (the second case). O'Brien appealed and the Court of Appeal affirmed the trial court's judgment in favor of CSU.		

<b>Case Name</b>	Philipson v. CSU, et al. (18-0357)		
<b>Date Filed</b>	02/22/2018	<b>Matter Type</b>	Employment (Lit)
<b>Court/Forum</b>	Los Angeles Superior Court - South District	<b>Case/Docket #</b>	NC061649
<b>Case Status</b>	Plaintiff Joseph Philipson, a former CSULB employee, alleges he was discriminated against and harassed because of his religion, and claims hostile work environment, wrongful termination, and failure to pay overtime. This matter is in the discovery phase.		

<b>Case Name</b>	Szlak v. CSU (18-0532)		
<b>Date Filed</b>	05/04/2018	<b>Matter Type</b>	Employment (Lit)
<b>Court/Forum</b>	United States District Court, Central District of California	<b>Case/Docket #</b>	2:18-cv-05071-VAP-KSx
<b>Case Status</b>	Former CSULB employee Plaintiff Nicole Szlak alleges CSULB dismissed her from employment as a Human Resources Administrator I, Recruiter, because she took protected medical leave, complained of harassment, discrimination, and retaliation following her leave, and because of her disability. This matter is in the discovery phase.		

<b>Case Name</b>	Taylor v. CSU, et al. (18-1129)		
<b>Date Filed</b>	10/12/2018	<b>Matter Type</b>	Employment (Lit)
<b>Court/Forum</b>	Los Angeles Superior Court - Central District	<b>Case/Docket #</b>	18STCV00955
<b>Case Status</b>	Plaintiff Carmen Taylor, former CSULB VP of Student Affairs, has sued alleging employment discrimination and invasion of privacy regarding her dismissal from employment as Vice President. This matter is in the discovery phase.		

<b>Case Name</b>	Udom v. CSU (16-1262)		
<b>Date Filed</b>	08/30/2016	<b>Matter Type</b>	Student (Lit)
<b>Court/Forum</b>	Los Angeles Superior Court - Central District	<b>Case/Docket #</b>	BC632220
<b>Case Status</b>	Plaintiff Anthony Udom, a former CSULB student, alleges CSULB cashed student loan checks in his name in 2006, that he did not receive the loan proceeds, and that he is obligated to repay the loan. Plaintiff failed to specifically assert any causes of action, and did not allege any statutes to form the basis for any liability against CSU. The trial court dismissed Plaintiff's suit. He appealed, but the Court of Appeal affirmed the judgment in CSU's favor.		

## Los Angeles

<b>Case Name</b>	Hudson v. CSU, et al. (16-1227) and Board of Trustees of the CSU, et, al. v. Sheila Hudson (17-1125)		
<b>Date Filed</b>	08/29/2016 and 05/26/2017	<b>Matter Type</b>	Employment (Lit)
<b>Court/Forum</b>	Superior Court of State of California, Los Angeles, Stanley Mosk Courthouse	<b>Case/Docket #</b>	BC631894 and BC663058
<b>Case Status</b>	<p>Plaintiff Sheila Hudson, the former Senior Associate Athletics Director, sued for violation of the Fair Employment and Housing Act, intentional infliction of emotional distress, violation of the California Equal Pay Act, violation of the California Family Leave Rights Act, and violation of Labor Code section 1102.5 (whistleblower statute). She sought monetary damages and appointment by the court to the position of Athletic Director.</p> <p>During the course of her lawsuit, CSU learned that Hudson had tape recorded confidential employee meetings on campus, and filed a separate action against her for violating Penal Code section 632. The court ruled in our favor on that point.</p> <p>Hudson then filed a cross-complaint against the University and a campus Vice President, alleging wrongful termination, intentional infliction of emotional distress, whistleblowing, violation of equal protection, defamation, and failure to pay all her wages at separation. The court struck her defamation claim and awarded CSU and the Vice President attorney's fees.</p> <p>The cases settled at mediation, as part of a global settlement, for \$2.75 million.</p>		

<b>Case Name</b>	Espinosa v. California State University, Los Angeles, et al. (18-1222)		
<b>Date Filed</b>	10/24/2018	<b>Matter Type</b>	Student (Lit)
<b>Court/Forum</b>	United States District Court, Central District of California	<b>Case/Docket #</b>	2:18-cv-9123-R-MAA
<b>Case Status</b>	Former student Aaron Espinosa sued the Board of Trustees, Trustee Adam Day, Office of Students with Disabilities Director Centano, and four professors, for failing to admit him to graduate school and to accommodate his disability when he was an undergraduate. (He demanded accommodations usually only given to the hearing-impaired, even though he is not.) The Court granted the Board of Trustees' and Mr. Day's motion to dismiss when the plaintiff missed the deadline to oppose it. The Court then dismissed the entire lawsuit because the Complaint had not been properly served.		

<b>Case Name</b>	Hicks v. CSU (16-1234)		
<b>Date Filed</b>	08/30/2016	<b>Matter Type</b>	Student (Lit)
<b>Court/Forum</b>	Los Angeles Superior Court - Central District	<b>Case/Docket #</b>	BC631669
<b>Case Status</b>	Student Angela Hicks sued following a student conduct hearing decision suspending her from CSU for one year after she perpetrated an attack on her roommates involving pepper spray. She claimed gender discrimination and emotional distress. After the Court granted CSU's motion to dismiss, Ms. Hicks filed an appeal. The appeal is in the briefing stage.		

<b>Case Name</b>	Lopez v. CSU, et al. (17-1478)		
<b>Date Filed</b>	10/03/2017	<b>Matter Type</b>	Personal Injury (Lit)
<b>Court/Forum</b>	Los Angeles Superior Court - Central District	<b>Case/Docket #</b>	BC678299
<b>Case Status</b>	Student Matthew Lopez's motorcycle skidded on campus roadway, resulting in a crash that broke his leg. He alleges that a campus street-sweeping truck, driven by a now-retired employee, had leaked fluid, causing an oily slick that caused the accident. The case is in the discovery phase. Trial is set for July 29, 2019.		

<b>Case Name</b>	Ouzounian v. CSU, et al. (17-1432)		
<b>Date Filed</b>	09/14/2017	<b>Matter Type</b>	Personal Injury (Lit)
<b>Court/Forum</b>	Superior Court of State of California, Los Angeles, Central District of California, Stanley Mosk Courthouse	<b>Case/Docket #</b>	BC675796
<b>Case Status</b>	Student Miray Ouzounian was injured by a piece of metal that slipped off a grinding wheel she was operating during class. She alleges a dangerous condition, and inadequate training and supervision by the University and the professor overseeing the campus Eco Car project. The case is in the discovery phase. Trial is set to begin on July 16, 2019.		

<b>Case Name</b>	Park v. Board of Trustees (14-0855)		
<b>Date Filed</b>	05/27/2014	<b>Matter Type</b>	Employment (Lit)
<b>Court/Forum</b>	Superior Court of State of California, Los Angeles	<b>Case/Docket #</b>	BC546792
<b>Case Status</b>	Dr. Sungho Park, an assistant professor of education, was denied tenure due to unsatisfactory professional achievement. He sued the University for national origin discrimination and failure to prevent discrimination. The University's special motion to strike the complaint was denied by the trial court, but then granted by the Court of Appeal. The California Supreme Court then accepted review of the case. The University argued that tenure hiring decisions should be treated as an important activity with free speech protection. The California Supreme Court declined to impose a requirement that Dr. Park show a probability of prevailing after he received the University's special motion to strike,		

concluding that tenure decisions, even though communicated orally or in writing, do not trigger free speech protection to warrant such a requirement. The case was remanded to the trial court. The parties settled shortly afterwards for \$75,000.

<b>Case Name</b>	Pena v. CSU, et al. (17-1074)		
<b>Date Filed</b>	08/02/2017	<b>Matter Type</b>	Employment (Lit)
<b>Court/Forum</b>	Los Angeles Superior Court - Central District	<b>Case/Docket #</b>	BS170437
<b>Case Status</b>	<p>Corporal Ricardo Pena was demoted to police officer, based on his mishandling of a case at the L.A. campus child care center. Pena did not adequately investigate a mentally ill man loitering nearby who had expressed having homicidal thoughts, detained him in a holding cell for an extensive period, and did not immediately release the suspect when ordered to do so. He also did not complete a timely report as required.</p> <p>On November 6, 2018, the Court denied Pena's writ of administrative mandate seeking an order to set aside the State Personnel Board's decision sustaining Pena's demotion. The Court rejected Pena's due process arguments based on alleged Skelly and POBRA violations and rejected petitioner's contention that the Board's findings and legal conclusions are not supported by the evidence.</p> <p>On January 24, 2019, Pena timely appealed the court's judgment to the California Court of Appeals. The appeal is in the initial stages.</p>		

<b>Case Name</b>	Pena v. CSU, et al (17-1241)		
<b>Date Filed</b>	09/27/2017	<b>Matter Type</b>	Employment (Lit)
<b>Court/Forum</b>	Los Angeles, Central District of California, Stanley Mosk Courthouse	<b>Case/Docket #</b>	BC677458
<b>Case Status</b>	<p>Plaintiff Ricardo Pena is a Latino Police Officer at CSULA. He filed this action against CSU and Chief of Police, Rick Wall, asserting race discrimination, harassment and retaliation in violation of FEHA, and alleging he was wrongfully demoted in June 2016 and wrongfully suspended in February 2018.</p> <p>The State Personnel Board upheld both the demotion and suspension, but Pena seeks to overturn the demotion in the Court of Appeals and the suspension in the Los Angeles Superior Court.</p> <p>As a result of the pending appeal, the parties stipulated to a stay of the proceedings, and a stay was entered by the Court on March 1, 2019.</p>		

<b>Case Name</b>	Richardson v. CSU, et al. (19-0198)		
<b>Date Filed</b>	02/25/2019	<b>Matter Type</b>	Student (Lit)
<b>Court/Forum</b>	Los Angeles Superior Court - Central District	<b>Case/Docket #</b>	19STCV06354
<b>Case Status</b>	CSULA student Connor Richardson filed a personal injury claim, asserting that he contracted eColi in the dining hall. The case is in the pleading stage.		

### **Maritime Academy**

<b>Case Name</b>	Brindle v. CSU, et al. (19-0036)		
<b>Date Filed</b>	12/27/2018	<b>Matter Type</b>	Personal Injury (Lit)
<b>Court/Forum</b>	Superior Court of State of California, Solano	<b>Case/Docket #</b>	FCS052075
<b>Case Status</b>	Plaintiff Elizabeth Brindle is employed as a United States Merchant Marine; she enrolled in a Basic Training Revalidation course being taught by the Department of Extended Learning at the California State University Maritime Academy (CSUM). The course is offered to marine professionals seeking to		



	remain certified as set forth in the national Standards of Training, Certification and Watchkeeping for Seafarers (STCW). While engaged in the recurrent immersion-personal survival techniques portion of the course, which was taught in a swimming pool located on the CSUM campus, Plaintiff claims that the instructor lifted her out of the pool in a manner that injured her back. The case is in the pleading stage.
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<b>Case Name</b>	Golden Gate Bridge Highway & Transportation District v. CSU (17-0986)		
<b>Date Filed</b>	06/07/2017	<b>Matter Type</b>	Personal Injury (Lit)
<b>Court/Forum</b>	San Francisco Superior Court	<b>Case/Docket #</b>	CGC-17-559403
<b>Case Status</b>	Plaintiff, the Golden Gate Bridge, Highway & Transportation District sued the California State University seeking indemnification from the CSU arising out of an emergency preparedness exercise that occurred in June 2013 and was facilitated in part by the California State University Maritime Academy through its Maritime Safety and Security Center pursuant to a written agreement. During the exercise, a participant (an employee of the Blue & Gold Fleet ferry company) alleges that he sustained hearing injury due to an explosive device detonation. The case against the CSU was consolidated with the underlying personal injury action and settled at a global mediation held in March 2018. The plaintiff in the underlying tort case received a total of \$300,000 in settlement of all claims. CSU contributed \$50,000 towards the District's \$120,000 share of the total payment.		

<b>Case Name</b>	Lynch v. CSU, et al. (14-0342)		
<b>Date Filed</b>	02/20/2014	<b>Matter Type</b>	Employment (Lit)
<b>Court/Forum</b>	Superior Court of State of California, Solano	<b>Case/Docket #</b>	FCS043059
<b>Case Status</b>	Plaintiff, Dr. Sharon Lynch, a part-time lecturer, filed this action against CSU and the now-retired department chair alleging employment discrimination based on gender, race and marital status, based on allegations that she was improperly denied an appointment to a tenure-track faculty position. Trial took place in September 2017. After plaintiff presented her case and rested, CSU made a motion for judgment, which the judge took under submission. In October 2017, the court granted CSU's motion for judgment. Plaintiff agreed not to appeal the judgment, in exchange for CSU's waiver of costs and fees. The final judgment was entered in January 2018, and the case is resolved.		

### Monterey Bay

<b>Case Name</b>	Pirrone v. CSU (18-1118)		
<b>Date Filed</b>	08/17/2018	<b>Matter Type</b>	Student (Lit)
<b>Court/Forum</b>	Superior Court of State of California, Monterey	<b>Case/Docket #</b>	18CV003133
<b>Case Status</b>	Former student Yvette Pirrone filed this breach of contract action after she was dismissed from CSU's CalState Teach online teaching credential program. The matter is in the discovery stage. A trial setting conference is scheduled for February 26, 2019.		

### Northridge

<b>Case Name</b>	Alcala, et al. v. CSU; Jupiter Realty Corporation, Real Parties in Interest (Writ) (18-0949)		
<b>Date Filed</b>	08/23/2018	<b>Matter Type</b>	Environmental (Lit)
<b>Court/Forum</b>	Los Angeles Superior Court - Central District	<b>Case/Docket #</b>	BS174924
<b>Case Status</b>	Petitioners Mark Anthony Alcala, Walter Rivers, and Northridge for the Environment and Equitable Development (NEED) filed a Petition for Writ of Mandate, challenging the CSU Board of Trustees' July 2018 approvals for construction of a hotel on the CSUN campus. Petitioners chiefly allege that a fair argument exists that the hotel project would result in potentially significant environmental impacts, and thus an Environmental Impact Report (EIR) should have been prepared by CSU. On December 18,		

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	2018, CSU certified the administrative record for this matter. The Court set a hearing on the merits of Petitioners' allegations for July 11, 2019.
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<b>Case Name</b>	Brinkley v. CSU, et al. (14-1375)		
<b>Date Filed</b>	10/02/2014	<b>Matter Type</b>	Student (Lit)
<b>Court/Forum</b>	Superior Court of State of California, Los Angeles	<b>Case/Docket #</b>	SC123205
<b>Case Status</b>	In this lawsuit, CSUN student Natalie Brinkley claimed that CSUN failed to fully accommodate her disabilities. CSU filed a Motion for Summary Judgment, which was granted in its entirety. The Court entered a judgment of dismissal in favor of CSU on February 6, 2019.		

<b>Case Name</b>	Castro v. CSU, et al. (16-1318)		
<b>Date Filed</b>	09/14/2016	<b>Matter Type</b>	Employment (Lit)
<b>Court/Forum</b>	Los Angeles Superior Court - Central District	<b>Case/Docket #</b>	BC633064
<b>Case Status</b>	CSUN plumber Reginald Castro alleged that he was sexually harassed by colleague Issur Manikad and then retaliated against when he was suspended for having shoved Mr. Manikad. A subsequent internal investigation found the harassment claims to be substantiated, and Mr. Manikad was suspended for the misconduct. Shortly thereafter, CSUN plumber Romero Lomeli also complained that he had been sexually harassed by Mr. Manikad; when that complaint was also found to be substantiated, Mr. Manikad was terminated. CSU settled the case for \$80,000, and plaintiff also agreed to resign from employment with CSUN.		

<b>Case Name</b>	Dickmeyer v. CSU, et al. (17-0440)		
<b>Date Filed</b>	03/16/2017	<b>Matter Type</b>	Student (Lit)
<b>Court/Forum</b>	Los Angeles Superior Court - Central District	<b>Case/Docket #</b>	BC654264
<b>Case Status</b>	Plaintiff is a former CSUN student who was enrolled in the school's Masters in Social Work ("MSW") Program from Fall 2014 through July 2015. Plaintiff alleges that CSUN violated the ADA and other anti-discrimination laws by failing to provide her with reasonable accommodations that would allow her to complete her coursework, including the MSW Program's required internship placement.  Trial in this matter is currently set for September 17, 2019.		

<b>Case Name</b>	Doe v. White, et al. (17-1516)		
<b>Date Filed</b>	11/30/2017	<b>Matter Type</b>	Student (Lit)
<b>Court/Forum</b>	Los Angeles Superior Court - Central District	<b>Case/Docket #</b>	BS171704
<b>Case Status</b>	Petitioner "John Doe" is a current student at CSU Northridge who was found to have engaged in sexual misconduct that violated Executive Order 1097. A sanction of expulsion was imposed. Petitioner filed this writ action seeking to have the findings and sanction reversed and vacated.  On February 7, 2019, the Court granted the Petition, finding procedural error based on a very recent change in California law. The Court issued a writ directing CSU to set aside the campus decision and the expulsion sanction. The Court remanded the matter for further, if any, administrative actions CSU elects to take.		

<b>Case Name</b>	Kern v. CSU, et al. (18-0734)		
<b>Date Filed</b>	07/07/2017	<b>Matter Type</b>	Personal Injury (Lit)
<b>Court/Forum</b>	Los Angeles Superior Court - Central District	<b>Case/Docket #</b>	BC667489

<b>Case Status</b>	Plaintiff Jody Kern alleges that on February 22, 2016, she was inside the Valley Performing Arts Center on the CSUN Campus. Apparently she was inside the building on the main stairs below the food court when she slipped, fell and sustained injuries. This case remains in the discovery stage. Trial in this matter is currently set for May 7, 2019.
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<b>Case Name</b>	Lomeli v. CSU, et al. (16-1490)		
<b>Date Filed</b>	10/26/2016	<b>Matter Type</b>	Employment (Lit)
<b>Court/Forum</b>	Los Angeles Superior Court - Central District	<b>Case/Docket #</b>	BC638716
<b>Case Status</b>	CSUN plumber Romero Lomeli allege that he was sexually harassed by colleague Issur Manikad. A previous internal investigation found the harassment claim to be substantiated, and Mr. Manikad was terminated due to the fact that he had also recently been found to have sexually harassed CSUN plumber Reginald Castro. CSU settled the case for \$40,000.		

<b>Case Name</b>	Manikad v. CSU (18-1219)		
<b>Date Filed</b>	11/06/2018	<b>Matter Type</b>	Employment (Lit)
<b>Court/Forum</b>	Los Angeles Superior Court	<b>Case/Docket #</b>	18STCV03865
<b>Case Status</b>	Issur Manikad is a former CSUN plumber. CSUN terminated Manikad for sexual harassment, and refused to defend or indemnify him in subsequent lawsuits brought by the individuals he harassed. Those matters settled, and Manikad brought this lawsuit for reimbursement of his legal fees and expenses. The case is in the discovery phase.		

<b>Case Name</b>	Martin v. CSU (18-0909)		
<b>Date Filed</b>	08/15/2018	<b>Matter Type</b>	Employment (Lit)
<b>Court/Forum</b>	Los Angeles Superior Court - Central District	<b>Case/Docket #</b>	BC718199
<b>Case Status</b>	Plaintiff Jorge Martin, a former CSUN Director of Communication, filed this action in August 2018, alleging he was terminated because he is a middle-aged, light-skinned, American-born, heterosexual, cisgender male. The case is in the discovery phase. Trial has been set for November 12, 2019.		

<b>Case Name</b>	Morgan-Durisseau v. CSU Northridge (17-0820)		
<b>Date Filed</b>	06/13/2017	<b>Matter Type</b>	Employment (Lit)
<b>Court/Forum</b>	Los Angeles Superior Court - Central District	<b>Case/Docket #</b>	BC664863
<b>Case Status</b>	Plaintiff, a former Managing Editor in the Marketing and Communications Department, alleges that she was discriminated against and harassed on the basis of race throughout her employment at CSU. She also alleges that she was retaliated against for complaining about discrimination and harassment and for requesting an accommodation. The case remains in the discovery phase. Trial has been set for May 13, 2019.		

<b>Case Name</b>	SUPA, et al. v. CSU (16-0609)		
<b>Date Filed</b>	04/21/2016	<b>Matter Type</b>	Employment (Lit)
<b>Court/Forum</b>	Los Angeles Superior Court	<b>Case/Docket #</b>	BC617813
<b>Case Status</b>	SUPA and CSUN police officers Anthony Vargas, Matthew Dunwoody & Thomas Finnerty allege that they suffered unspecified adverse employment actions (whistleblower retaliation) for having complained about purported illegal parking ticket quotas. Plaintiffs also seek declaratory relief from the court that the alleged parking citation quota system is illegal.  In December 2016, CSU filed a motion to strike Plaintiff's First Amended Complaint due to Plaintiffs' improper attempt to add CSUN police officer Yolanda Abundiz to the complaint, as well as their failure		

	<p>to exhaust administrative remedies and failure to plead elements of a whistleblower retaliation cause of action. That motion was granted on February 7, 2017 without leave to amend as to Plaintiff Abundiz and with leave to amend as to Plaintiffs Finnerty, Vargas and Dunwoody. Due to Plaintiffs' failure to properly plead a cause of action as to Finnerty and Vargas, these individuals were subsequently dismissed from the case.</p> <p>On March 26, 2018, the Court denied SUPA's petition for writ of mandate and request for declaratory relief. Shortly thereafter, plaintiff Dunwoody (the last remaining individual plaintiff) dismissed his individual claims. However, on May 23, 2018, SUPA filed a Notice of Appeal in connection with the denial of the writ petition. The case remains on appeal.</p>
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**Office of the  
 Chancellor**

<b>Case Name</b>	Dimitre v. CSU (17-1456)		
<b>Date Filed</b>	11/16/2017	<b>Matter Type</b>	Employment (Lit)
<b>Court/Forum</b>	United States District Court, Eastern District of California	<b>Case/Docket #</b>	2:17-CV-02416-JAM-GGH
<b>Case Status</b>	Former CSUEU Labor Relations Representative Tom Dimitre claimed that employees of the CSU Chancellor's Office made numerous complaints about his work, causing CSUEU to terminate his employment. Mr. Dimitre also claims CSU failed to respond to his request for records under the Public Records Act. CSU filed a motion to dismiss the case asserting 11th Amendment immunity. Before the hearing on the motion, Dimitre and CSU agreed that Dimitre would dismiss the case for a waiver of CSU's fees and costs. Dimitre filed a request for dismissal, and the judge dismissed the case.		

<b>Case Name</b>	Shepler v. CSU (18-0619)		
<b>Date Filed</b>	05/04/2018	<b>Matter Type</b>	Employment (Lit)
<b>Court/Forum</b>	Los Angeles Superior Court - Central District	<b>Case/Docket #</b>	BC705095
<b>Case Status</b>	Plaintiff Joseph Shepler was the Manager of Environmental Health and Safety at the Chancellor's Office. He was nonretained after less than one year of employment. Shepler contends he was retaliated against for alerting the CSU to hazards on CSU campuses and for informing his supervisor he would not lie to the California State Auditors to protect CSU. The case is in the discovery phase and is set for trial on August 26, 2019.		

**Sacramento**

<b>Case Name</b>	CSU v. Mondo (17-0388)		
<b>Date Filed</b>	03/14/2017	<b>Matter Type</b>	Contracts (Lit)
<b>Court/Forum</b>	Sacramento County Superior Court	<b>Case/Docket #</b>	34-2017-00209335
<b>Case Status</b>	California State University, Sacramento sued Mondo, the manufacturer of the University's track, for breach of warranty claim. The track is considered one of the best and most expensive tracks available, and yet it had not held up to warranty standards. Soon after its installation, the track's colors began to fade. Efforts to correct the fading have not been successful and Mondo was not replacing the track as requested by the University. After extensive discussions, the parties settled, with Mondo agreeing to purchase for Sacramento State a special machine that cleans the track. Mondo further committed to maintain annual inspections and corrections to the track, and to offer a replacement track at the end of the warranty term, at a significant discount.		

<b>Case Name</b>	Doe v. White, et al. (18-0955)		
<b>Date Filed</b>	08/29/2018	<b>Matter Type</b>	Student (Lit)
<b>Court/Forum</b>	Los Angeles Superior Court - Central District	<b>Case/Docket #</b>	BS174934

<b>Case Status</b>	Former student "John Doe" was charged with sexual misconduct against a female student at Sacramento State. He was expelled after an investigation and sanctions hearing. He then filed a petition for writ of mandate to challenge his expulsion, alleging structural error due to relying on the opinion of a sole investigator. Doe also seeks declaratory relief to declare that CSU policy violates the requirements of a fair process set forth in several new appellate decisions issued by the Court of Appeal.		
	Trial has been set for December 17, 2019. In the meantime, given the change in California law as adopted by the recent appellate decisions, the campus remanded the matter, which will be set for a live hearing.		

<b>Case Name</b>	Martinez, et al. v. CSU, et al. (18-0559)		
<b>Date Filed</b>	05/16/2018	<b>Matter Type</b>	Employment (Lit)
<b>Court/Forum</b>	Sacramento County Superior Court	<b>Case/Docket #</b>	34-2018-00233222-CU-OE-GDS
<b>Case Status</b>	Plaintiffs Barbara Coulumbe, Kathleen Le, Christian Martinez, and Michelle Waterson are three current employees, and one former employee, at California State University, Sacramento. Plaintiffs claim that intentional conduct by the CSU Trustees and individual Defendants led to exposure to toxic vapors, chemicals and ingestion of contaminated water, which has caused physical injuries to their reproductive systems. Plaintiffs claim CSU ignored complaints and warnings, misrepresented information, and retaliated against Plaintiffs for complaining. Ms. Waterson also claims constructive discharge from her employment. The case is in the pleading stage.		

<b>Case Name</b>	Veasey v. CSU, et al. (18-1263)		
<b>Date Filed</b>	11/01/2018	<b>Matter Type</b>	Employment (Lit)
<b>Court/Forum</b>	United States District Court, Eastern District of California	<b>Case/Docket #</b>	2:18-CV-02601-TLN-AC
<b>Case Status</b>	Plaintiff Lamar Veasey, a current instructional support technician in the music department at Sacramento State, filed a lawsuit alleging disparate treatment, based on his race. Mr. Veasey alleges he was denied overtime; challenged on the accuracy of his time sheets; forced to use a more onerous way of reporting when he would be off campus, as compared to white employees; and forced to move his office with insufficient notice and not enough help for the physical burden of moving. Mr. Veasey also named Ernie Hills, the chair of the music department. The case is in the pleading stage.		

## **San Bernardino**

<b>Case Name</b>	Freeman v. CSU, et al. (19-0085)		
<b>Date Filed</b>	01/25/2019	<b>Matter Type</b>	Student (Lit)
<b>Court/Forum</b>	San Bernardino Superior Court - Civil	<b>Case/Docket #</b>	CIVDS1902640
<b>Case Status</b>	Plaintiff Marissa Freeman is a 19-year-old student at CSUSB. She was participating in a Kinesiology class on September 26, 2018. The class assignment that day was a run through the campus. Ms. Freeman alleges she suffered heat stroke during the run and collapsed. She has named the CSU and the Kinesiology professor, Angel Castro, as defendants. She claims the CSU and Professor Castro failed to protect and warn her of the dangers of exercising in the heat and did not timely provide medical care. She also claims the CSU negligently hired and trained its employees. She alleges that she sustained brain and organ damage. The case is in the pleading stage.		

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<b>Case Name</b>	Nunez v. Board of Trustees of the CSU, et al. (16-1281)		
<b>Date Filed</b>	08/22/2016	<b>Matter Type</b>	Employment (Lit)
<b>Court/Forum</b>	San Bernardino Superior Court	<b>Case/Docket #</b>	CIVDS1613843
<b>Case Status</b>	Plaintiff is Ruben Nunez, a former Grounds and Automotive Manager for CSUSB. Plaintiff was employed by CSUSB from February 2004 until February 2016 when he was non-retained for performance reasons. Plaintiff sues the CSU for various alleged employment violations. He claims discrimination based on age, race, and medical conditions; and retaliation based on protected reporting of employment violations. The case went to trial on June 13, 2018. The jury rendered a verdict on July 3, 2018 in favor of plaintiff for \$682,000. The CSU appealed. The appeal is in the early stages and has not been briefed. Plaintiff made a motion for attorneys' fees in the amount of \$1,074,686.76 and costs in the amount of \$74,861.80, which was heard on January 8, 2019. The decision is pending.		

<b>Case Name</b>	Yanez-Macias v. CSU, et al. (17-1375)		
<b>Date Filed</b>	08/17/2017	<b>Matter Type</b>	Student (Lit)
<b>Court/Forum</b>	San Bernardino Superior Court	<b>Case/Docket #</b>	CIVDS1715931
<b>Case Status</b>	Plaintiff Carolina Yanez-Macias was a student at CSUSB. She claims she was sexually assaulted by student Caleb Asbra after she drank heavily at a party. Mr. Asbra was a Community Service Officer, though he was not on duty at the time of the alleged assault. Plaintiff sued Mr. Asbra for battery, sexual battery, physical invasion, and negligence. She sued the CSU for negligence and negligent supervision, claiming that the CSU should have prevented the assault by Mr. Asbra since he was a student-employee. The case settled on August 31, 2018 in the early stage of discovery for \$50,000.		

**San Diego**

<b>Case Name</b>	Albert v. CSU (17-1543)		
<b>Date Filed</b>	12/13/2017	<b>Matter Type</b>	Employment (Lit)
<b>Court/Forum</b>	San Diego Superior Court	<b>Case/Docket #</b>	37-2017-00047870-CU-OE-CTL
<b>Case Status</b>	Angela Albert, an employee in the School of Social Work, alleges failure to accommodate unspecified disabilities in the workplace, and unhealthy work environment. The CSU answered and discovery is underway. The CSU filed a motion for summary judgment that was granted as to the race discrimination and retaliation claims. The disability discrimination claim will continue to trial, which is set for July 12, 2019.		

<b>Case Name</b>	Austin v. CSU (16-0778)		
<b>Date Filed</b>	05/27/2016	<b>Matter Type</b>	Employment (Lit)
<b>Court/Forum</b>	San Diego Superior Court	<b>Case/Docket #</b>	37-2016-00017981-CU-WT-CTL
<b>Case Status</b>	Plaintiff Bobby Austin, a former employee of San Diego State, applied for a management position, but was denied the promotion, and later his employment was terminated. He alleges that he was discriminated against and harassed based on his race. The court granted summary judgment to CSU on all causes of action on May 18, 2018, along with costs and fees (amount to be determined by separate motion). Judgment has been entered for CSU.		

<b>Case Name</b>	Bennett v. CSU (18-0316)		
<b>Date Filed</b>	03/15/2018	<b>Matter Type</b>	Other (Lit)
<b>Court/Forum</b>	United States District Court, San Diego, Southern District of California	<b>Case/Docket #</b>	18-cv-0779-WQH-NLS
<b>Case Status</b>	Monique Bennett, a resident of Orange County, visited Viejas Arena on March 5, 2017 for the Bon Jovi concert. She alleges that her visit was marred by barriers to ADA accessibility in parking, venue access, and seat access. The auxiliary is the main defendant and has undertaken representation on its behalf and on behalf of the Board of Trustees. The case is in the pleading stage. As part of the Early Neutral Evaluation process, the parties were ordered by the court to engage in certain joint reporting regarding alleged ADA violations. That process is currently underway. No trial date has been set.		

<b>Case Name</b>	Burns v. CSU, et al. (14-0194)		
<b>Date Filed</b>	02/19/2014	<b>Matter Type</b>	Employment (Lit)
<b>Court/Forum</b>	Superior Court of State of California, San Diego	<b>Case/Docket #</b>	37-2014-00003408-CU-CO-CTL
<b>Case Status</b>	<p>Former women's basketball coach Beth Burns has sued the University for breach of contract, breach of the covenant of good faith and fair dealing, and retaliation. She contends that she was forced to resign for having demanded that women's basketball be given all of the same facilities, equipment, marketing, and staffing as the men's basketball program. She further contends that the reasons given by the University were a pretext. Following a four-week trial, the jury awarded \$3,356,250 in economic and non-economic damages. On December 5, 2016, the Court denied our motions for new trial and judgment notwithstanding the verdict. The court awarded plaintiff a portion of the attorneys' fees (\$1,918,597.50) and costs (\$104,673.97) she requested, and ordered that CSU be able to undertake periodic payments of the judgment.</p> <p>CSU appealed the judgment on the verdict and plaintiff appealed the costs award and the order granting periodic payment of the judgment. While in the briefing stage, the parties agreed to settle the matter for \$4 million (including all fees and costs). The settlement is complete and the case has been dismissed.</p>		

<b>Case Name</b>	Byrd v. CSU, et al. (17-0626)		
<b>Date Filed</b>	05/12/2017	<b>Matter Type</b>	Employment (Lit)
<b>Court/Forum</b>	San Diego Superior Court	<b>Case/Docket #</b>	37-2017-00007971-CU-WM-CTL
<b>Case Status</b>	<p>Clare Byrd, an administrative analyst/specialist at SDSU, challenged the termination of her employment to the State Personnel Board. CSU settled the matter; however, CalPERS refused to honor some terms of the settlement regarding Byrd's retirement. Byrd then sought enforcement of the settlement at the SPB, but the SPB voided the settlement based on the CalPERS ruling. Byrd then sued CSU for breach of contract, but dismissed that case. Byrd then sued SPB and CalPERS to reverse the decision voiding the settlement, and later added CSU as a defendant to that case. The Superior Court denied the writ relief sought by Byrd. Byrd has appealed the Superior Court's decision, and the appellate case is in the briefing stage.</p>		

<b>Case Name</b>	CSU v. Thermacor Process, Inc. et al. (18-0788)		
<b>Date Filed</b>	07/03/2018	<b>Matter Type</b>	Construction (Lit)
<b>Court/Forum</b>	Superior Court of State of California, San Diego, Central Branch	<b>Case/Docket #</b>	37-2018-00033147-CU-BC-CTL
<b>Case Status</b>	<p>This action arises from the failure of the steam pipe (heating) system at various locations on the San Diego State University campus, resulting in sewage discharge, heating system shutdown, and multiple pipe replacements which also subsequently failed. Forensic investigation indicated a manufacturing defect in the pipe provided by Thermacor, as well as possible installation issues. This lawsuit seeks damages of \$12-\$35M associated with repair or replacement of the defective portions of the system, under theories of negligence, breach of contract, breach of express and implied warranties, and product liability. The case is in the discovery stage.</p>		

<b>Case Name</b>	Doan v. CSU, et al. (17-0370)		
<b>Date Filed</b>	03/07/2017	<b>Matter Type</b>	Personal Injury (Lit)
<b>Court/Forum</b>	San Diego Superior Court	<b>Case/Docket #</b>	37-2017-00008176-CU-PO-CTL
<b>Case Status</b>	<p>Plaintiff Thuan Doan filed a wrongful death lawsuit against SDSU, the City of San Diego, and CalTrans alleging that his mother was murdered on June 12, 2016 in her home above Adobe Falls (which is on land owned or managed by the three entities) by an itinerant who came up to her property from the Adobe Falls area. As to CSU, plaintiff alleges that Adobe Falls is a dangerous area, known for criminal</p>		

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	activity, and that CSU did not sufficiently control or warn of the criminals.
	The City was dismissed on stipulation because it does not own the relevant parcel. The plaintiff voluntarily agreed to dismiss CSU from the lawsuit in December 2017.

<b>Case Name</b>	Kyle v. CSU, et al. (17-1485)		
<b>Date Filed</b>	11/29/2017	<b>Matter Type</b>	Student (Lit)
<b>Court/Forum</b>	San Diego Superior Court	<b>Case/Docket #</b>	37-2017-00045406-CU-MC-CTL
<b>Case Status</b>	Petitioner Taryn Kyle is a current student at San Diego State. Ms. Kyle was previously classified as a nonresident for tuition purposes. She subsequently filed an application to be reclassified as a resident for tuition purposes. The campus denied her application. Ms. Kyle appealed the decision. The decision was confirmed on appeal. Ms. Kyle brought this Writ action seeking to reverse that decision and be classified as a resident. The matter was subsequently dismissed by the Petitioner in July 2018.		

<b>Case Name</b>	Ozatarlar v. CSU (17-1528)		
<b>Date Filed</b>	12/01/2017	<b>Matter Type</b>	Student (Lit)
<b>Court/Forum</b>	Los Angeles Superior Court - Central District	<b>Case/Docket #</b>	BS171706
<b>Case Status</b>	Petitioner Cameron Ozatarlar is a current student at San Diego State. Mr. Ozatarlar was previously classified as a nonresident for tuition purposes. He subsequently filed an application to be reclassified as a resident for tuition purposes. The campus denied his application. Mr. Ozatarlar appealed the decision. The decision was confirmed on appeal. Mr. Ozatarlar brought this Writ action asking that the decision be reversed and that he be classified as a resident. The matter proceeded to trial on February 5, 2019. The Court denied Petitioner's Writ Petition. Entry of a formal judgment is pending.		

<b>Case Name</b>	Ritblatt v. CSU, et al. (17-1148)		
<b>Date Filed</b>	08/25/2017	<b>Matter Type</b>	Employment (Lit)
<b>Court/Forum</b>	San Diego Superior Court	<b>Case/Docket #</b>	37-2017-00031755-CU-OE-CTL
<b>Case Status</b>	Dr. Shulamit Ritblatt, a professor and former Chair of the Department of Child and Family Development at San Diego State University, brought suit alleging causes of action for violation of the California Whistleblower Protection Act, retaliation, and age discrimination. Specifically Dr. Ritblatt alleges that she was discriminated against on the basis of age when the University removed her from her Department Chairmanship and attempted to replace her with a younger, non-tenured professor. Additionally, Dr. Ritblatt claims that she was retaliated against when she made whistleblower complaints about policy and procedure violations that led to her removal and was retaliated against by the University in response for doing so. The case settled for \$90,000.		

<b>Case Name</b>	San Diegans For Open Government v. SDSU, et al. (15-0615)		
<b>Date Filed</b>	04/09/2015	<b>Matter Type</b>	Other (Lit)
<b>Court/Forum</b>	Superior Court of State of California, San Diego	<b>Case/Docket #</b>	37-2015-00011951-CU-MC-CTL
<b>Case Status</b>	Plaintiff filed this action seeking to set aside lease agreements between CSU and Investigative Newsource, a company that provides investigative reporting for KPBS, a station operated at San Diego State by the San Diego State University Research Foundation. Investigative Newsource provides news reports to KPBS, which KPBS pays for with providing leased space. The complaint alleges that the lease agreements constitute gifts of public funds and misappropriate the campus' intellectual property. CSU filed a motion to strike the complaint on the grounds that it is a strategic lawsuit against public participation (SLAPP) in that it challenges agreements entered to provide services protected by the First Amendment and plaintiff cannot show it has a reasonable likelihood of prevailing. On September 8, 2015, the Court granted CSU's motion to strike the complaint. SanDOG appealed.		



	On May 3, 2017, the Court of Appeal affirmed the dismissal of the case; on June 1, 2017 the Court denied SanDOG's petition for rehearing and issued a modified opinion. SanDOG petitioned for review in the California Supreme Court. The Supreme Court granted the petition but held it pending the outcome in another pending anti-SLAPP case (Wilson v. Cable News), which is currently fully briefed and awaiting argument.
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<b>Case Name</b>	Summer v. CSU, et al. (18-1200)		
<b>Date Filed</b>	11/02/2018	<b>Matter Type</b>	Personal Injury (Lit)
<b>Court/Forum</b>	San Diego Superior Court	<b>Case/Docket #</b>	37-2018-00056022-CU-NP-CTL
<b>Case Status</b>	Gordon Summer, the father of an Aztec Shops executive, was on the football field at halftime of the SDSU homecoming game against CSU Fresno in October 2017 to participate in the Royals parade. After that event, he lingered on the field after the teams returned and was struck by a football being used for halftime warmups. He suffered head injuries and now seeks \$25M in damages. Summer sued CSU and the City of San Diego (owner of the stadium). CSU accepted the City's tender and filed answers to the complaint on behalf of both parties. The case is in the discovery stage. No trial date has been set.		

<b>Case Name</b>	Taitano v. CSU (17-1542)		
<b>Date Filed</b>	12/13/2017	<b>Matter Type</b>	Employment (Lit)
<b>Court/Forum</b>	San Diego Superior Court	<b>Case/Docket #</b>	37-2017-00048059-CU-OE-CTL
<b>Case Status</b>	Gerald Taitano, now retired but formerly a plumber in Facilities, alleges constructive discharge due to disability discrimination and retaliation for identifying plumbing-related issues on campus. The case is in the discovery phase.		

<b>Case Name</b>	Voice of San Diego v. SDSU (19-0167)		
<b>Date Filed</b>	02/15/2019	<b>Matter Type</b>	Other (Lit)
<b>Court/Forum</b>	San Diego Superior Court	<b>Case/Docket #</b>	37-2019-00008880-CU-MC-CTL
<b>Case Status</b>	The Voice of San Diego, an online newspaper, sought information regarding the SDSU Mission Valley project through Public Records Act requests. The campus provided responsive documents to most requests, and withheld others on deliberative process, privilege, and other grounds. The VOSD now seeks injunctive and declaratory relief and attorneys' fees for alleged violations of the PRA. This matter is in the pleading stage.		

## **San Francisco**

<b>Case Name</b>	Abdulhadi v. CSU (18-0885)		
<b>Date Filed</b>	08/02/2018	<b>Matter Type</b>	Employment (Lit)
<b>Court/Forum</b>	United States District Court, San Francisco, Northern District of California	<b>Case/Docket #</b>	3:18-cv-04662-JCS
<b>Case Status</b>	Plaintiff Rabab Abdulhadi, a San Francisco State faculty member, filed a complaint in federal court alleging breach of contract, discrimination, retaliation and failure to accommodate her disabilities. Dr. Abdulhadi is an Arab woman of Palestinian ancestry. She claims the University told her she could lead an Arab/Islamic studies program within the College of Ethnic Studies and hire faculty to support her in the new program, and then reneged on the offer. She alleges further the University refused to support her professionally and retaliated against her due to her race, national origin and religion, and failed to accommodate her disabilities. The CSU filed a motion to dismiss Plaintiff's complaint, asserting that the complaint fails to state a viable cause of action and, in any event, CSU is immune from the claims. The court has not yet acted on CSU's motion.		

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<b>Case Name</b>	Chili, Enrica by and Through Her Guardian Ad Litem v. CSU (16-0276)		
<b>Date Filed</b>	08/25/2015	<b>Matter Type</b>	Personal Injury (Lit)
<b>Court/Forum</b>	Superior Court of State of California, San Francisco, Civil	<b>Case/Docket #</b>	CGC 15 547632
<b>Case Status</b>	Plaintiff Enrica Chili is an Italian citizen and former SFSU student who was severely injured in a vehicle accident while participating in a research program in Tanzania. She asserts claims of negligence and negligent supervision against the CSU, alleging that the vehicle that transported the students was inadequate and the individual who operated the vehicle was reckless. Plaintiff was paralyzed as a result of the accident. The case settled at mediation for \$3 million.		

<b>Case Name</b>	City and County of San Francisco v. Regents of the University of California, et al. (14-0065)		
<b>Date Filed</b>	01/14/2014	<b>Matter Type</b>	Other (Lit)
<b>Court/Forum</b>	Superior Court of State of California, San Francisco	<b>Case/Docket #</b>	CPF-14-513434
<b>Case Status</b>	The City and County of San Francisco filed a lawsuit against the CSU, the University of California, and U.C. Hastings College of Law attempting to compel the Defendants to collect and remit to the City a 25% parking tax on all university parking spaces. Defendants asserted a sovereign immunity defense. The court ruled in favor of the Defendants and denied Plaintiff's petition. The City appealed the ruling. The Court of Appeal affirmed the judgment in favor of the UC, Hastings, and the CSU. Plaintiff sought review by the California Supreme Court, which accepted the case for review. The matter is pending in the Supreme Court.		

<b>Case Name</b>	Gama v. CSU, et al. (18-0363)		
<b>Date Filed</b>	04/30/2018	<b>Matter Type</b>	Employment (Lit)
<b>Court/Forum</b>	United States District Court, San Francisco, Northern District of California	<b>Case/Docket #</b>	18-cv-02552-EMC
<b>Case Status</b>	Marcos Gama, a former employee of Associated Students, Inc. (ASI), filed a state court complaint against the CSU, San Francisco State Vice President of Student Affairs Luoluo Hong, and former San Francisco State employee MaryAnn Begley. While an ASI employee, Gama was the subject of sexual harassment complaints by SF State students and employees. He alleges that the University's investigation of those complaints violated his due process rights and its conclusion that he violated CSU policy was unfounded and inappropriate. The CSU removed the state court complaint to federal court and then filed a motion to dismiss the case, which the District Court granted with leave to amend. Gama filed an amended complaint, and the CSU filed another motion to dismiss, which the court again granted with leave to amend. Gama then filed a Second Amended Complaint, and the CSU filed another motion to dismiss, asking the court to dismiss the case with prejudice. The CSU is awaiting the outcome of the latest motion.		

<b>Case Name</b>	Gupta v. SFSU (15-0327)		
<b>Date Filed</b>	02/10/2015	<b>Matter Type</b>	Employment (Lit)
<b>Court/Forum</b>	Superior Court of State of California, San Francisco	<b>Case/Docket #</b>	CGC-15-544050
<b>Case Status</b>	Dr. Rashmi Gupta was a probationary faculty member in the Department of Social Work. SFSU denied her request for tenure and promotion in 2011. Following a hearing held under the faculty grievance procedure, an arbitrator awarded her an additional year of employment and permitted her to apply for tenure again. In 2012, SFSU again denied her tenure request and her employment at the university ended. In this case, Dr. Gupta claimed the university's decision was discriminatory, retaliatory, and based on age, gender, national origin and ancestry rather than legitimate academic reasons. The case went to trial in August 2016, and the jury returned a verdict for plaintiff in the amount of \$378,461. Plaintiff filed a motion for reinstatement into a tenured faculty position and the court denied the motion with certain conditions that would subject the university to court monitoring and reporting for five years. The CSU opposed the court's conditions. On July 31, 2017, the court issued an award of attorney's fees and costs in favor of Plaintiff in the amount of \$587,160.75.		

The CSU appealed both the judgment and attorney's fees award. The appeal is in the briefing stage.

Following entry of judgment and filing of the appeal, the trial court issued a number of orders attempting to enforce its non-reinstatement conditions and reporting requirements and threatening to sanction the CSU for non-compliance. In October 2017, the CSU filed a Petition of Writ of Supersedeas requesting an immediate stay of all lower court proceedings, but the petition was ultimately denied. The parties continued to report to the trial court on a regular basis regarding the reinstatement conditions.

On February 26, 2018, SF State sent Dr. Gupta a formal offer of re-employment at the rank of professor with tenure with a return to work date of March 12, 2018. Dr. Gupta accepted. She was given leave time to prepare for her return. Appeal of the judgment and attorney's fee order are still pending.

<b>Case Name</b>	Jensen v. CSU, et al. (18-0454)		
<b>Date Filed</b>	04/19/2018	<b>Matter Type</b>	Employment (Lit)
<b>Court/Forum</b>	San Francisco Superior Court	<b>Case/Docket #</b>	CGC-18-565899
<b>Case Status</b>	Plaintiff Lars Jensen is the former wrestling coach at San Francisco State. The University opted not to rehire him after his coaching appointment expired. He filed a complaint in state court alleging that his non-reappointment was based on his age, race, and hostile work environment. The case is in the discovery phase.		

<b>Case Name</b>	Mandel, et al. v. CSU, et al. (17-0814)		
<b>Date Filed</b>	06/19/2017	<b>Matter Type</b>	Student (Lit)
<b>Court/Forum</b>	United States District Court - North District of California (Oakland)	<b>Case/Docket #</b>	3:17-cv-03511-WHO
<b>Case Status</b>	Plaintiffs, including SFSU students, former students, and Jewish community members, claim that their First and Fourteenth Amendment rights were violated by SFSU. The Complaint focuses on two events: (1) the April 2016 appearance by Jerusalem Mayor Nir Barkat at SFSU that drew loud protests and ended prematurely due to the opposition, and (2) the February 2017 "Know Your Rights" fair that the student group SF Hillel was allegedly excluded from due to their religious beliefs and the content of their speech. The complaint names the CSU and SFSU as defendants, along with eleven current or former employees. On November 8, 2017, the court granted the CSU's motion to dismiss with leave to amend. Plaintiffs filed an amended complaint, but following another motion to dismiss, the court dismissed that complaint as well. After Plaintiffs filed a second amended complaint, and the CSU filed another motion to dismiss, on October 29, 2018, the court issued an order dismissing the case with prejudice and entered judgment for the CSU. In November 2018, Plaintiffs filed an appeal with the Ninth Circuit Court of Appeals. The appeal is in the briefing phase.		

<b>Case Name</b>	Monteiro v. CSU, et al. (17-1102)		
<b>Date Filed</b>	08/23/2017	<b>Matter Type</b>	Employment (Lit)
<b>Court/Forum</b>	San Francisco Superior Court	<b>Case/Docket #</b>	CGC-17-560897
<b>Case Status</b>	Plaintiff Ken Monteiro, the former Dean of the College of Ethnic Studies (CES) at San Francisco State, filed this lawsuit against the CSU, President Leslie Wong, former Provost Sue Rosser, and current Provost Jennifer Summit. The Complaint alleges causes of action for discrimination, harassment, retaliation, and defamation. Plaintiff alleges that budget cuts at SFSU disproportionately impacted the CES and the defendants falsely accused him of overspending. He also alleges that defendants' refusal to properly fund CES was motivated by discrimination against the Dean due to his race, age, and sexual orientation. The parties engaged in discovery and in October 2018, the CSU filed a motion for summary judgment. While that motion was pending, Plaintiff filed a voluntary dismissal of the case without prejudice, which would permit him to refile the complaint at a later time. To date, Plaintiff has not filed another complaint and the case is currently dismissed.		

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<b>Case Name</b>	Sherwin v. SFSU, et al. (18-0376)		
<b>Date Filed</b>	04/04/2018	<b>Matter Type</b>	Contracts (Lit)
<b>Court/Forum</b>	Superior Court of State of California, San Francisco	<b>Case/Docket #</b>	CGC-18-565520
<b>Case Status</b>	Paul Sherwin, a former Dean of the College of Liberal & Creative Arts at San Francisco State, sued the CSU for breach of contract and wrongful termination. Plaintiff claims that SF State failed to fulfill an employment agreement with him and forced him to resign. CSU filed a motion to challenge the case, asserting that Sherwin did not have viable contract claims and he failed to exhaust administrative remedies when he did not comply with the Government Claims Act. The court agreed with CSU's legal arguments but gave plaintiff several chances to amend his complaint. In response to CSU's challenge to the third version of the complaint, the court dismissed the case.		

<b>Case Name</b>	Sposito-Bernath v. CSU, et al. (17-0628)		
<b>Date Filed</b>	05/11/2017	<b>Matter Type</b>	Employment (Lit)
<b>Court/Forum</b>	San Francisco Superior Court	<b>Case/Docket #</b>	CGC-17-558830
<b>Case Status</b>	Plaintiff is a SFSU employee who worked in the Academic Senate office as an administrative analyst since 2001. In 2014 she was diagnosed with cancer and received treatment. She claims that she was treated differently when she returned following her cancer treatment and was wrongly compelled to attend three fitness for duty medical exams. Her complaint asserts claims of disability discrimination, hostile work environment, and retaliation. The case settled at mediation in March 2018. Plaintiff agreed to release all claims against the CSU and resign from SF State employment, and the CSU agreed to pay her \$575,000.		

<b>Case Name</b>	Steshenko v. Albee, et al. (14-0272)		
<b>Date Filed</b>	10/14/2014	<b>Matter Type</b>	Student (Lit)
<b>Court/Forum</b>	United States District Court, San Francisco	<b>Case/Docket #</b>	13-CV-04948 PSG
<b>Case Status</b>	Plaintiff Gregory Steshenko claims he was denied admission to two separate graduate laboratory programs because of his age. The judge granted CSU's motion to dismiss the case on the basis of misrepresentations by Steshenko in his application for "in forma pauperis" status to have various fees waived. Steshenko filed a motion for reconsideration, which the court denied. The case was dismissed and Steshenko filed an appeal. The Ninth Circuit dismissed the appeal on May 31, 2017. On January 3, 2018, the court denied Steshenko's request for rehearing and closed the case.		

<b>Case Name</b>	Tran v. SFSU, et al. (15-0426)		
<b>Date Filed</b>	01/27/2015	<b>Matter Type</b>	Employment (Lit)
<b>Court/Forum</b>	Superior Court of State of California, San Francisco	<b>Case/Docket #</b>	CGC-15-543853
<b>Case Status</b>	Plaintiff Truong Tran is a part-time lecturer in the Creative Writing Department. Plaintiff unsuccessfully applied for tenure-track positions in 2002, 2006, and again in 2014. He claims he was discriminated against on the basis of race when he was not hired for these tenure-track positions. The parties settled for payment of \$30,000 and a paid leave of absence.		

<b>Case Name</b>	Volk, et al. v. CSU (18-0123)		
<b>Date Filed</b>	01/09/2018	<b>Matter Type</b>	Student (Lit)
<b>Court/Forum</b>	San Francisco Superior Court	<b>Case/Docket #</b>	CGC-18-563970
<b>Case Status</b>	This state-court lawsuit was filed on January 30, 2018, by two of the six plaintiffs from the Mandel case, both current San Francisco State students, against the CSU. Plaintiffs allege that SF State discriminated against them based on their "race, religion, ancestry, and perceived skin color" in violation of California's Unruh Civil Rights Act. In particular, Plaintiffs allege that they were wrongly excluded from a student fair because they are Jewish. CSU filed a motion for summary judgment, and in response, plaintiffs filed a motion to amend their complaint. Both motions were denied, and the case is set for trial on March 18, 2019.		

## San Jose

<b>Case Name</b>	Acco Engineered v. Sundt Construction (17-0033)		
<b>Date Filed</b>	02/03/2016	<b>Matter Type</b>	Construction (Lit)
<b>Court/Forum</b>	Santa Clara Superior Court	<b>Case/Docket #</b>	16CV291139
<b>Case Status</b>	<p>A subcontractor on the SJSU Spartan Complex renovation, ACCO Engineered Systems, filed a lawsuit against contractor Sundt Construction, asserting claims for enforcement of a stop notice and equitable payment for services performed. The only claim against the CSU was for the stop notice, which was later dismissed at CSU's request. Now Sundt has filed a cross-complaint against the CSU for breach of contract, alleging that SJSU directed Sundt to perform additional services but has failed to pay Sundt for those services.</p> <p>The case has settled. The CSU agreed to pay ACCO \$550,000, and general contractor Sundt agreed to pay ACCO \$450,000. The lawsuit has been dismissed.</p>		

<b>Case Name</b>	Chen v. CSU, et al. (17-0596)		
<b>Date Filed</b>	04/27/2017	<b>Matter Type</b>	Personal Injury (Lit)
<b>Court/Forum</b>	United States District Court, North District of California (San Jose)	<b>Case/Docket #</b>	5:17-cv-02046 NC
<b>Case Status</b>	<p>Plaintiff Alan Chen, an undergraduate student at SJSU, got into an altercation with security and campus police in April 2015 while standing outside the campus Event Center, which was hosting a rave concert. Chen alleges he was subjected to excessive force and inadequate medical care by campus police officers.</p> <p>The case has settled. The CSU agreed to pay Chen \$59,900 (\$34,900 of which is paid to his attorney). The lawsuit has been dismissed.</p>		

<b>Case Name</b>	J.A.L. v. Santos, et al. (15-0219)		
<b>Date Filed</b>	01/26/2015	<b>Matter Type</b>	Personal Injury (Lit)
<b>Court/Forum</b>	United States District Court, San Jose	<b>Case/Docket #</b>	CV 15-00355 LHK
<b>Case Status</b>	<p>SJSU police officers Mike Santos and Frits Van Der Hoek confronted Antonio Guzman Lopez, a homeless man holding a sharp object, on the edge of campus. After Lopez ignored their instructions and moved quickly toward Van Der Hoek, Officer Santos fired, killing Lopez. Plaintiff J.A.L. is Lopez' minor son; through his guardian ad litem, J.A.L. brought claims against Santos and Van Der Hoek, for unreasonable search and seizure, violation of due process, wrongful death and negligence. The court granted the CSU's motion for summary judgment on qualified immunity and dismissed the case, and the Court of Appeals issued its decision, agreeing that the case should be dismissed. Plaintiff has not sought review from the U.S. Supreme Court, so the matter is now concluded.</p>		

<b>Case Name</b>	Jones v. CSU, et al. (18-0977)		
<b>Date Filed</b>	08/22/2018	<b>Matter Type</b>	Other (Lit)
<b>Court/Forum</b>	United States District Court, San Jose	<b>Case/Docket #</b>	5:18-CV-03759-NC
<b>Case Status</b>	<p>Plaintiff Yonex Jones brings suit against CSU and two SJSU police officers, alleging the officers violated his constitutional rights in the summer of 2016 when they pulled over his vehicle near the SJSU campus and arrested him, for possessing a liquid that field-tested positive for methamphetamine. Jones claims he remained in jail for almost seven weeks until the liquid conclusively tested negative. He brings claims for unlawful detention and malicious prosecution.</p>		

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<b>Case Name</b>	Kil v. CSU, et al. (17-1062)		
<b>Date Filed</b>	08/11/2017	<b>Matter Type</b>	Employment (Lit)
<b>Court/Forum</b>	San Francisco Superior Court	<b>Case/Docket #</b>	CGC-17-560665
<b>Case Status</b>	<p>Plaintiff Sang Hea Kil is a tenured associate professor of Justice Studies at SJSU. Plaintiff initially claimed that SJSU had failed to engage in the interactive process to accommodate her abdominal condition, and sought a temporary restraining order and preliminary injunction for an all-online course schedule, but both requests were denied. She then amended her complaint to allege that SJSU failed to reasonably accommodate her medical condition, engaged in disability discrimination and retaliation, as well as whistleblower retaliation.</p> <p>The case is settled. In exchange for Kil dismissing the lawsuit and all the related actions, CSU agreed to assign her all online courses for the Spring and Fall of 2019, and no more than one fully in-person or hybrid course (along with online courses) for the Spring and Fall semesters from 2020 through 2023, and to pay her attorney \$35,000.</p>		

<b>Case Name</b>	Laker v. CSU, et al. (17-0424)		
<b>Date Filed</b>	03/15/2017	<b>Matter Type</b>	Employment (Lit)
<b>Court/Forum</b>	Santa Clara Superior Court	<b>Case/Docket #</b>	17CV307336
<b>Case Status</b>	<p>Plaintiff Jason Laker, a faculty member in the College of Education (and former Vice President of Student Affairs) served as the advisor for a graduate student who was found to have been sexually harassed by her instructor, Lewis Aptekar. In this lawsuit, Laker brings claims for defamation and retaliation against SJSU and three administrators, Provost Andrew Feinstein, then-Associate Dean Mary McVey, and head of Human Resources Beth Pugliese. Laker alleges he was defamed when administrators suggested he knew of prior complaints against Aptekar that Laker failed to report, and Laker alleges Feinstein caused meritless and time-barred complaints and grievances to be brought against him. CSU filed an anti-SLAPP motion as to the entire case, the trial court denied the motion, and CSU appealed the denial, staying the case.</p> <p>On February 28, 2019, the Court of Appeal issued its decision on the CSU's anti-SLAPP motion, granting the motion as to Laker's defamation claim, and dismissing that claim, and denying the motion as to the retaliation claim, allowing that claim to proceed. The Court also ordered the trial court to award CSU appropriate attorneys' fees. Laker and the CSU have until March 15 to file a petition for rehearing with the Court of Appeal and until April 9 to file a petition for review with the California Supreme Court.</p>		

<b>Case Name</b>	Mohammadi v. CSU, et al. (19-0035)		
<b>Date Filed</b>	12/21/2018	<b>Matter Type</b>	Employment (Lit)
<b>Court/Forum</b>	Superior Court of State of California, Santa Clara	<b>Case/Docket #</b>	18CV340118
<b>Case Status</b>	<p>Oldooz Mohammadi was hired in late 2017 as a Lead Instructional Developer, to assist SJSU faculty with technology and teaching strategies. In May 2018, after being rated unsatisfactory for her attendance and her interactions with faculty, she was released during probation. She alleges her separation was unlawful because SJSU failed to accommodate industrial injuries she suffered on the job, discriminated against her on the basis of disability (torn labrum, partially-torn rotator cuff, and carpal tunnel syndrome), failed to engage in the interactive process with her, and failed to pay her an appropriate final paycheck. The case is in the discovery phase.</p>		

<b>Case Name</b>	Onkvisit v. Trejo, et al. (15-0725)		
<b>Date Filed</b>	04/06/2015	<b>Matter Type</b>	Employment (Lit)
<b>Court/Forum</b>	Superior Court of State of California, Santa Clara	<b>Case/Docket #</b>	115CV279005
<b>Case Status</b>	<p>Plaintiff Sak Onkvisit, a professor at SJSU (and a serial litigant against CSU), is representing himself in this lawsuit, which he filed against six SJSU faculty and staff members. He alleges they defamed him</p>		

	<p>by falsely accusing him of seeking excessive reimbursement for a travel claim. CSU filed a motion to dismiss and an anti-SLAPP motion, both of which were granted, and the court dismissed the case. Plaintiff appealed.</p> <p>On October 5, 2018, the Court of Appeal issued its decision, affirming the dismissal. Onkvisit has petitioned the California Supreme Court for review.</p>
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<b>Case Name</b>	Ortega v. CSU, et al. (17-0611)		
<b>Date Filed</b>	05/04/2017	<b>Matter Type</b>	Employment (Lit)
<b>Court/Forum</b>	Santa Clara Superior Court	<b>Case/Docket #</b>	17CV309628
<b>Case Status</b>	<p>Plaintiff Lydia Ortega was the longstanding Chair of SJSU's Department of Economics until she was removed in 2016. She is suing CSU, Dean Walter Jacobs, and the new department chair, Colleen Haight. Ortega alleges that Jacobs created a hostile environment based on stereotypical views about gender roles and otherwise discriminated against her based on gender, and that Haight made defamatory statements that Ortega had misused department funds. Ortega asserts causes of action for wrongful demotion in breach of an implied contract, hostile environment based on gender, gender discrimination, and defamation.</p> <p>Ortega has dismissed Jacobs from the lawsuit, and it is now in the discovery phase.</p>		

<b>Case Name</b>	Tappe v. CSU, et al. (18-0008)		
<b>Date Filed</b>	12/08/2017	<b>Matter Type</b>	Employment (Lit)
<b>Court/Forum</b>	Santa Clara Superior Court	<b>Case/Docket #</b>	17CV320217
<b>Case Status</b>	<p>Elinor Tappe has sued the CSU and Paul Lanning, SJSU's Vice President of Advancement and her former supervisor, alleging retaliation and wrongful termination in violation of public policy. She claims that her December 2016 termination constituted retaliation for her attempts to disclose instances of misappropriation of donor funding.</p> <p>The case is in the discovery phase. A mediation is scheduled for April 4.</p>		

<b>Case Name</b>	Tiggs v. CSU, et al. (15-0929)		
<b>Date Filed</b>	05/07/2015	<b>Matter Type</b>	Personal Injury (Lit)
<b>Court/Forum</b>	Superior Court of State of California, Santa Clara	<b>Case/Docket #</b>	115CV280317
<b>Case Status</b>	<p>Brenden Tiggs was an SJSU freshman who, in February 2014, committed suicide in his SJSU dorm room. Plaintiffs, his parents, contend SJSU was negligent in failing to monitor their son's mental and emotional health and breached its obligation to provide him a safe and secure environment. CSU's motion to dismiss the lawsuit on timeliness grounds was granted and the case was dismissed. Plaintiff appealed.</p> <p>On September 10, 2018, the Court of Appeal issued its decision, affirming the dismissal. The matter is now concluded.</p>		

## San Luis Obispo

<b>Case Name</b>	Banks v. CSU et al. (18-0776)		
<b>Date Filed</b>	07/05/2018	<b>Matter Type</b>	Employment (Lit)
<b>Court/Forum</b>	Superior Court of State of California, San Luis Obispo	<b>Case/Docket #</b>	18CV-0407

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<b>Case Status</b>	Plaintiff, Christi Banks, received a 1 year appointment for the 2016-17 Academic Year to be a Lecturer in the Construction Management Department at Cal Poly. Plaintiff's lawsuit alleges she was subjected to unlawful discrimination based on sex and disability, retaliation, and that Cal Poly failed to take all reasonable steps to prevent discrimination and retaliation. Plaintiff's appointment as a lecturer was not renewed after the 2016-17 Academic Year because evaluations of her teaching and performance found that she did not satisfactorily meet the requirements of the position. The case is at the discovery phase.
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<b>Case Name</b>	Doe v. CSU, et al. (18-0073)		
<b>Date Filed</b>	01/16/2018	<b>Matter Type</b>	Student (Lit)
<b>Court/Forum</b>	Superior Court of State of California, Los Angeles	<b>Case/Docket #</b>	BS171866
<b>Case Status</b>	Former student "John Doe" was charged with sexual misconduct. He was expelled after an investigation and sanctions hearing. He then filed a petition for writ of mandate to challenge his expulsion, alleging due process violations. Following a new appellate decision that changed California law, the campus has vacated the underlying findings and sanctions, and it is going back and redoing the investigatory and campus hearing process in conformance with the change in law.		

<b>Case Name</b>	Doe v. White, et al. (17-0385)		
<b>Date Filed</b>	03/21/2017	<b>Matter Type</b>	Student (Lit)
<b>Court/Forum</b>	Los Angeles Superior Court - Central District	<b>Case/Docket #</b>	BS168476
<b>Case Status</b>	<p>Student "John Doe" filed this petition for a writ of mandate challenging his expulsion from Cal Poly San Luis Obispo after he was found responsible for sexual misconduct.</p> <p>On July 12, 2018, the court granted Doe's petition finding that Doe was denied a fair hearing and that CSU's finding of sexual misconduct was not supported by substantial evidence. The court directed CSU to set aside the decision and order of expulsion against Doe. As a result of the court's finding that substantial evidence did not support the decision, CSU was precluded from redoing the hearing.</p> <p>As the prevailing party, Doe was awarded costs in the sum of \$857.42 and attorneys' fees in the sum of \$7,500 under Government Code §800. In awarding attorneys' fees to Doe, the Court found that CSU's finding of sexual misconduct was the result of "arbitrary or capricious" conduct by a public entity or officer and awarded Doe the statutory maximum recovery of attorneys' fees under §800. Doe's request for attorneys' fees in excess of \$40,000 under the private attorney general statute was denied.</p>		

<b>Case Name</b>	Doe v. White, et al. (17-1003)		
<b>Date Filed</b>	07/17/2017	<b>Matter Type</b>	Student (Lit)
<b>Court/Forum</b>	Los Angeles Superior Court - Central District	<b>Case/Docket #</b>	BS170221
<b>Case Status</b>	<p>Former student "John Doe" was charged with sexual misconduct against a female student at CSU, Monterey Bay. He was expelled after an investigation and sanctions hearing. He then filed a petition for writ of mandate to challenge his expulsion, alleging due process violations.</p> <p>At the hearing on September 21, 2018, the Court, in reliance on a line of new appellate decisions that changed California law, found that a process errors had occurred, and ruled that the underlying findings and sanctions must be overturned. But, the Court ruled that CSU can go back and fix the procedural errors by restarting the investigatory and campus hearing process in conformance with the change in law.</p>		



<b>Case Name</b>	Doe v. White, et al (18-0999)		
<b>Date Filed</b>	09/07/2018	<b>Matter Type</b>	Student (Lit)
<b>Court/Forum</b>	Los Angeles Superior Court - Central District	<b>Case/Docket #</b>	BC721158
<b>Case Status</b>	<p>Plaintiff "John Doe" was a student at San Luis Obispo (SLO) who has since graduated. While still a student, Plaintiff was alleged to have engaged in non-consensual sexual activity in violation of Executive Order 1097 Revised (EO 1097R). Plaintiff was subsequently found by SLO to have violated EO 1097R.</p> <p>Plaintiff has brought an action for declaratory and injunctive relief. The Complaint alleges that the allegations against him were investigated and decided pursuant to provisions of EO 1097R that were invalid. The Complaint asks that SLO's decision be vacated and reversed, and that CSU be permanently enjoined from utilizing the provisions of EO 1097R which he is challenging.</p> <p>CSU has filed a demurrer to the entirety of the Complaint. The demurrer has been set for hearing on March 29, 2019.</p>		

<b>Case Name</b>	Doe v. White, et al. (18-1225)		
<b>Date Filed</b>	10/30/2018	<b>Matter Type</b>	Student (Lit)
<b>Court/Forum</b>	Los Angeles Superior Court - Central District	<b>Case/Docket #</b>	18STCV03167
<b>Case Status</b>	<p>"John Doe" is a student from Cal Poly San Luis Obispo who has now completed requirements for graduation. Prior to completing the graduation requirements, Doe was alleged to have engaged in non-consensual sexual activity with three female students. Cal Poly separately investigated these complaints and found that Doe committed sexual misconduct against two of the complainants. Doe filed a complaint for declaratory and injunctive relief, asserting that CSU's policies lack due process. After receiving the petition, CSU reopened Doe's appeal of findings, but the Chancellor's Office has not yet issued a ruling on that appeal. The litigation is in the pleadings stage, and CSU has filed a challenge to the complaint that will be heard by the court in March 2019.</p>		

<b>Case Name</b>	Espinoza v. Cal Poly SLO (19-0013)		
<b>Date Filed</b>	01/08/2019	<b>Matter Type</b>	Personal Injury (Lit)
<b>Court/Forum</b>	Superior Court of State of California, San Luis Obispo	<b>Case/Docket #</b>	18-CV-0605
<b>Case Status</b>	<p>Plaintiff, Angela Espinoza, a student at Cal Poly San Luis Obispo, was with a friend on a campus field. After the two lifted a soccer goal upright in high winds (35 to 40 MPH), Plaintiff sat down on the ground in front of the goal to put her soccer cleats on when the high winds caused the soccer goal to fall onto her and Plaintiff sustained injuries as a result. The case is at the pleading stage.</p>		

<b>Case Name</b>	Marshall v. CSU (16-0654)		
<b>Date Filed</b>	04/20/2016	<b>Matter Type</b>	Employment (Lit)
<b>Court/Forum</b>	San Luis Obispo Superior Court	<b>Case/Docket #</b>	16CV-0179
<b>Case Status</b>	<p>Former Business Economics faculty member Kathryn Marshall filed this discrimination lawsuit claiming she was denied tenure and promotion because of her gender, age and marital status. The University denied her application for tenure and promotion because she did not meet the necessary standards in teaching effectiveness and professional scholarship. The case is set for trial on April 22, 2019.</p>		

<b>Case Name</b>	Pederson v. Ausmus, et al. (18-0477)		
<b>Date Filed</b>	04/27/2018	<b>Matter Type</b>	Student (Lit)
<b>Court/Forum</b>	Superior Court of State of California, San Luis Obispo	<b>Case/Docket #</b>	18CV-0251
<b>Case Status</b>	Student, Jacqueline Pederson, was sexually harassed on two occasions by former long-time lecturer William Ausmus. Ausmus was temporarily suspended during the investigation and his appointment was not renewed after the Executive Order 1097 investigation found he violated University policy by sexually harassing Pederson. Pederson filed this lawsuit against CSU and Ausmus alleging assault, battery, sexual harassment, discrimination and negligent supervision. The case settled for \$85,000 (\$70,000 from CSU and \$15,000 from the former Professor).		

<b>Case Name</b>	Vanasupa v. CSU et al. (18-0358)		
<b>Date Filed</b>	03/27/2018	<b>Matter Type</b>	Employment (Lit)
<b>Court/Forum</b>	San Luis Obispo Superior Court	<b>Case/Docket #</b>	18CV-0174
<b>Case Status</b>	Current tenured Engineering faculty member Linda Vanasupa alleges discrimination against CSU based on her age, gender (transgender) and sexual orientation, and alleged failure to prevent discrimination, harassment and retaliation, because of lack of support, attempt to change her tenure home department, letter of reprimand, and issues regarding her department chair and former dean. The matter is in the discovery phase.		

### **San Marcos**

<b>Case Name</b>	Apodaca v. Silas Abrego, et al (17-0640)		
<b>Date Filed</b>	05/17/2017	<b>Matter Type</b>	Student (Lit)
<b>Court/Forum</b>	United States District Court, Southern District of California	<b>Case/Docket #</b>	17CV1014L
<b>Case Status</b>	<p>Plaintiff Nathan Apodaca, president of Students for Life ("SFL") at California State University San Marcos, filed a lawsuit arising from the denial of SFL's application for ASI Leadership Funding, which is funded by mandatory student fees, to pay a speaker to attend a SFL event. The denial was based upon ASI Leadership Funding guidelines that specifically prohibit payment of speaker fees. Plaintiff also challenges ASI's allocation of mandatory student fees to fund the Gender Equity Center and LGBTQA Pride Center, which plaintiff alleges both engage in speech he opposes. Plaintiff alleges violations of his First Amendment free speech rights and Fourteenth Amendment right to equal protection of the law, and seeks declaratory and injunctive relief, compensatory damages, and attorneys' fees.</p> <p>After the close of discovery, the parties filed cross-motions for summary judgment. The motions were taken under submission by the Court. No oral argument on the motions has been scheduled to date. All trial related dates were vacated by the Court pending its decision on the cross-motions for summary judgment.</p>		

<b>Case Name</b>	Mackey, et al. v. CSU, et al. (15-0596)		
<b>Date Filed</b>	04/06/2015	<b>Matter Type</b>	Student (Lit)
<b>Court/Forum</b>	Superior Court of State of California, San Diego	<b>Case/Docket #</b>	37-2015-00011529-CU-
<b>Case Status</b>	<p>Students Lynette Mackey, Kianna Williams, Danielle Cooper, Sierra Smith, and Crystal Hicks, all current or former African American basketball players on the CSU San Marcos women's basketball team, filed a lawsuit alleging claims against CSU for race discrimination, harassment, retaliation, and negligence. On March 3, 2017, the court granted CSU's motion for summary judgment.</p> <p>Plaintiffs appealed and on January 23, 2019, the Court of Appeal affirmed summary adjudication on plaintiffs' U.S.C.1981 and 1983 claims and on one of the plaintiff's retaliation claims. The Court reversed summary adjudication of the race discrimination claims and the remaining retaliation claims.</p>		

	The superior court will set a status conference in the next few months to discuss further proceedings including a new trial date.
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<b>Case Name</b>	Patruno v. CSU, et al. (18-0842)		
<b>Date Filed</b>	07/23/2018	<b>Matter Type</b>	Employment (Lit)
<b>Court/Forum</b>	San Diego Superior Court	<b>Case/Docket #</b>	37-2018-00036679-CU-WT-CTL
<b>Case Status</b>	Plaintiff Ryan Patruno, a former Extended Learning employee hired on a temporary full-time basis as a Web Specialist at California State University San Marcos, sued CSU for wrongful termination and whistleblower retaliation. Plaintiff claims he was terminated because he reported to his direct supervisor that his coworker was doing personal, freelance work using CSUSM resources, which was interfering with CSUSM projects. Plaintiff also filed a whistleblower retaliation complaint under EO 1058. The case is in the pleading stage.		

<b>Case Name</b>	Wellborn v. CSU, et al. (19-0088)		
<b>Date Filed</b>	01/31/2019	<b>Matter Type</b>	Employment (Lit)
<b>Court/Forum</b>	San Diego Superior Court	<b>Case/Docket #</b>	37-2019-00006111-CU-OE-CTL
<b>Case Status</b>	Plaintiff Lynn Wellborn, a former Gift Processing and Reporting Coordinator in University Advancement at California State University San Marcos, sued CSU for alleged unpaid overtime wages under Labor Code sections 510, 1194 and 1198 and meal period premiums under Labor Code sections 226.7, 512 and 558. Plaintiff seeks damages in excess of \$34,000 for the amount of alleged unpaid overtime wages, one hour of wages for each uninterrupted meal period that was not provided, attorneys' fees, and costs. The case is in the pleading stage.		

## Sonoma

<b>Case Name</b>	Benjamin v. CSU, et al. (16-0340)		
<b>Date Filed</b>	02/16/2016	<b>Matter Type</b>	Employment (Lit)
<b>Court/Forum</b>	Sonoma Superior Court	<b>Case/Docket #</b>	SCV-258408
<b>Case Status</b>	Steven Benjamin, a former electrician at SSU, alleges that he was fired shortly before the end of his probationary period after he complained of alleged unsafe working conditions and alleged violations of the Labor Code. He alleges claims for whistleblower retaliation, as well as PAGA claims regarding asbestos on campus (identical to what was alleged in the Sargent matter, but for a different time period), and regarding alleged electrical safety issues.  This matter settled for \$2 million dollars. \$50,000 of the settlement amount is allocated to Benjamin's PAGA claims. The remainder is allocated to his whistleblower claims. Settlement of the PAGA claims was reviewed and approved by the Court. All claims have been dismissed with prejudice. Dismissals were entered by the Clerk on January 30, 2019.		

<b>Case Name</b>	Sargent v. CSU (14-0715)		
<b>Date Filed</b>	06/06/2014	<b>Matter Type</b>	Employment (Lit)
<b>Court/Forum</b>	Superior Court of State of California, Sonoma	<b>Case/Docket #</b>	SCV-255399
<b>Case Status</b>	Plaintiff Thomas Sargent, a former facilities department employee, claimed he was retaliated against when he complained about alleged health and safety issues relating to the presence of asbestos in various buildings on campus. He also alleged various PAGA claims regarding asbestos and other health-related conditions on campus.		

	<p>After an 8-week trial, the Sonoma County jury found in his favor on the retaliation claims and awarded him \$387,895 in damages. On the PAGA claims, the jury found in favor of CSU on 9 claims and against CSU on 7 claims.</p> <p>Post-trial, the judge assessed \$2,905,200 in penalties against CSU relating to the PAGA claims. The judge also granted Sargent's request for equitable relief (reinstatement to his prior position as of July 2015, including backpay and benefits), in exchange for Sargent's agreement to forego \$271,895 of the economic damages the jury awarded, which reduces the jury's damage award to \$116,000. CSU also is required to work with CALPERS to reinstate Sargent's retirement account. In addition, the trial court awarded plaintiffs approximately \$96,000 in court costs and approximately \$7.8 million in attorney's fees.</p> <p>CSU has appealed the verdict and fee and cost awards. The appeals are in the briefing stage.</p>
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### Stanislaus

<b>Case Name</b>	Aldape v. State of California, et al. (18-0616)		
<b>Date Filed</b>	04/16/2018	<b>Matter Type</b>	Student (Lit)
<b>Court/Forum</b>	Superior Court of State of California, Stanislaus, Civil	<b>Case/Docket #</b>	2130795
<b>Case Status</b>	Plaintiff, Haley Aldape, a former student at CSU Stanislaus, alleges negligence, failure to warn, and dangerous condition of public property against the University and three housing employees. She was assaulted by a former roommate and suffered non life-threatening injuries. CSU has filed several successful challenges to the complaints, so the case is still in the pleadings stage.		

<b>Case Name</b>	Saephanh v. CSU, et al. (18-1043)		
<b>Date Filed</b>	08/16/2018	<b>Matter Type</b>	Employment (Lit)
<b>Court/Forum</b>	Los Angeles Superior Court - George Deukmejian Courthouse	<b>Case/Docket #</b>	NC061966
<b>Case Status</b>	Sen Saephanh, a groundworker at CSU Stanislaus, alleges discrimination, failure to prevent discrimination, negligence, negligent supervision, and intentional infliction of emotional distress against the University and his supervisor. Plaintiff also alleges punitive damages against his supervisor. The case is in the pleading stage.		

### Systemwide

<b>Case Name</b>	Aliser, et al v. SEIU California, et al (18-1055)		
<b>Date Filed</b>	09/17/2018	<b>Matter Type</b>	Employment (Lit)
<b>Court/Forum</b>	United States District Court, Eastern District of California	<b>Case/Docket #</b>	2:18-CV-02574-MCE-CKD
<b>Case Status</b>	<p>Plaintiffs in this purported class action are current or former State employees who claim they were forced to pay union dues or fair share fees to their respective unions in violation of their constitutional rights. The lawsuit was filed in response to the United States Supreme Court's decision in Janus v. AFSCME Council, which held that it is unconstitutional for public sector unions to require employees they represent but who are not union members to pay a "fair share" fee.</p> <p>Among the plaintiffs are an employee of CSU San Marcos and an employee of CSU Bakersfield. The two CSU employee-plaintiffs were represented by CSUEU, but who allege they were opposed to joining the union based on disagreement with the union's political advocacy and high salaries of union officials. They contend that they were forced to join the union because fair share fees were nearly the same as union dues. They allege that following the Janus decision, their requests to resign from union membership were denied. They contend that, because Janus held that fair share fees are unconstitutional and because their membership in the union was coerced, they are entitled to recover all dues deducted from their pay warrants both before and after the Supreme Court decided Janus. The case is in the pleading stage.</p>		

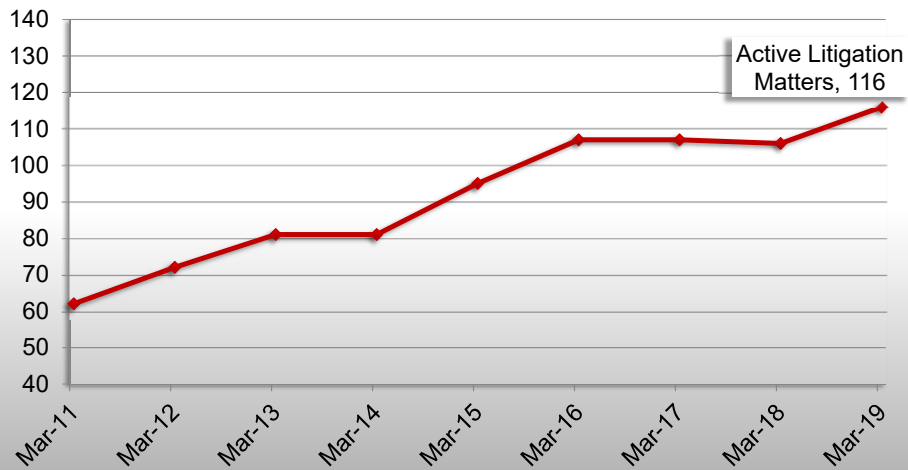
<b>Case Name</b>	Donselman, et al. v. CSU (09-0874)		
<b>Date Filed</b>	07/31/2009	<b>Matter Type</b>	Student (Lit)
<b>Court/Forum</b>	Superior Court of State of California, San Francisco	<b>Case/Docket #</b>	CGC-09-490977
<b>Case Status</b>	<p>Five students brought a class action to challenge the state university fee and non-resident tuition increases, and newly implemented Graduate Business Professional fee, from Fall 2009. The court granted plaintiffs' motion to certify two subclasses that exclude four campuses where fees were posted late and/or students received financial aid to cover their increased fees. The two subclasses comprise approximately 175,000 students. CSU filed writs in the Court of Appeal and the California Supreme Court to challenge the class certification decision. Both were denied. After plaintiffs changed their legal theories to add alternative contract formation arguments, CSU filed a motion to decertify the class, but that was denied. CSU prevailed on pre-trial motions dismissing the breach of implied contract claims. CSU then successfully sought bifurcation of all claims regarding the Graduate Business Professional Fee, and they were separated from the rest of the case. The remaining claim for breach of the implied covenant of good faith and fair dealing was tried to a jury in April 2015, and CSU won a defense verdict. Plaintiffs appealed that portion of the case, but in the meantime, both sides reached an amicable settlement of \$1.4 million for all claims involving the Graduate Business Professional Fee, so the claims of that subclass were resolved.</p> <p>Plaintiffs' appeal challenged our partial summary judgment ruling and our defense verdict at trial. We appealed the granting of class certification and the partial denial of our summary judgment motion. The Court of Appeal affirmed the judgment in CSU's favor. Plaintiffs unsuccessfully sought a rehearing. Plaintiffs agreed not to seek review by the California Supreme Court after CSU agreed not to recover costs against the individual plaintiffs. The case is finished.</p>		

<b>Case Name</b>	OnTheGo Wireless v. Celco Partnership, et al. (15-1667)		
<b>Date Filed</b>	07/05/2012	<b>Matter Type</b>	Contracts (Lit)
<b>Court/Forum</b>	Sacramento County Superior Court	<b>Case/Docket #</b>	34-2012-00127517
<b>Case Status</b>	<p>This is a multi-party action to challenge how a number of wireless cell providers charged various public agencies for mobile phone services. Originally, a qui tam (whistleblower) plaintiff sued the major wireless carriers asserting various false claims violations, alleging that the carriers overbilled public agencies in violation of contractual terms that required "optimization" (i.e., shifting to lower cost plans when usage goes down). A number of public agencies, including the State of California, the Regents of the University of California, and the CSU, joined the case as intervenors. Collectively, the parties contend that the cell carriers overcharged the agencies by over \$100 million. The case is in the discovery phase. A modest settlement was reached with T-Mobile, with a small recovery to CSU. The claims against the larger carriers are still ongoing.</p>		

## General Counsel's Report

CSU Board of Trustees  
March 19-20, 2019  
G. Andrew Jones, Executive Vice Chancellor  
and General Counsel

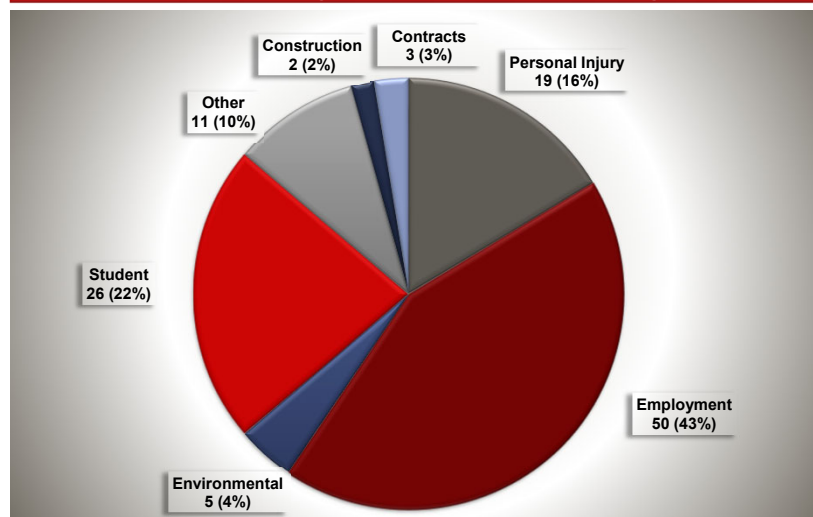
## Historical Case Volume

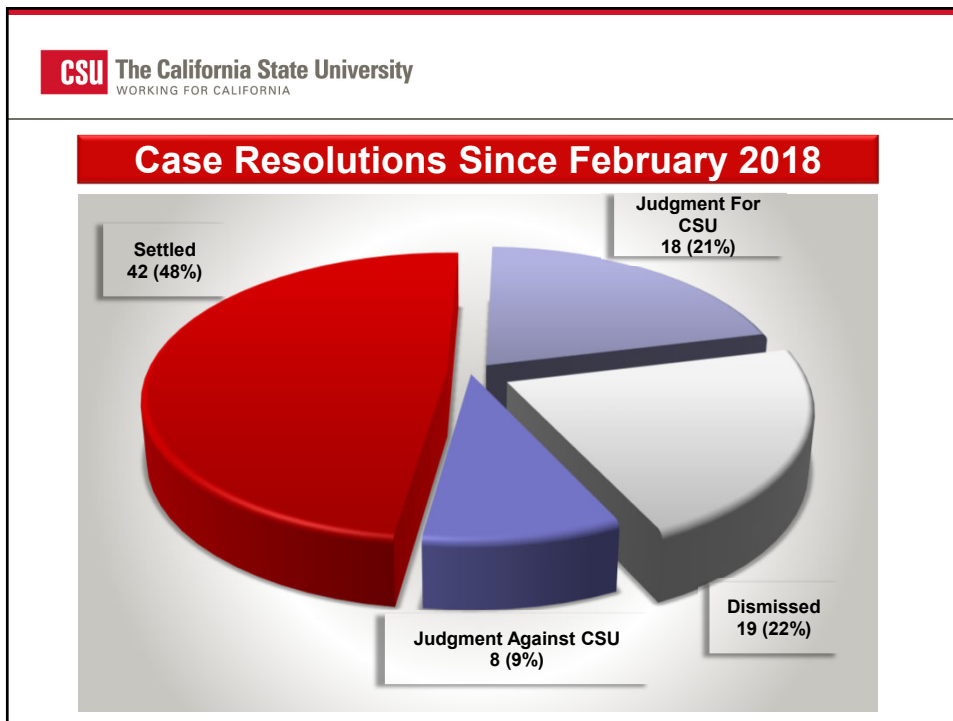
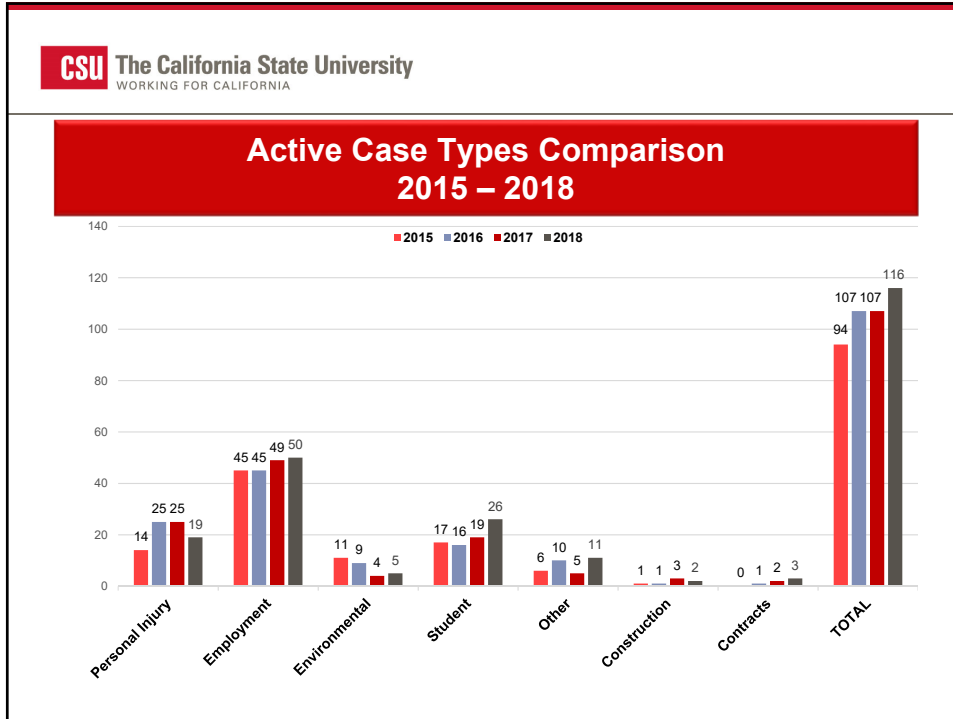


## Factors Affecting Litigation Counts

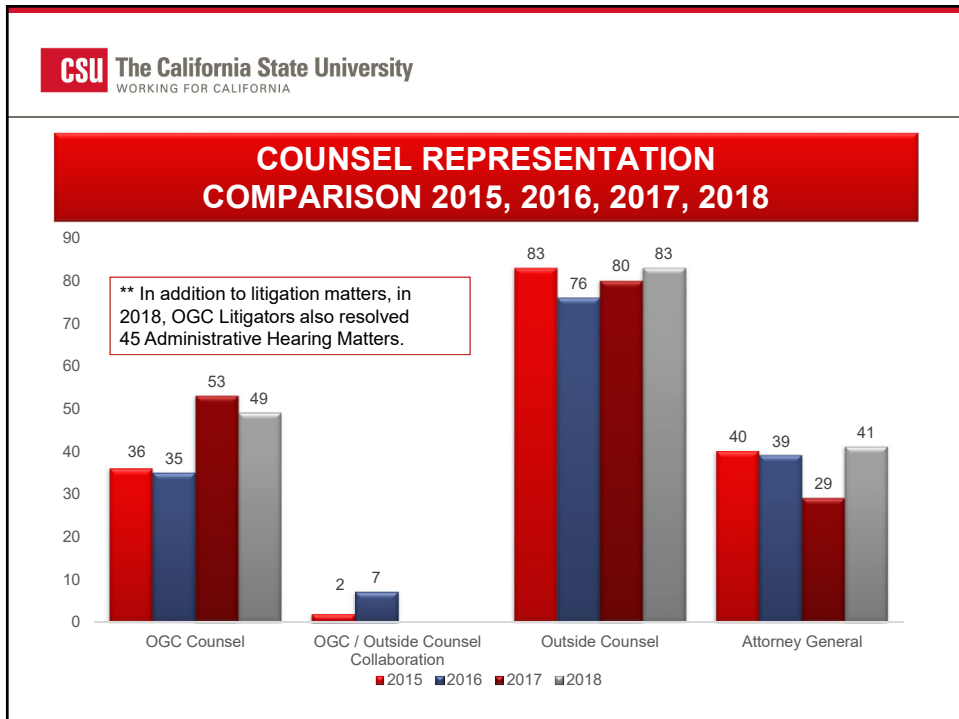
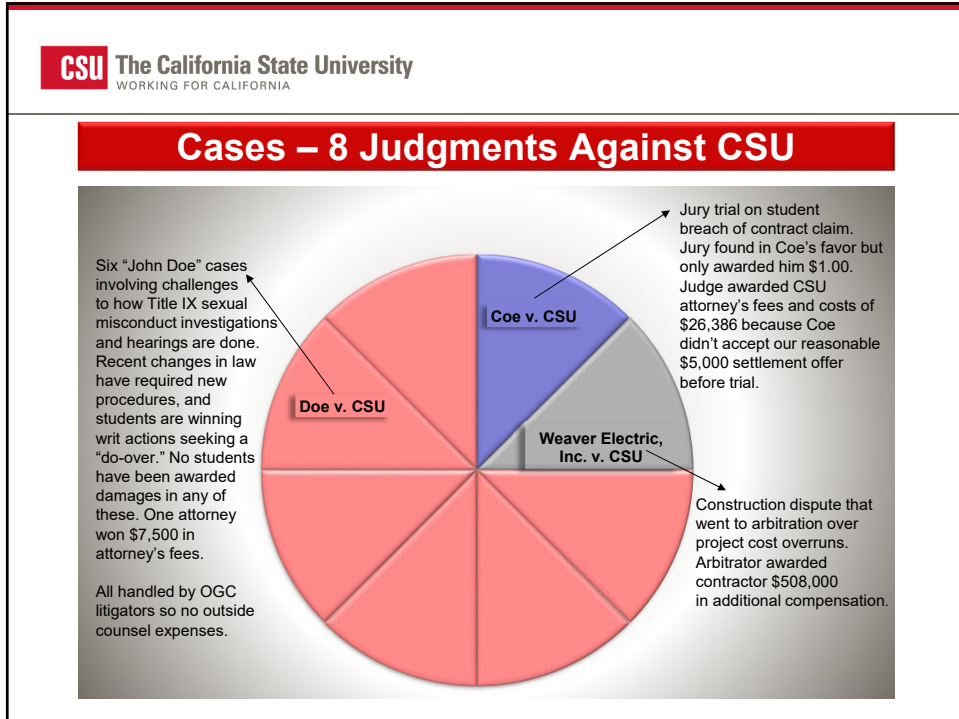
- 👉 Congested court calendars lead to delays – cases remain active longer
- 👉 Litigation rises as economy improves
- 👉 Employment litigation on the rise nationally
- 👉 Student litigation regarding sexual misconduct discipline has gone up considerably
  - 👉 Prior to 2015, zero “John Doe” Title IX cases filed
  - 👉 In 2015, one case filed
  - 👉 In 2016, two cases filed
  - 👉 In 2017, nine cases filed
  - 👉 In 2018, six cases filed

## Active Case Types as of February 2019









**COMMITTEE OF THE WHOLE**

**Conferral of the Title of Trustee Emeritus—James Lawrence Norton**

**Presentation By**

Adam Day  
Chairman of the Board

**Summary**

It is recommended that Trustee James Lawrence Norton, whose term expires on April 29, 2019, be conferred the title of Trustee Emeritus for his service, commitment and leadership to 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 Trustee Emeritus on James Lawrence Norton, with all the rights and privileges thereto.

**TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY**

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

**March 20, 2019**

***Presiding: Adam Day, Chairman***

**10:00 a.m. Board of Trustees**

**Dumke Auditorium**

**Call to Order**

**Roll Call**

**Public Speakers**

**Chair's Report**

**Chancellor's Report**

**Report of the Academic Senate CSU: *Chair—Catherine Nelson***

**Report of the California State Student Association: *President—Mia Kagianas***

**Report of the California State University Alumni Council: *President—Manolo P. Morales***

**Consent**

***Action*** 1. Approval of Minutes of the Meeting of January 23, 2019

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

**Committee Campus Planning, Buildings and Grounds**

2. Categories and Criteria for the Five-Year Plan

**Committee on Educational Policy**

2. Academic Planning

**Committee on University and Faculty Personnel**

2. Executive Compensation: President – California State University, Fullerton

3. Executive Compensation: President – California State University San Marcos

4. Approval of Recommended Revisions of Title 5, California Code of Regulations, Article 4.2, Catastrophic Leave Donation Program

5. Recommended Amendment to Presidential Selection Policy

\*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. The public is advised to take this uncertainty into account in planning to attend any meeting listed on this schedule.

**Committee on Organization and Rules**

2. Approval of the California State University Board of Trustees Meeting Dates for 2020

**Committee of the Whole**

2. Appointment of Five Members to the Committee on Committees for 2019-2020
4. Conferral of the Title of Trustee Emeritus—James Lawrence Norton

\*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. The public is advised to take this uncertainty into account in planning to attend any meeting listed on this schedule.

**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**

**January 23, 2019**

**Trustees Present**

Adam Day, Chairman  
Lillian Kimbell, Vice Chair  
Silas H. Abrego  
Jane W. Carney  
Rebecca D. Eisen  
Douglas Faigin  
Debra Farar  
Jean Picker Firstenberg  
Wenda Fong  
Juan F. Garcia  
Emily Hinton  
Jack McGrory  
Thelma Meléndez de Santa Ana  
John Nilon  
J. Lawrence Norton  
Romey Sabalius  
Lateefah Simon  
Christopher Steinhauser  
Peter J. Taylor  
Timothy P. White, Chancellor  
Superintendent Tony Thurmond

Chairman Day called the meeting of the Board of Trustees to order.

**Public Comment**

The board heard from the following individuals during the public comment period:

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William Blishke, President, CSU Emeritus and Retired Faculty and Staff Association (CSU-ERFSA); James Thomas, CSU LA Faculty member, BLM Activist; Tom Parker, investigator David Josiah Lawson case; Sharon Elise, CFA Associate Vice President, San Marcos; Cecil Canton, CFA Associate Vice President, Sacramento; Anthony Lawson, brother of David Josiah Lawson; Etta Ferguson, Justice for Josiah; Wendy Adams, Justice for Josiah; Ishmail Adams, Justice for Josiah; Charmaine Lawson, Justice for Josiah; Ayana Wilson, Justice for Josiah; Jill Larrabee; Kathleen Lowder; Sheila Hudson – *equity issues/CSU leadership*; Solimar Chinchilla, Abrolat Law – *equity issues/CSU leadership*; Nancy Abrolat, Abrolat Law – *equity issues/CSU leadership*; Ejmin Hakobian; Rocky Sanchez (VP for Representation CSUEU); Rich McGee (CSUEU); Sergio Roldan (CSUEU); Tony Spraggins (CSUEU); Neil Jacklin (President CSUEU); Tessy Reese (Chair Bargaining Unit 2 CSUEU);

### **Chair's Report**

Chairman Day's complete report can be viewed online at the following URL:  
<https://www2.calstate.edu/csu-system/board-of-trustees/reports-of-the-chair/Pages/january-2019.aspx>

### **Chancellor's Report**

Chancellor Timothy P. White's complete report can be viewed online at the following link:  
<https://www2.calstate.edu/csu-system/board-of-trustees/chancellor-reports/Pages/state-of-the-csu-jan-2019.aspx>

### **Report of the Academic Senate CSU**

CSU Academic Senate Chair, Catherine Nelson's complete report can be viewed online at the following link:  
[http://www.calstate.edu/acadsen/Committees/Academic\\_Affairs/ChairsReport\\_archive.shtml](http://www.calstate.edu/acadsen/Committees/Academic_Affairs/ChairsReport_archive.shtml)

### **Report from the California State Student Association**

CSSA President Mia Kagianas' complete report can be viewed online at the following link:  
<https://www.calstatestudents.org/public-documents/#president>

### **Report of the California State University Alumni Council**

Alumni Council President, Manolo P. Morales' complete report can be viewed online at the following link: <http://www.calstate.edu/alumni/council/bot/index.shtml>

## **Board of Trustees**

The minutes of the meeting of November 14, 2018 were approved as submitted. The Board of Trustees approved the following resolutions:

### **Committee on Institutional Advancement**

#### **Naming of Milton A. Gordon Hall – California State University, Fullerton (RIA 01-19-01)**

**RESOLVED**, by the Board of Trustees of the California State University, that University Hall at California State University, Fullerton be named as the Milton A. Gordon Hall.

#### **Naming of the Ronald H. Silverman Fine Arts Gallery – California State University, Los Angeles (RIA 01-19-02)**

**RESOLVED**, by the Board of Trustees of the California State University, that the Fine Arts Gallery at California State University, Los Angeles be named as the Ronald H. Silverman Fine Arts Gallery.

#### **Annual Report on Donor Support for 2017-2018 (RIA 01-19-03)**

**RESOLVED**, by the Board of Trustees of the California State University, that the Annual Report on Donor Support for 2017-2018 be adopted for submission to the California Joint Legislative Budget Committee and the California Department of Finance.

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

#### **California Polytechnic State University, San Luis Obispo – Science and Agriculture Teaching and Research Complex (RCPBG 01-19-01)**

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

1. The Final Initial Study/Mitigated Negative Declaration been adopted pursuant to the California Environmental Quality Act and State CEQA Guidelines. The California Polytechnic State University, San Luis Obispo Science and Agriculture Teaching and Research Complex is consistent with the Final Initial Study/Mitigated Negative Declaration and that the effects of the project were fully analyzed in the Final Initial Study/Mitigated Negative Declaration.
2. The schematic plans for the California Polytechnic State University, San Luis Obispo Science and Agriculture Teaching and Research Complex are approved at a project cost of \$125,000,000 at CCCI 6840.

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**Joint Committees on Finance and Campus Planning, Building and Grounds**

**Final Approval of a Public-Private Partnership Student Housing Development Project at California State University, Sacramento (RFIN/CPBG 01-19-01)**

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

1. The Final Initial Study/Mitigated Negative Declaration has been prepared to address any potential significant environmental impacts and mitigation measures associated with approval of the California State University, Sacramento South Campus Student Housing project and all discretionary actions related thereto, as identified in the Final Initial Study/Mitigated Negative Declaration.
2. The Final Initial Study/Mitigated Negative Declaration was prepared pursuant to California Environmental Quality Act and State CEQA Guidelines.
3. The Final Initial Study/Mitigated Negative Declaration is adopted pursuant to the requirements of Section 21081.6 of the Public Resources Code and Section 15074 of the State CEQA Guidelines which require the Board of Trustees to make findings prior to the approval of a project.
4. The Board of Trustees finds that the mitigated project as approved will not have a significant impact on the environment, will be constructed with the recommended mitigation measures as adopted in the Mitigation Monitoring and Reporting Program and will benefit the California State University.
5. The development of the student housing project through a public-private partnership, on the campus of California State University, Sacramento as described in Agenda Item 2 of the January 22-23, 2019 meeting of the Joint Committees on Finance and Campus Planning, Buildings and Grounds is approved, and that the chancellor, the executive vice chancellor and chief



- financial officer, and their designees are authorized to execute the agreements necessary to complete the transaction.
6. 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 project.
  7. The California State University, Sacramento South Campus Student Housing project is consistent with the Campus Master Plan approved in May 2015.
  8. The project will benefit the California State University.
  9. The 2018-2019 Capital Outlay Program is amended to include \$163,911,000 for preliminary plans, working drawings, construction, and equipment for the California State University, Sacramento South Campus Student Housing project.
  10. The schematic plans for the California State University, Sacramento South Campus Student Housing project are approved at a project cost of \$163,911,000 at CCCI 6840.

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## Committee on Finance

### 2019-2020 Lottery Budget and Report (RFIN 01-19-01)

**RESOLVED**, by the Board of Trustees of the California State University, that the 2019-2020 lottery budget totaling \$52.8 million be approved for implementation by the chancellor, with the authorization to make transfers between components of the lottery budget and to adjust expenditures in accordance with receipt of lottery funds; and be it further

**RESOLVED**, that the chancellor is hereby granted authority to adjust the 2019-2020 lottery budget approved by the Board of Trustees to the extent that receipts are greater or less than budgeted revenue to respond to opportunities or exigencies; and be it further

**RESOLVED**, that a report of the 2019-2020 lottery budget receipts and expenditures be made to the Board of Trustees.

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## **Committee on Governmental Relations**

### **Statement of State Legislative Principles for 2019-2020 (RGR 01-19-01)**

**RESOLVED**, by the Board of Trustees of the California State University, that the Statement of Legislative Principles for 2019-2020 be adopted; and be it further

**RESOLVED**, that the chancellor is authorized to take positions on pending legislation on behalf of the California State University system; but prior to taking or changing such positions on legislative matters, the chancellor shall consult, when practical, with the chair and vice chair of the Committee on Governmental Relations; and be it further

**RESOLVED**, that any unresolved positions on a legislative proposal will be decided by the chancellor in consultation with the chair of the board; and be it further

**RESOLVED**, that the chancellor shall keep the Board of Trustees regularly informed of the positions taken and of such other matters affecting governmental relations as deemed necessary and desirable.

### **Sponsored State Legislative Program for 2019 (RGR 01-19-02)**

**RESOLVED**, by the Board of Trustees of the California State University, that the state legislative proposals described in this item are adopted as part of the 2019 Board of Trustees' Legislative Program.

### **Federal Agenda for 2019-2020 (RGR 01-19-03)**

**RESOLVED**, by the Board of Trustees of the California State University, that the Federal Agenda for 2019-2020 be adopted.