

Financial Analysis of the California State University System

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October 2023

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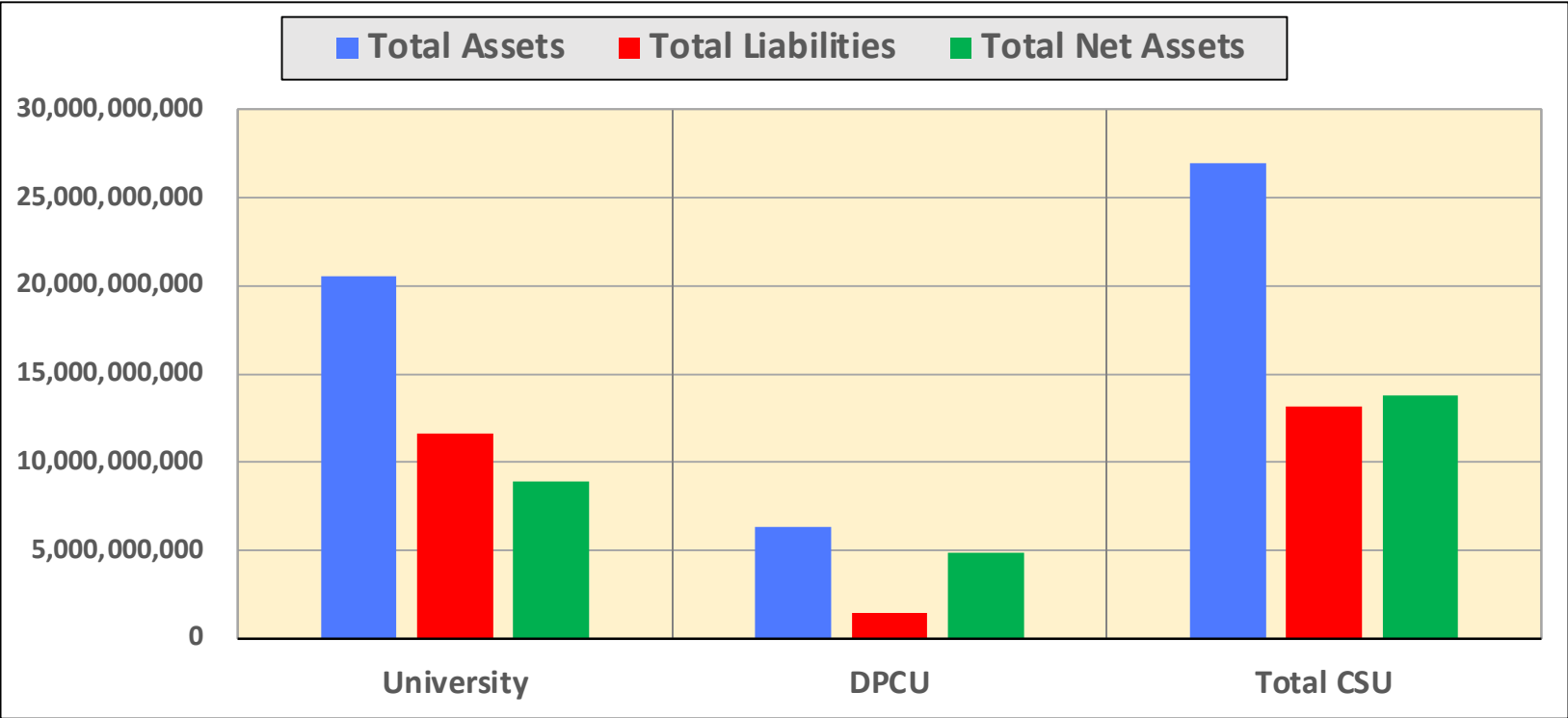
Main Conclusions

- The CSU System is in very strong financial condition. This conclusion is supported by a high level of reserves, and annual operating cash flow surpluses.
- Significantly, this conclusion is supported by the high bond ratings of Moody's (Aa2) and Standard and Poor's (AA-). The bond agencies refer to the liquidity and annual margins to support their ratings
- The largest revenue source, the state appropriation, has increased in recent years and is expected to increase solidly through 2025
- The marginal cost of the CFA proposal over the CSU administration offer can be met by the significant annual operating cash surpluses that CSU has generated for many years. The CSU system has significant reserves, but these reserves will not have to be accessed in order to meet the CFA request; the request can be satisfied by existing annual surpluses.
- The auxiliary organizations (discretely presented component units or DPCUs) are linked closely with the main universities, and there are numerous financial connections between these organizations and the main universities, in stark contrast to the claims of strict walls existing between CSU and the auxiliaries.

**Balance Sheet
Analysis:
Focus on Reserves**

2022 Balance Sheet, Adjusted for Pensions and retiree health

Source: CSU Audited financial statements; DPCU = Discretely Presented Component Units



The adjustments are explained at the end of the report, and are the same ones made by Moody's and S&P.

Overall, this is a solid balance sheet, and we will examine trends and components of these items

Of the assets, how much are cash and investments, and how much are buildings?

Of the liabilities, how much is debt?

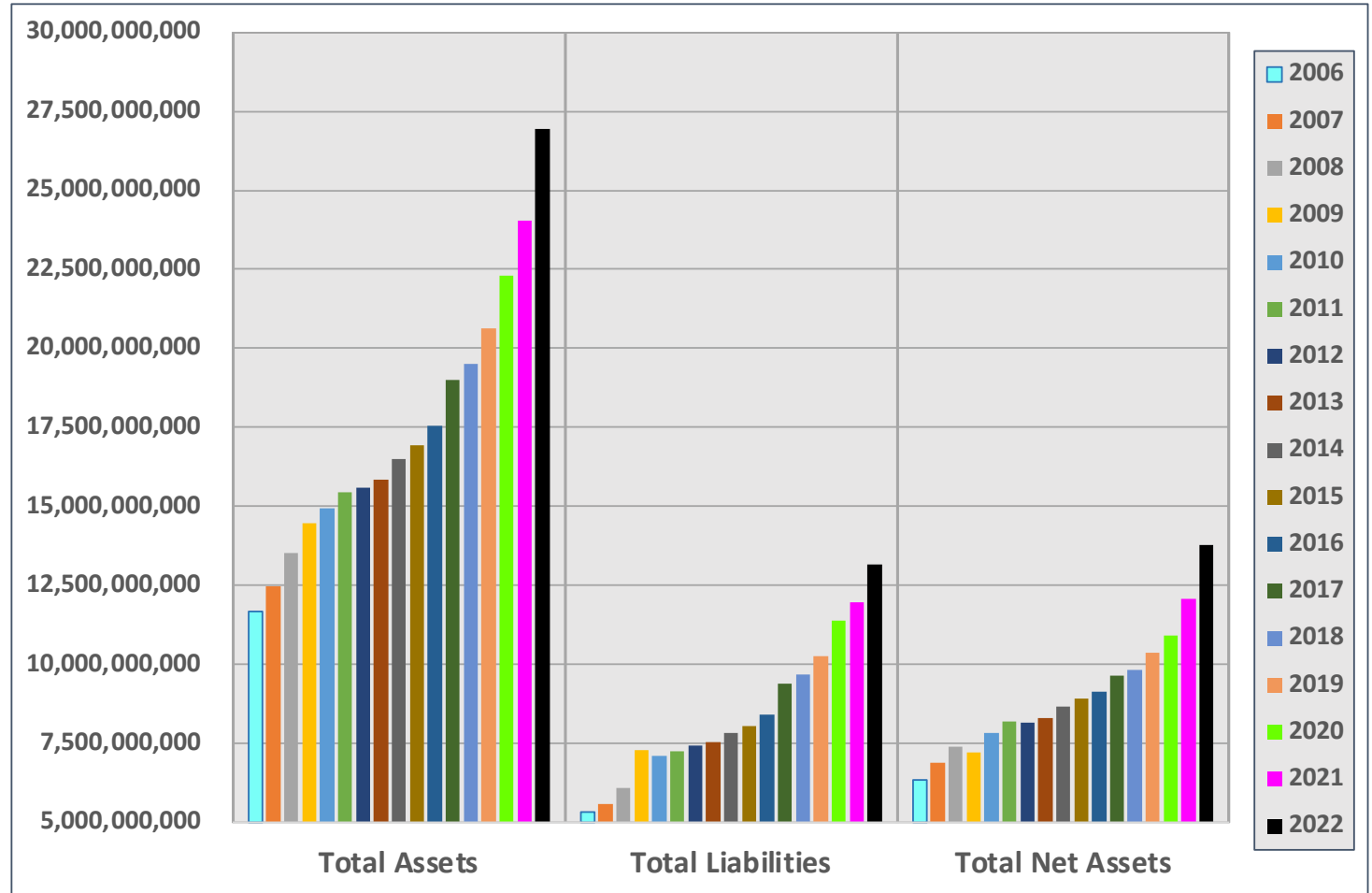
Of the net assets, how much are true reserves?

	University	DPCU	Total CSU
Total Assets	20,556,218,000	6,371,873,000	26,928,091,000
Total Liabilities	11,662,907,000	1,486,605,000	13,149,512,000
Total Net Assets	8,893,311,000	4,885,268,000	13,778,579,000

Combined Balance Sheets Over Time

Source: Audited financial statements

Combined	Total Assets	Total Liabilities	Total Net Assets
2006	11,688,301,000	5,334,612,000	6,353,689,000
2007	12,469,620,000	5,575,932,000	6,893,688,000
2008	13,511,298,000	6,105,782,000	7,405,516,000
2009	14,472,077,000	7,269,340,000	7,202,737,000
2010	14,944,448,000	7,109,816,000	7,834,632,000
2011	15,439,049,000	7,239,899,000	8,199,150,000
2012	15,606,409,000	7,442,274,000	8,164,135,000
2013	15,852,346,000	7,557,788,000	8,294,558,000
2014	16,497,865,000	7,819,328,000	8,678,537,000
2015	16,934,897,000	8,032,067,000	8,902,830,000
2016	17,549,186,000	8,428,697,000	9,120,489,000
2017	19,004,502,000	9,377,540,000	9,626,962,000
2018	19,512,732,000	9,692,755,000	9,819,977,000
2019	20,618,160,000	10,244,630,000	10,373,530,000
2020	22,304,105,000	11,386,938,000	10,917,167,000
2021	24,051,875,000	11,973,500,000	12,078,375,000
2022	26,928,091,000	13,149,512,000	13,778,579,000

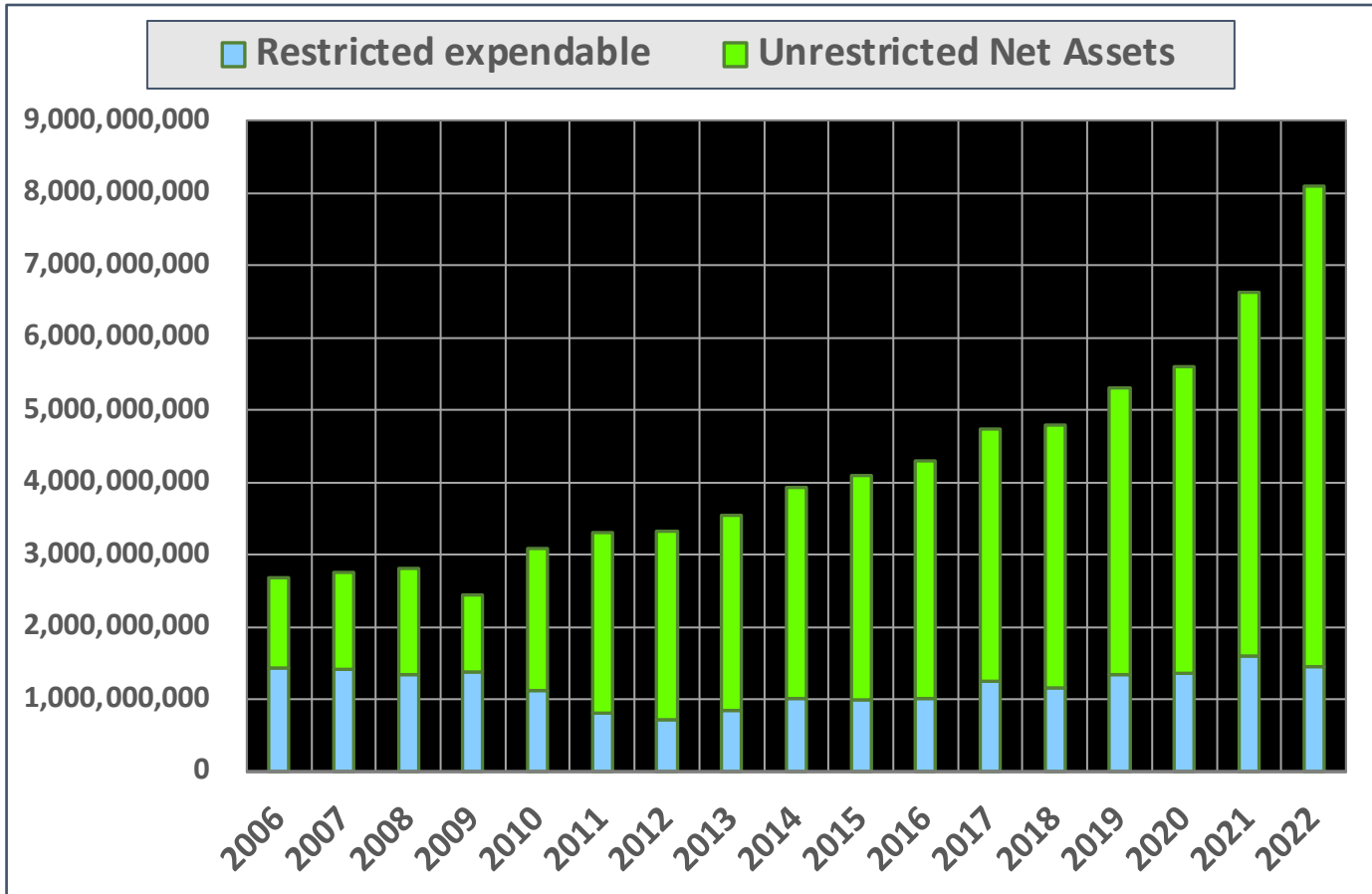


Total CSU Reserves Over Time

Most of the Reserves are Unrestricted

Source: Audited financial statements

Year	Restricted expendable	Unrestricted Net Assets	Total Reserves
2006	1,445,232,000	1,232,564,000	2,677,796,000
2007	1,418,566,000	1,345,706,000	2,764,272,000
2008	1,348,696,000	1,466,840,000	2,815,536,000
2009	1,387,936,000	1,057,987,000	2,445,923,000
2010	1,131,477,000	1,963,504,000	3,094,981,000
2011	814,736,000	2,486,988,000	3,301,724,000
2012	717,021,000	2,611,162,000	3,328,183,000
2013	846,574,000	2,703,712,000	3,550,286,000
2014	1,020,582,000	2,909,516,000	3,930,098,000
2015	996,786,000	3,104,575,000	4,101,361,000
2016	1,013,000,000	3,291,495,000	4,304,495,000
2017	1,258,446,000	3,483,805,000	4,742,251,000
2018	1,160,371,000	3,638,616,000	4,798,987,000
2019	1,341,757,000	3,959,023,000	5,300,780,000
2020	1,363,140,000	4,241,440,000	5,604,580,000
2021	1,602,582,000	5,036,566,000	6,639,148,000
2022	1,450,650,000	6,653,649,000	8,104,299,000



**Operating Cash Flows:
Large Annual Surpluses
and some inflation
analysis**

Annual Operating Cash Flows, 2015 to 2022

Source: Audited financial statements

Operating Cash Inflows:	2015	2016	2017	2018	2019	2020	2021	2022
State appropriations	2,762,350,000	3,007,319,000	3,258,422,000	3,450,531,000	3,775,647,000	4,344,361,000	3,691,994,000	5,207,403,000
Student tuition and fees	2,167,648,000	2,209,323,000	2,191,142,000	2,226,545,000	2,186,027,000	2,105,508,000	2,302,527,000	2,270,110,000
Grants and contracts	130,144,000	114,166,000	111,249,000	125,477,000	119,803,000	370,232,000	960,440,000	1,786,683,000
Federal financial aid grants (Pell)	953,502,000	994,424,000	992,376,000	1,080,712,000	1,103,570,000	1,124,294,000	1,095,841,000	1,086,714,000
State financial aid grants (Cal Grants)	629,323,000	667,068,000	721,545,000	805,223,000	830,127,000	891,725,000	912,090,000	863,993,000
Sales and services of auxiliaries	454,279,000	478,198,000	501,095,000	517,109,000	554,746,000	435,725,000	156,650,000	615,141,000
Other operating receipts in cash	101,079,000	106,289,000	105,680,000	215,029,000	190,004,000	174,905,000	129,601,000	145,792,000
Investment income proceeds	22,163,000	38,867,000	54,492,000	67,758,000	120,924,000	126,571,000	138,015,000	132,907,000
Noncapital gifts and grants	47,016,000	67,014,000	55,399,000	61,830,000	45,379,000	50,638,000	60,628,000	71,019,000
Sales of educational activities	42,026,000	49,547,000	49,280,000	52,714,000	46,779,000	39,771,000	18,578,000	39,616,000
Total Operating Cash Inflows	7,309,530,000	7,732,215,000	8,040,680,000	8,602,928,000	8,973,006,000	9,663,730,000	9,466,364,000	12,219,378,000
Operating Cash Outflows:	2015	2016	2017	2018	2019	2020	2021	2022
Payments to employees	(4,307,177,000)	(4,568,669,000)	(4,951,735,000)	(5,332,515,000)	(3,692,890,000)	(3,857,581,000)	(3,757,204,000)	(3,937,612,000)
Payments for benefits	-	-	-	-	(1,838,672,000)	(1,970,764,000)	(1,897,765,000)	(1,945,382,000)
Payments to suppliers	(1,357,241,000)	(1,404,787,000)	(1,476,689,000)	(1,539,156,000)	(1,610,979,000)	(1,611,144,000)	(1,574,907,000)	(2,170,923,000)
Payments to students	(885,899,000)	(882,020,000)	(847,354,000)	(892,485,000)	(918,947,000)	(1,196,317,000)	(1,340,086,000)	(1,703,228,000)
Interest paid	(220,258,000)	(220,454,000)	(244,012,000)	(283,372,000)	(278,257,000)	(314,736,000)	(366,791,000)	(345,120,000)
Total Operating Cash Outflows	(6,770,575,000)	(7,075,930,000)	(7,519,790,000)	(8,047,528,000)	(8,339,745,000)	(8,950,542,000)	(8,936,753,000)	(10,102,265,000)
Net Operating Cash Flows (Surplus)	538,955,000	656,285,000	520,890,000	555,400,000	633,261,000	713,188,000	529,611,000	2,117,113,000
Net Operating Cash flows as a % of total cash inflows	7.4%	8.5%	6.5%	6.5%	7.1%	7.4%	5.6%	17.3%

What inflows we exclude:

- Debt proceeds
- Capital appropriations
- Federal loan receipts
- Capital grants
- Capital gifts

What outflows we exclude:

- Debt Principal payments
- Federal loan disbursements
- Payments for capital assets

Moody's and S&P use a more liberal method of defining cash flows (they do not include interest payments).

We will show that the cash flow measure Moody's uses leads to a higher level than we report here for 2022

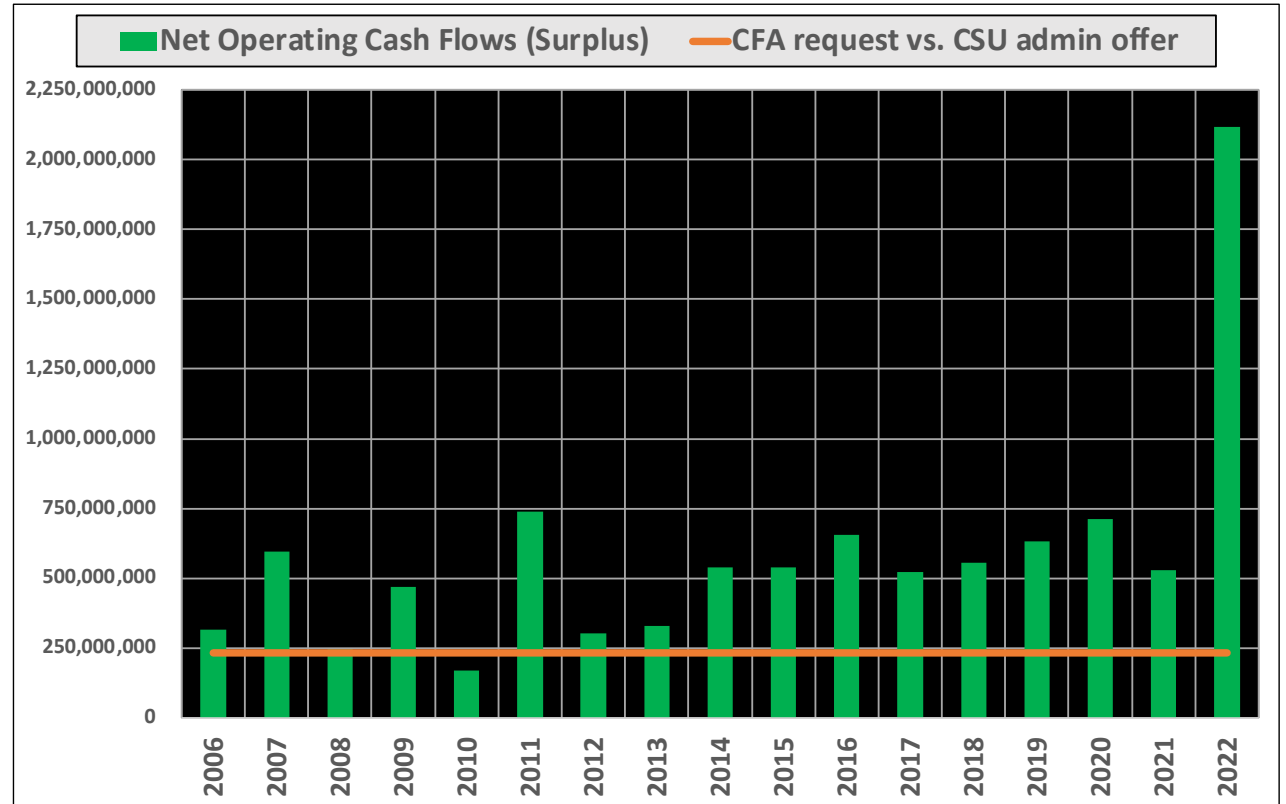
Operating Cash Flows Graphically

CSU Generated More than Sufficient Cash to meet the CFA Request

Source: Audited financial statements

Cost of CFA Request: \$376 Million
 Cost of CSU admin offer: \$154 Million
 Difference: \$232 Million

Year	Net Operating Cash Flows (Surplus)	CFA request vs. CSU admin offer	Excess
2006	315,721,000	232,000,000	83,721,000
2007	595,223,000	232,000,000	363,223,000
2008	246,637,000	232,000,000	14,637,000
2009	470,050,000	232,000,000	238,050,000
2010	170,429,000	232,000,000	(61,571,000)
2011	739,251,000	232,000,000	507,251,000
2012	303,595,000	232,000,000	71,595,000
2013	328,196,000	232,000,000	96,196,000
2014	538,787,000	232,000,000	306,787,000
2015	538,955,000	232,000,000	306,955,000
2016	656,285,000	232,000,000	424,285,000
2017	520,890,000	232,000,000	288,890,000
2018	555,400,000	232,000,000	323,400,000
2019	633,261,000	232,000,000	401,261,000
2020	713,188,000	232,000,000	481,188,000
2021	529,611,000	232,000,000	297,611,000
2022	2,117,113,000	232,000,000	1,885,113,000

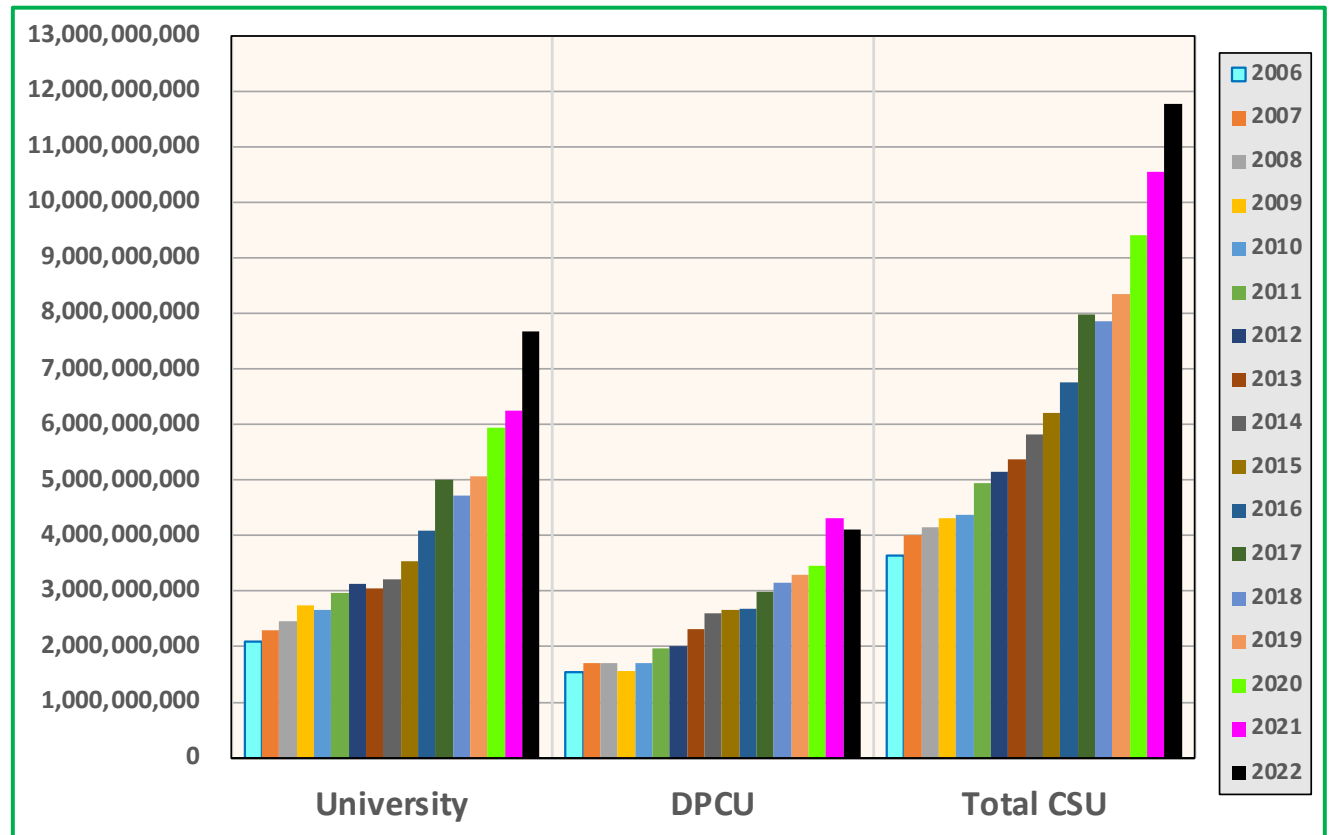


Cash and Investments Over Time

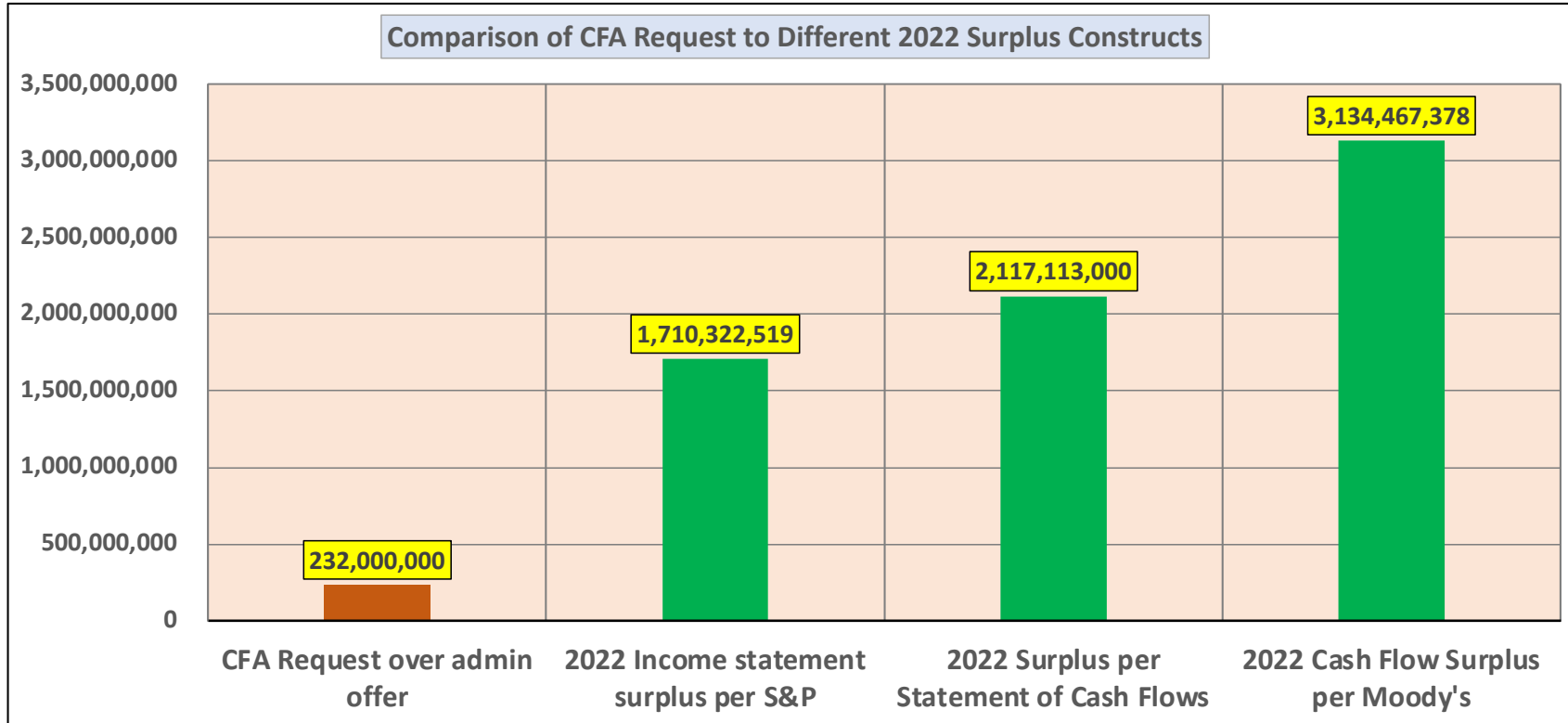
Key Variable in Moody's and S&P Bond Ratings

Source: Audited financial statements

Year	University	DPCU	Total CSU
2006	2,097,890,000	1,541,791,000	3,639,681,000
2007	2,298,052,000	1,700,957,000	3,999,009,000
2008	2,455,162,000	1,703,802,000	4,158,964,000
2009	2,752,215,000	1,555,182,000	4,307,397,000
2010	2,659,207,000	1,710,997,000	4,370,204,000
2011	2,976,523,000	1,971,317,000	4,947,840,000
2012	3,137,409,000	2,007,446,000	5,144,855,000
2013	3,052,779,000	2,316,532,000	5,369,311,000
2014	3,216,895,000	2,603,518,000	5,820,413,000
2015	3,548,111,000	2,666,242,000	6,214,353,000
2016	4,083,813,000	2,683,524,000	6,767,337,000
2017	5,001,431,000	2,982,396,000	7,983,827,000
2018	4,720,848,000	3,142,344,000	7,863,192,000
2019	5,062,549,000	3,287,247,000	8,349,796,000
2020	5,945,476,000	3,463,154,000	9,408,630,000
2021	6,239,250,000	4,308,198,000	10,547,448,000
2022	7,666,525,000	4,106,035,000	11,772,560,000



Cost of CFA Proposal in Context



- S&P uses the operating margin from the income statement (10.1% of total revenues)
- Moody's reported an EBIDA margin (earnings before interest, depreciation, and amortization) of 23.8% of total revenues in 2022

**2023 CSU Bond
Ratings from Moody's
and Standard and
Poor's**

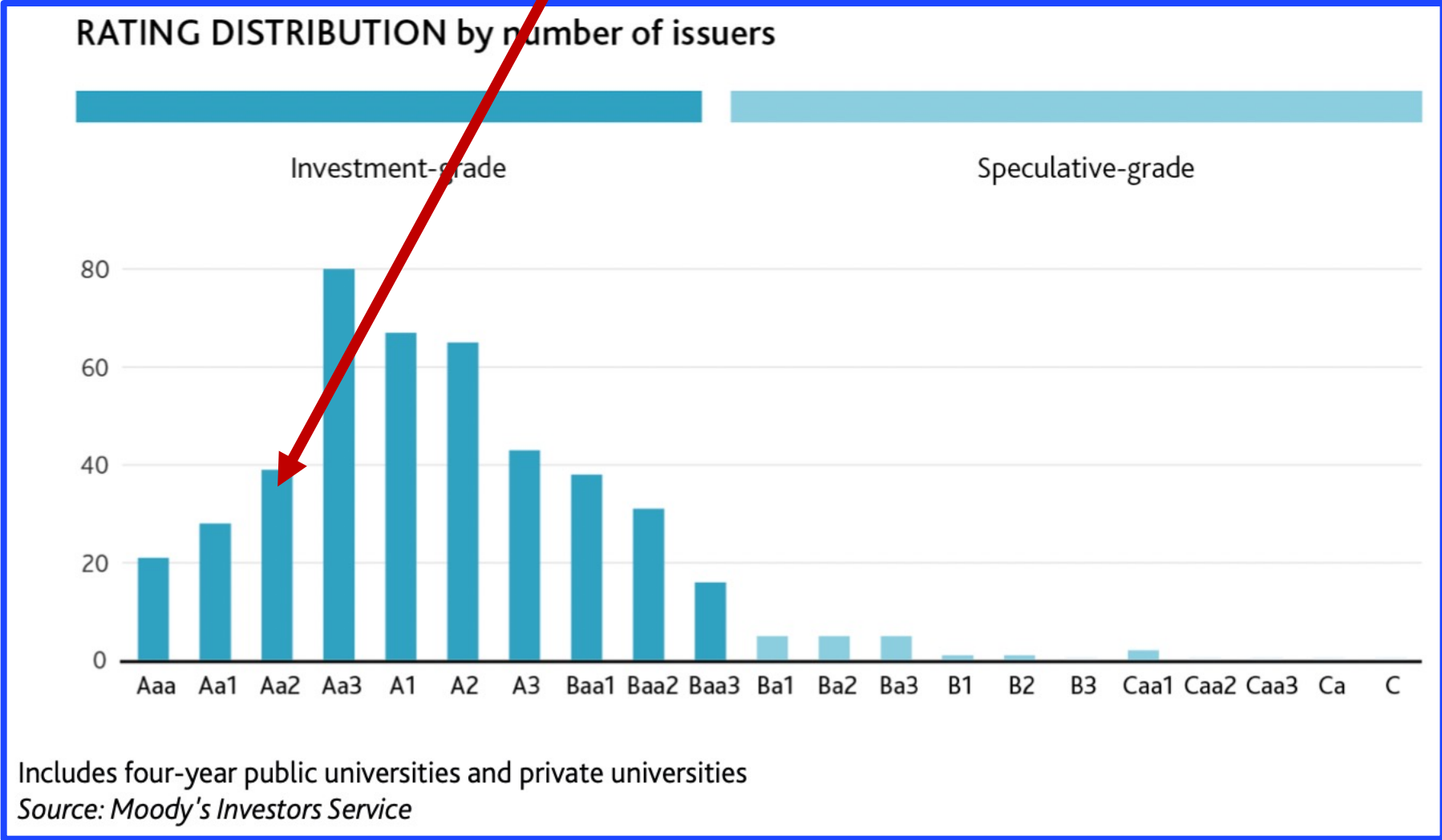
CSU Moody's 2022 Ratios

Green-shaded cells are where CSU stands for 2022

Source: Source: Moody's CSU Rating, July 5, 2023

CSU Bond Rating		Aa2						
	Aaa	Aa	A	Baa	Ba	B	Caa	Ca
	Excellent	Excellent	Very Good	Good	Fair	Poor	Very Poor	Very Poor
Operating Revenue	Greater than 2.5 Billion	500M to 2.5 Billion	100 Million to 500 Million	25 Million to 100 Million	15 Million to 25 Million	10 Million to 15 Million	5 Million to 10 Million	Less than 5 Million
Operating Performance (EBIDA Margin)	Greater than 22.5%	15.0% to 22.5%	8.0% to 15.0%	3.0% to 8.0%	-1.0% to 3.0%	-3.5% to -1.0%	-5.0% to -3.0%	< -5.0%
Cash and Investments	> 2.5 billion	100 million to 2.5 billion	25 million to 100 million	10 million to 25 million	2.5 million to 10 million	1.0 to 2.5 million	0.5 million to 1.0 million	<0.5 million
Cash and Investments to Operating Expenses	> 1.25 times	0.75 to 1.25	0.50 to 0.75	0.15 to 0.50	0.10 to 0.15	0.075 to 0.10	0.05 to 0.075	< 0.05
Cash and Investments to Adjusted Debt	>3.0 times	1.0 to 3.0	0.2 to 1.0	0.1 to 0.2	0.075 to 0.1	0.05 to 0.07	.02 to 0.05	<0.02
Debt Coverage Ratio	>4.0 times	2.0 to 4.0	1.5 to 2.0	1.0 to 1.5	0.5 to 1.0	0.25 to 0.5	0.1 to 0.25	<0.1
Brand and Strategic Positioning								
Operating Environment								
Financial Policy and Strategy								

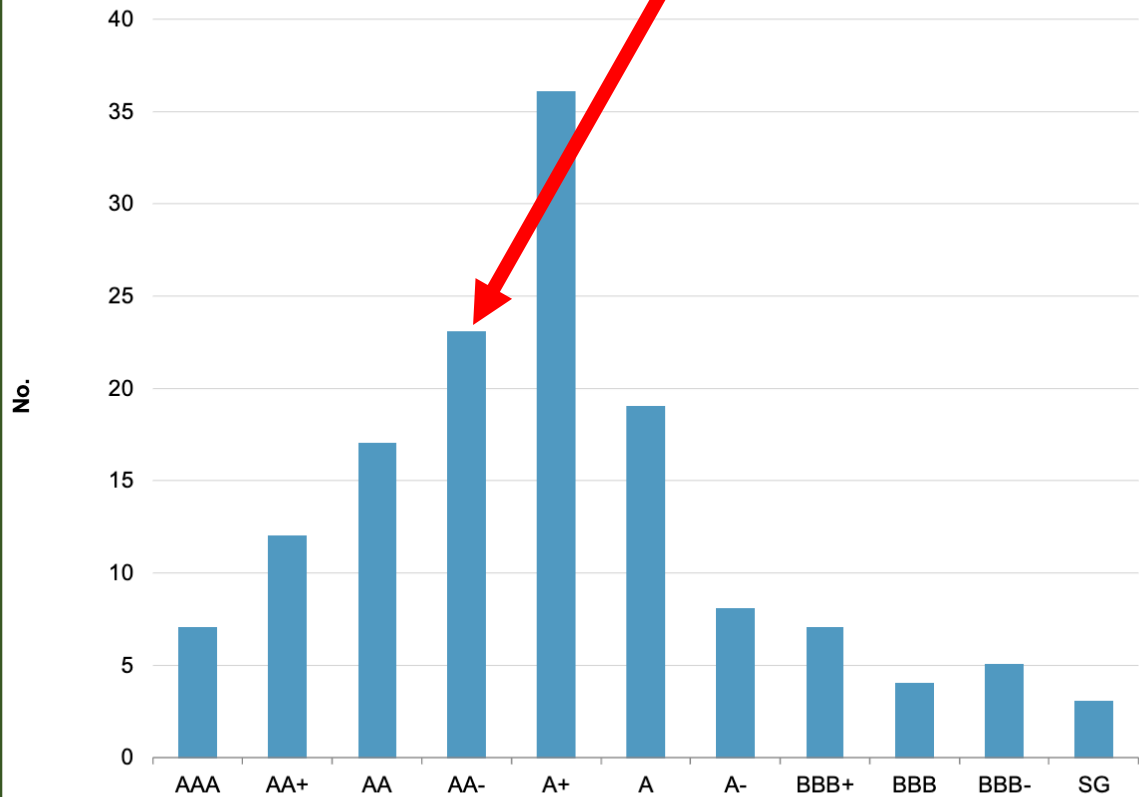
Moody's Higher Education Bond Rating Distribution CSU at Aa2



S&P Public Higher Education Bond Rating Distribution

CSU is AA-

Public colleges and universities -- rating distribution



SG--Speculative grade. Source: S&P Global Ratings.
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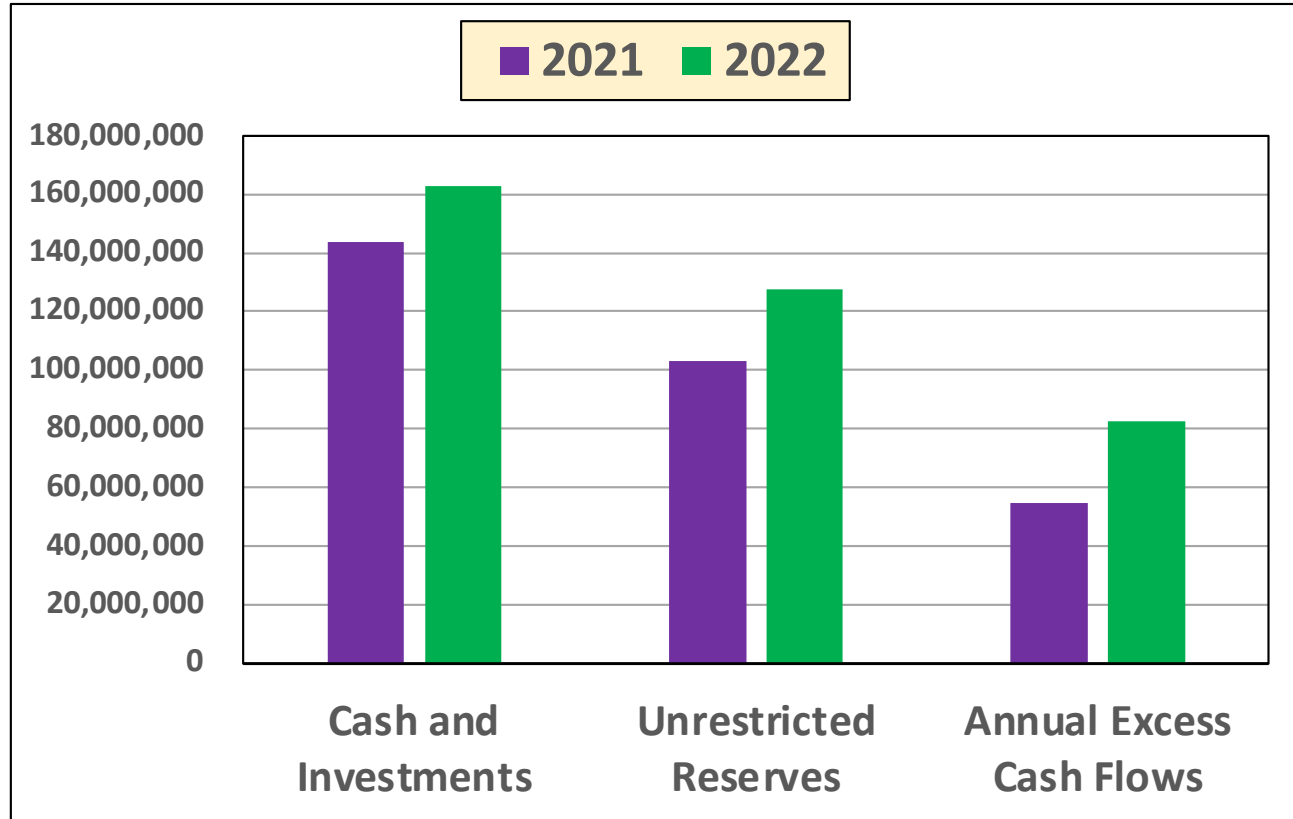
Campus-Specific Reserves and Cash Flows:

- **East Bay**
- **Long Beach**
- **Sacramento**
- **San Francisco State**

East Bay

Source: CSU Audited financial statements (main university only)

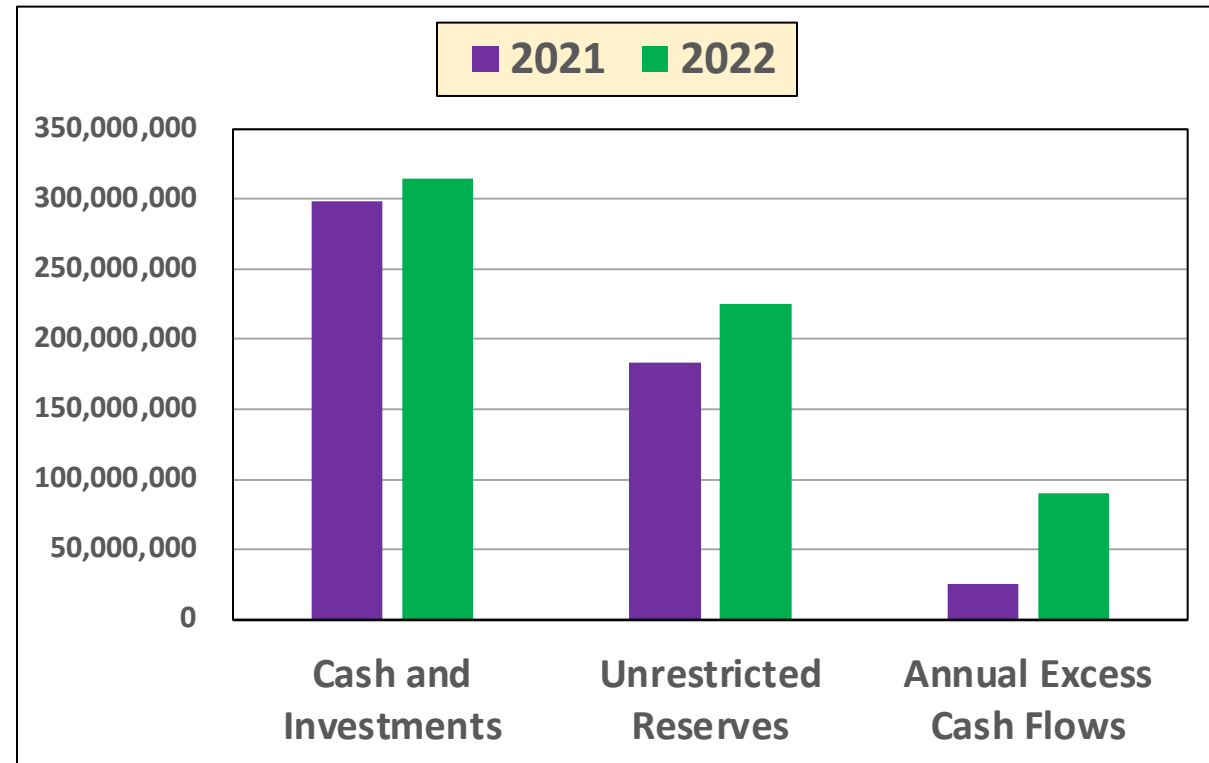
	2021	2022
Total Assets	412,324,000	468,832,000
Total Liabilities	140,363,000	137,618,000
Total Net Assets	271,961,000	331,214,000
Cash and Investments	143,687,000	162,639,000
Unrestricted Reserves	102,865,000	127,654,000
Annual Cash Inflows	325,968,000	377,007,000
Annual Cash Outflows	271,336,000	294,655,000
Annual Excess Cash Flows	54,632,000	82,352,000
Cash Flow Margin	16.8%	21.8%



Long Beach

Source: Audited financial statements (main university only)

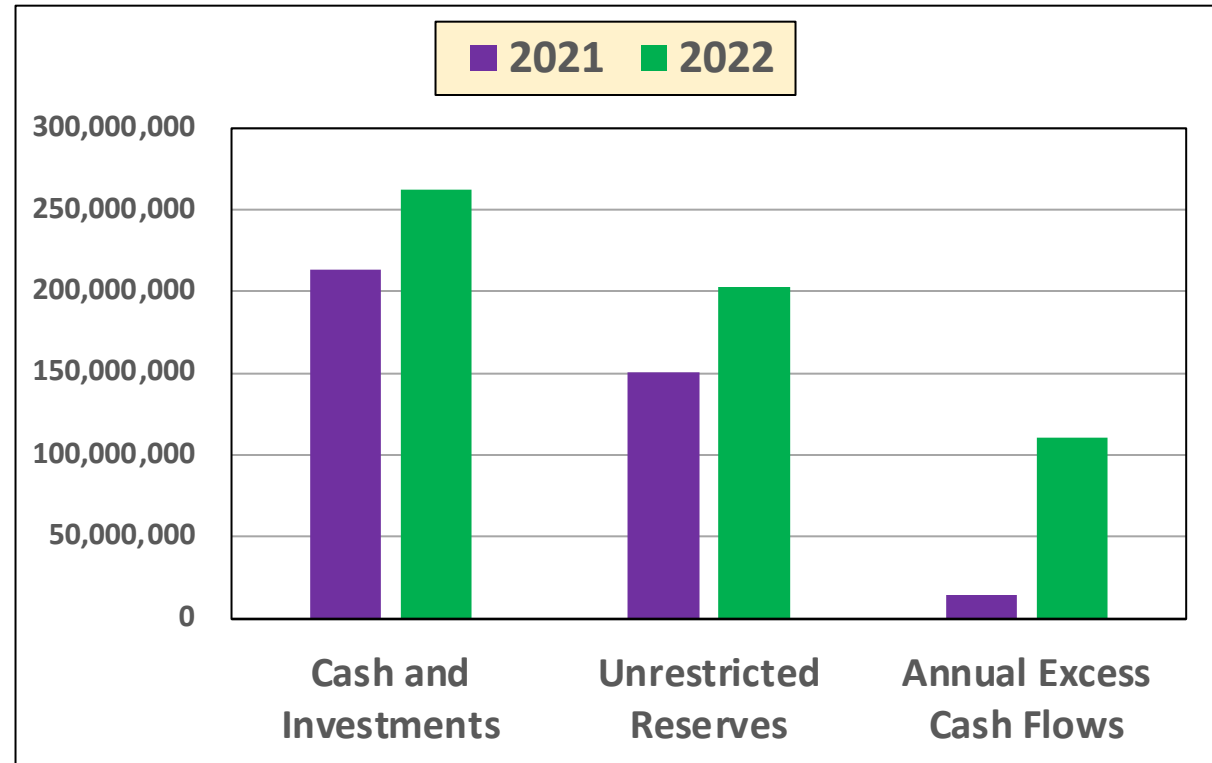
	2021	2022
Total Assets	933,516,000	973,276,000
Total Liabilities	363,928,000	370,774,000
Total Net Assets	569,588,000	602,502,000
Cash and Investments	298,759,000	314,301,000
Unrestricted Reserves	183,666,000	225,237,000
Annual Cash Inflows	655,484,000	837,398,000
Annual Cash Outflows	629,921,000	747,372,000
Annual Excess Cash Flows	25,563,000	90,026,000
Cash Flow Margin	3.9%	10.8%



Sacramento

Source: Audited financial statements (main university only)

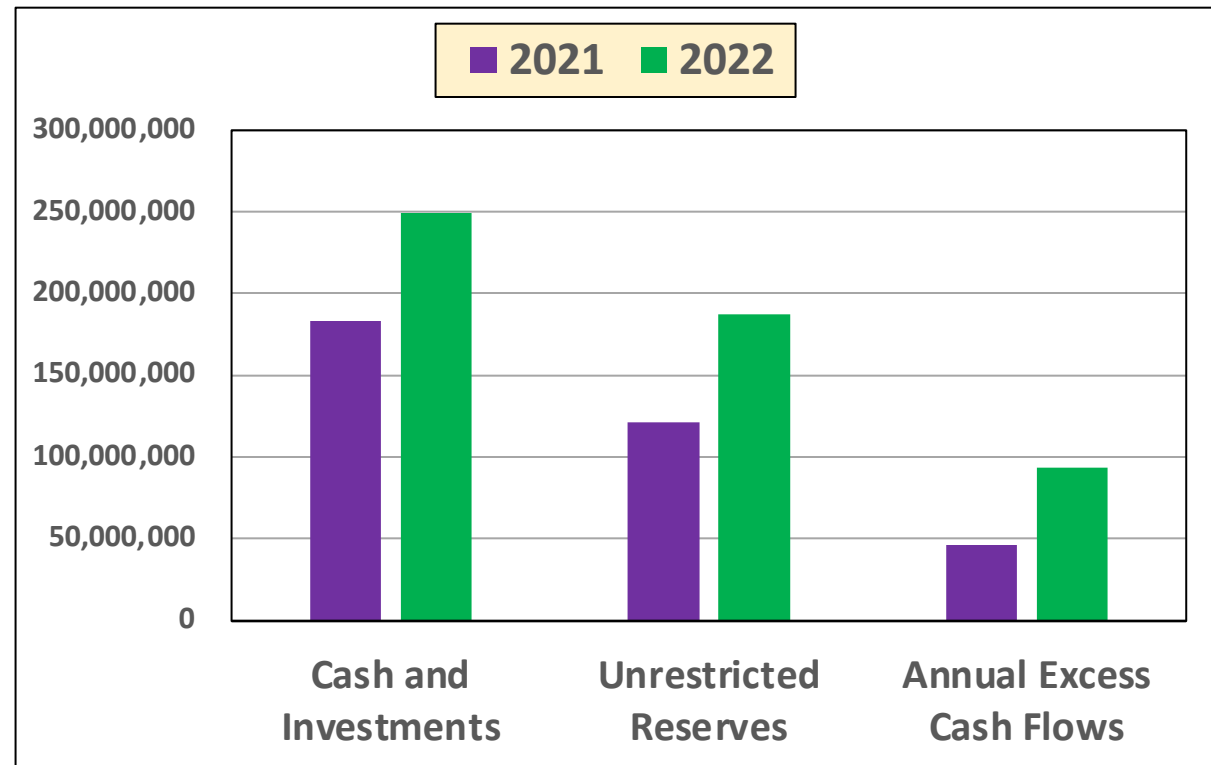
	2021	2022
Total Assets	802,474,000	968,102,000
Total Liabilities	380,444,000	454,051,000
Total Net Assets	422,030,000	514,051,000
Cash and Investments	213,531,000	262,661,000
Unrestricted Reserves	150,236,000	202,421,000
Annual Cash Inflows	575,239,000	724,340,000
Annual Cash Outflows	560,686,000	613,464,000
Annual Excess Cash Flows	14,553,000	110,876,000
Cash Flow Margin	2.5%	15.3%



San Francisco State

Source: Audited financial statements (main university only)

	2021	2022
Total Assets	795,496,000	891,150,000
Total Liabilities	344,604,000	355,772,000
Total Net Assets	450,892,000	535,378,000
Cash and Investments	183,296,000	249,691,000
Unrestricted Reserves	121,208,000	186,968,000
Annual Cash Inflows	547,995,000	648,623,000
Annual Cash Outflows	501,579,000	554,700,000
Annual Excess Cash Flows	46,416,000	93,923,000
Cash Flow Margin	8.5%	14.5%

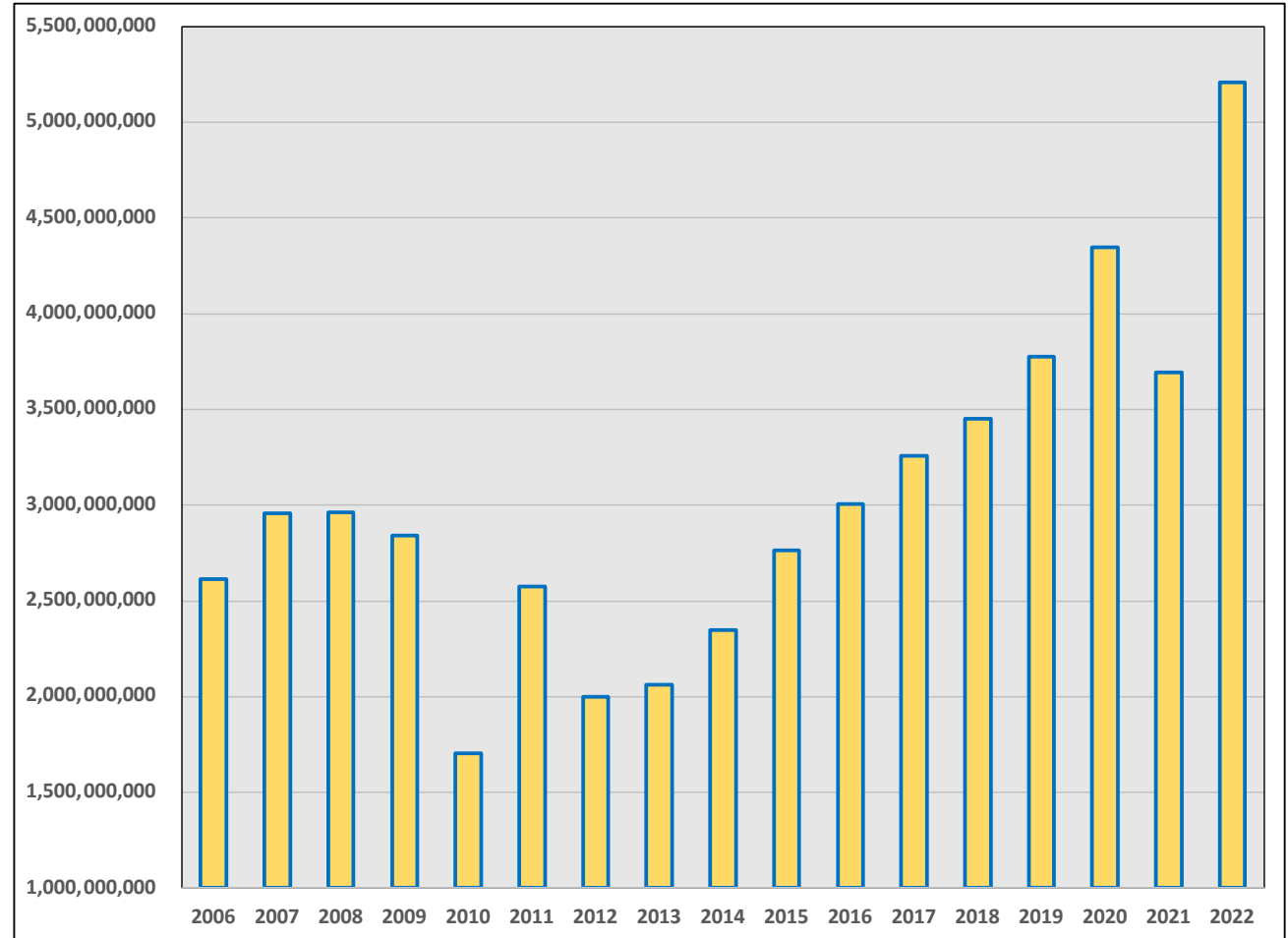


**State
Appropriation
Analysis**

State Appropriation

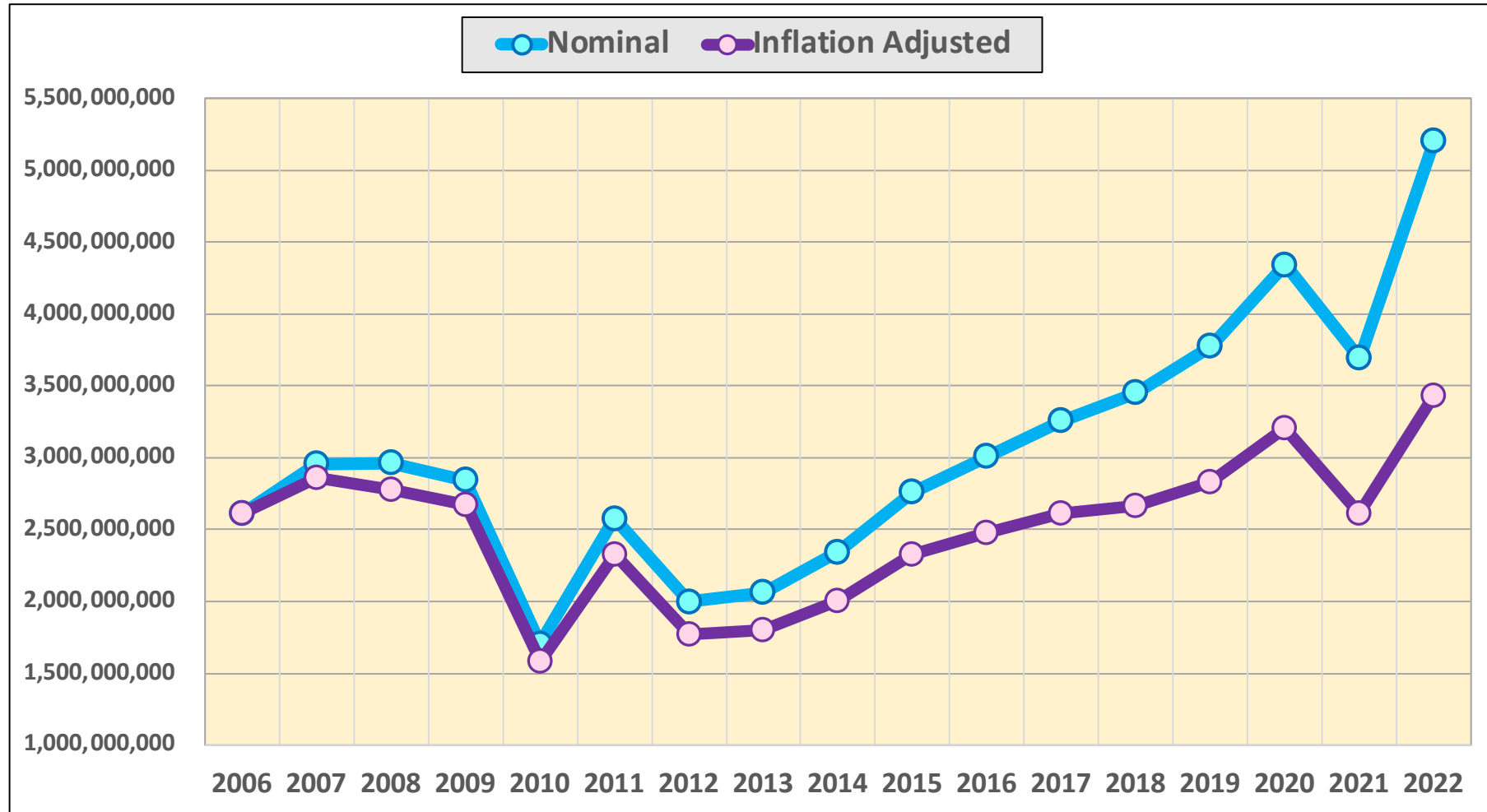
Source: Audited financial statements

Year	Nominal	Dollar Change	Percentage Change
2006	2,611,673,000		
2007	2,956,513,000	344,840,000	13.2%
2008	2,964,332,000	7,819,000	0.3%
2009	2,842,392,000	(121,940,000)	-4.1%
2010	1,705,254,000	(1,137,138,000)	-40.0%
2011	2,577,513,000	872,259,000	51.2%
2012	1,999,985,000	(577,528,000)	-22.4%
2013	2,063,387,000	63,402,000	3.2%
2014	2,345,696,000	282,309,000	13.7%
2015	2,762,350,000	416,654,000	17.8%
2016	3,007,319,000	244,969,000	8.9%
2017	3,258,422,000	251,103,000	8.3%
2018	3,450,531,000	192,109,000	5.9%
2019	3,775,647,000	325,116,000	9.4%
2020	4,344,361,000	568,714,000	15.1%
2021	3,691,994,000	(652,367,000)	-15.0%
2022	5,207,403,000	1,515,409,000	41.0%



State Appropriation Adjusted for Inflation

Inflation per <https://www.dir.ca.gov/oprl/CPI/EntireCCPI.PDF>



State Appropriation for 2023, 2024, and 2025

Sources: LAO Higher Education Report February 2023; <https://calmatters.org/politics/2023/06/california-budget-deal-what-you-need-to-know/>
<https://csu.opengov.com/transparency#/>

	Per CSU Budget	Per Audit, income statement	Per Audit, cash flow statement
2019	3,581,170,003	3,776,457,000	3,775,647,000
2020	3,910,739,444	4,346,139,000	4,344,361,000
2021	3,462,643,444	3,691,390,000	3,691,994,000
2022	4,501,104,005	5,207,394,000	5,207,403,000
2023	4,656,189,112		
2024	4,926,248,080		
2025	5,172,560,485		
	\$ Changes	% Changes	
2022 to 2023	155,085,107	3.4%	
2023 to 2024	270,058,968	5.8%	
2024 to 2025	246,312,404	5.0%	

There will be solid increases in the largest revenue source for 2024 and 2025

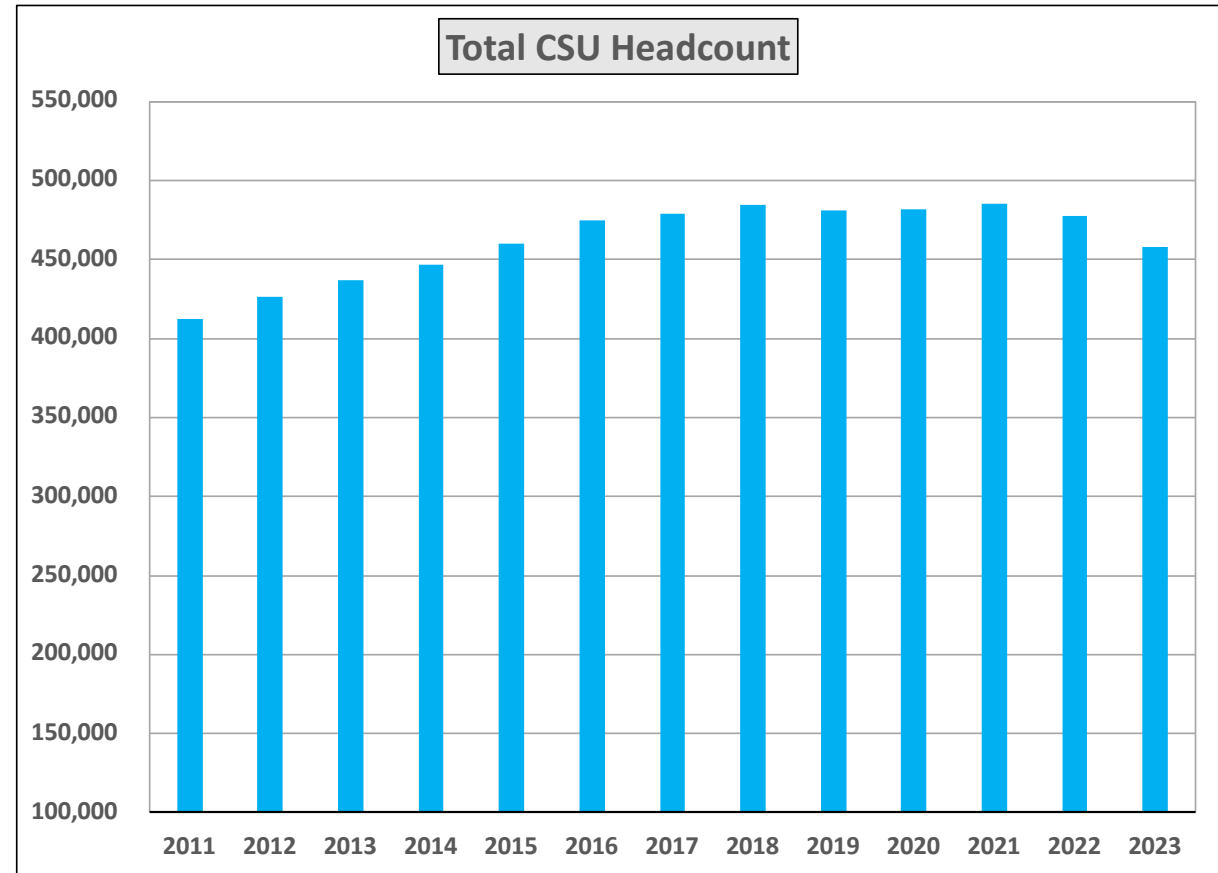
Revenue Details:

- **Enrollment and tuition revenue**
- **HEERF (Higher Education Emergency Relief Funds)**

Headcount Enrollment

Sources: <https://tableau.calstate.edu/>

Fiscal Year	Headcount	FTE	Ratio	% Change HC
2011	412,372	344,326	1.20	
2012	426,534	362,695	1.18	3.4%
2013	436,560	370,030	1.18	2.4%
2014	446,530	380,544	1.17	2.3%
2015	460,200	392,750	1.17	3.1%
2016	474,571	405,928	1.17	3.1%
2017	478,638	410,758	1.17	0.9%
2018	484,297	420,973	1.15	1.2%
2019	481,210	419,372	1.15	-0.6%
2020	481,929	423,491	1.14	0.1%
2021	485,550	426,719	1.14	0.8%
2022	477,466	411,276	1.16	-1.7%
2023	457,992	392,589	1.17	-4.1%

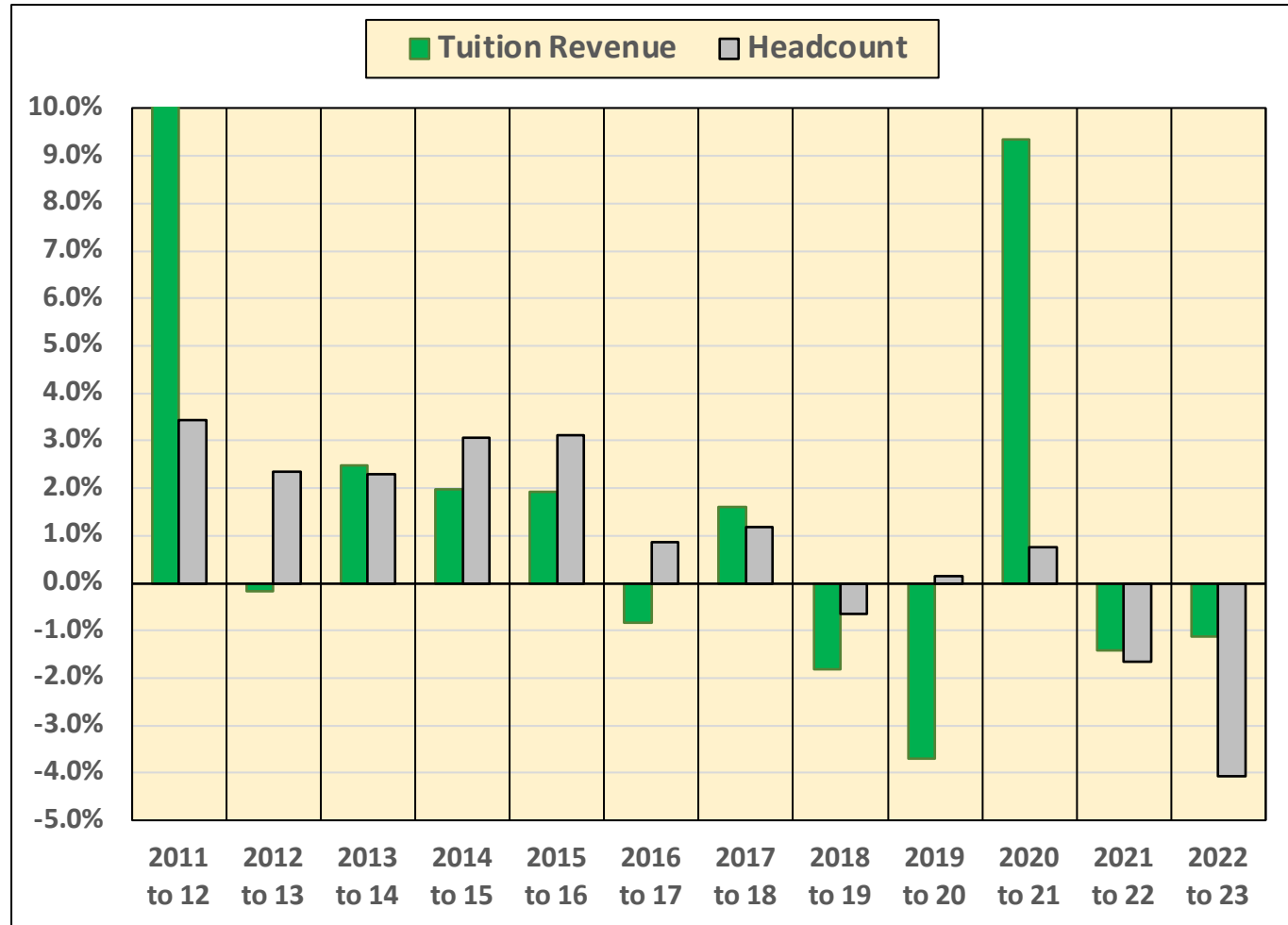


Changes in Enrollment and Tuition Revenue

Sources: Audited financial statements; <https://tableau.calstate.edu/>; <https://csu.opengov.com/transparency#/>

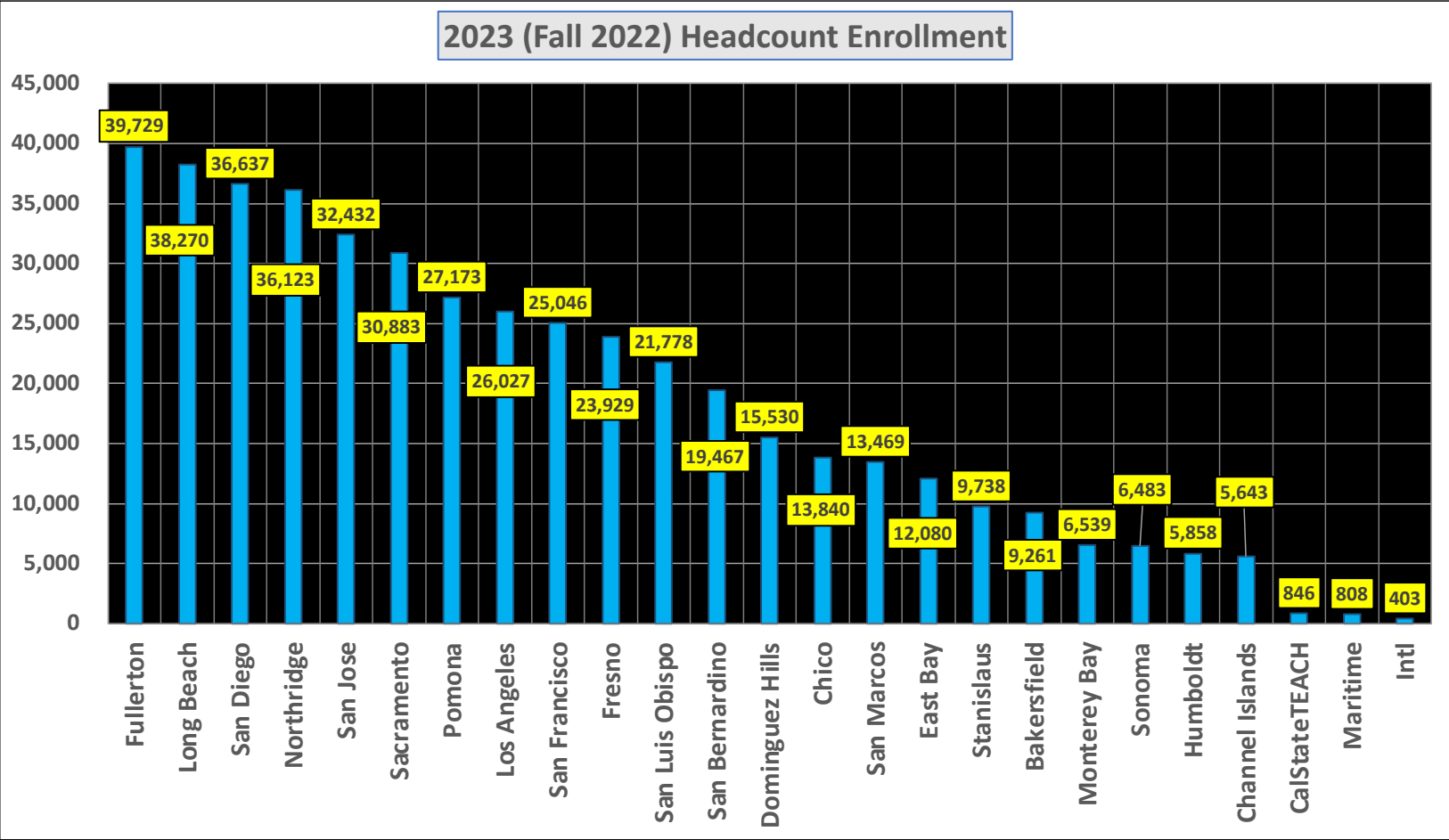
Year	Tuition Revenue	\$ Change	% Change	% change HC enrollment
2011	1,759,748,000			
2012	2,077,597,000	\$317,849,000	18.1%	3.4%
2013	2,074,066,000	(\$3,531,000)	-0.2%	2.4%
2014	2,125,685,000	\$51,619,000	2.5%	2.3%
2015	2,167,648,000	\$41,963,000	2.0%	3.1%
2016	2,209,323,000	\$41,675,000	1.9%	3.1%
2017	2,191,142,000	(\$18,181,000)	-0.8%	0.9%
2018	2,226,545,000	\$35,403,000	1.6%	1.2%
2019	2,186,027,000	(\$40,518,000)	-1.8%	-0.6%
2020	2,105,508,000	(\$80,519,000)	-3.7%	0.1%
2021	2,302,527,000	\$197,019,000	9.4%	0.8%
2022	2,270,110,000	(\$32,417,000)	-1.4%	-1.7%
2023			-1.1%	-4.1%

The 1.1% drop in tuition revenue is what is reported in the transparency budget page of CSU



2023 (Fall 2022) Headcount Enrollment of All CSU Institutions

Source: <https://tableau.calstate.edu/>



Number and Percentage Changes in Campus Enrollment

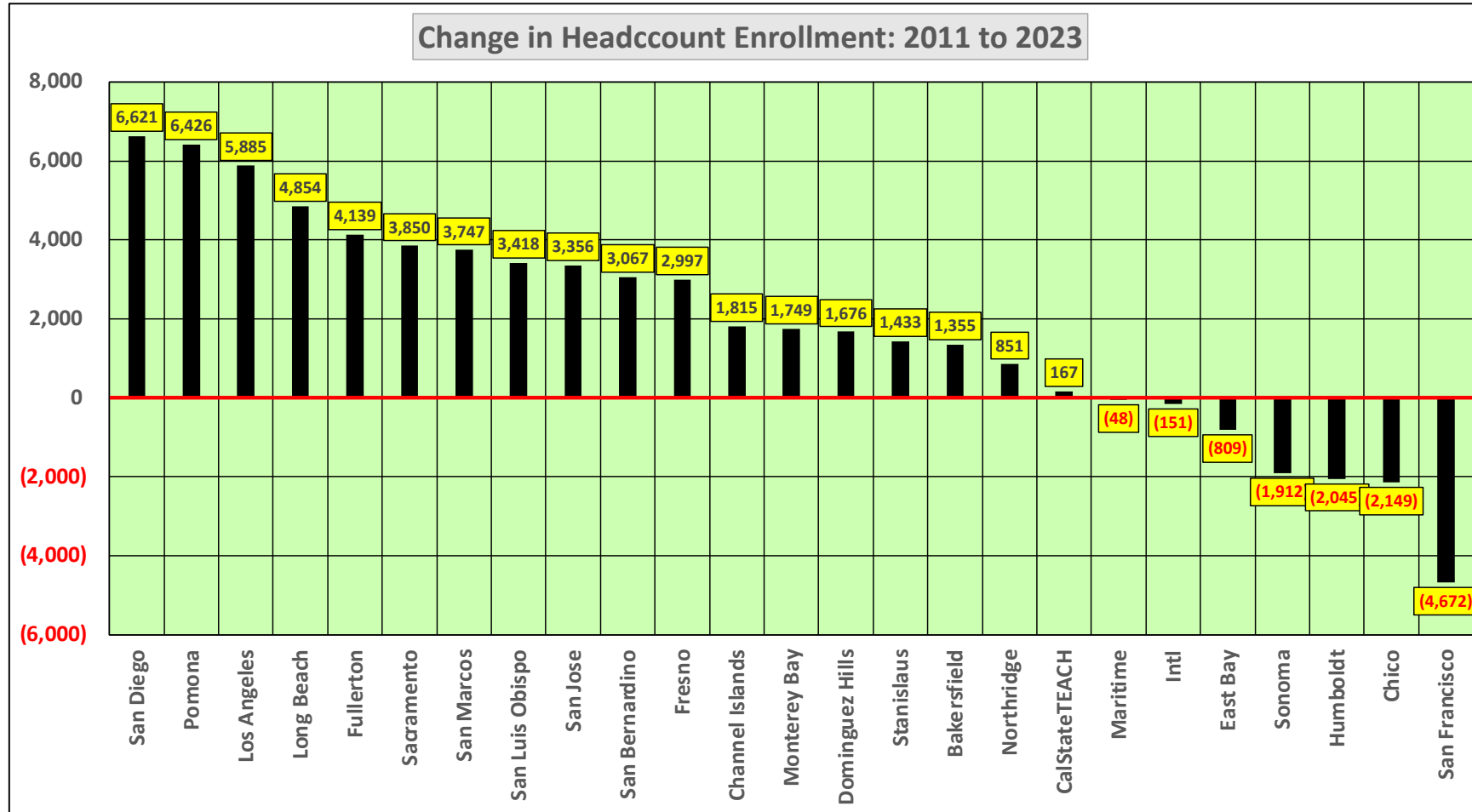
Source: <https://tableau.calstate.edu/>

Number Changes	2011 to 2016	2016 to 2021	2021 to 2023	2011 to 2023
San Diego	4,238	1,324	1,059	6,621
Pomona	2,970	5,987	(2,531)	6,426
Los Angeles	7,538	(1,338)	(315)	5,885
Long Beach	4,030	1,913	(1,089)	4,854
Fullerton	3,358	2,460	(1,679)	4,139
Sacramento	3,251	1,167	(568)	3,850
San Marcos	3,071	1,850	(1,174)	3,747
San Luis Obispo	2,584	1,343	(509)	3,418
San Jose	3,697	252	(593)	3,356
San Bernardino	3,624	(620)	63	3,067
Fresno	3,204	1,205	(1,412)	2,997
Channel Islands	2,339	776	(1,300)	1,815
Monterey Bay	2,312	(231)	(332)	1,749
Dominguez Hills	781	3,128	(2,233)	1,676
Stanislaus	977	1,459	(1,003)	1,433
Bakersfield	1,322	2,169	(2,136)	1,355
Northridge	6,276	(2,733)	(2,692)	851
CalStateTEACH	167	115	(115)	167
Maritime	219	(168)	(99)	(48)
Intl	(67)	(461)	377	(151)
East Bay	2,639	(887)	(2,561)	(809)
Sonoma	1,013	(1,601)	(1,324)	(1,912)
Humboldt	887	(2,359)	(573)	(2,045)
Chico	1,231	(590)	(2,790)	(2,149)
San Francisco	538	(3,181)	(2,029)	(4,672)
Grand Total	62,199	10,979	(27,558)	45,620

% Changes	2011 to 2016	2016 to 2021	2021 to 2023	2011 to 2023
Channel Islands	61.1%	12.6%	-18.7%	47.4%
San Marcos	31.6%	14.5%	-8.0%	38.5%
Monterey Bay	48.3%	-3.3%	-4.8%	36.5%
Pomona	14.3%	25.2%	-8.5%	31.0%
Los Angeles	37.4%	-4.8%	-1.2%	29.2%
CalStateTEACH	24.6%	13.6%	-12.0%	24.6%
San Diego	14.1%	3.9%	3.0%	22.1%
San Bernardino	22.1%	-3.1%	0.3%	18.7%
San Luis Obispo	14.1%	6.4%	-2.3%	18.6%
Stanislaus	11.8%	15.7%	-9.3%	17.3%
Bakersfield	16.7%	23.5%	-18.7%	17.1%
Long Beach	12.1%	5.1%	-2.8%	14.5%
Fresno	15.3%	5.0%	-5.6%	14.3%
Sacramento	12.0%	3.9%	-1.8%	14.2%
Dominguez Hills	5.6%	21.4%	-12.6%	12.1%
Fullerton	9.4%	6.3%	-4.1%	11.6%
San Jose	12.7%	0.8%	-1.8%	11.5%
Northridge	17.8%	-6.6%	-6.9%	2.4%
Maritime	25.6%	-15.6%	-10.9%	-5.6%
East Bay	20.5%	-5.7%	-17.5%	-6.3%
Chico	7.7%	-3.4%	-16.8%	-13.4%
San Francisco	1.8%	-10.5%	-7.5%	-15.7%
Sonoma	12.1%	-17.0%	-17.0%	-22.8%
Humboldt	11.2%	-26.8%	-8.9%	-25.9%
Intl	-12.1%			-27.3%
Grand Total	15.1%	2.3%	-5.7%	11.1%

Change in Headcount Enrollment, 2011 to 2023

Source: <https://tableau.calstate.edu/>



HEERF Revenues

Higher Education Emergency Relief Funds

Source: Audited financial statements

	2020	2021	2022	2023	Totals
Discretionary Funds to CSU	2,530,000	625,260,000	909,710,000	245,890,000	1,783,390,000
Amount to students	242,650,000	292,710,000	726,710,000	13,240,000	1,275,310,000
Total	245,180,000	917,970,000	1,636,420,000	259,130,000	3,058,700,000

There was \$245 million that came to CSU in 2023

There were three different acts that led to these funds:

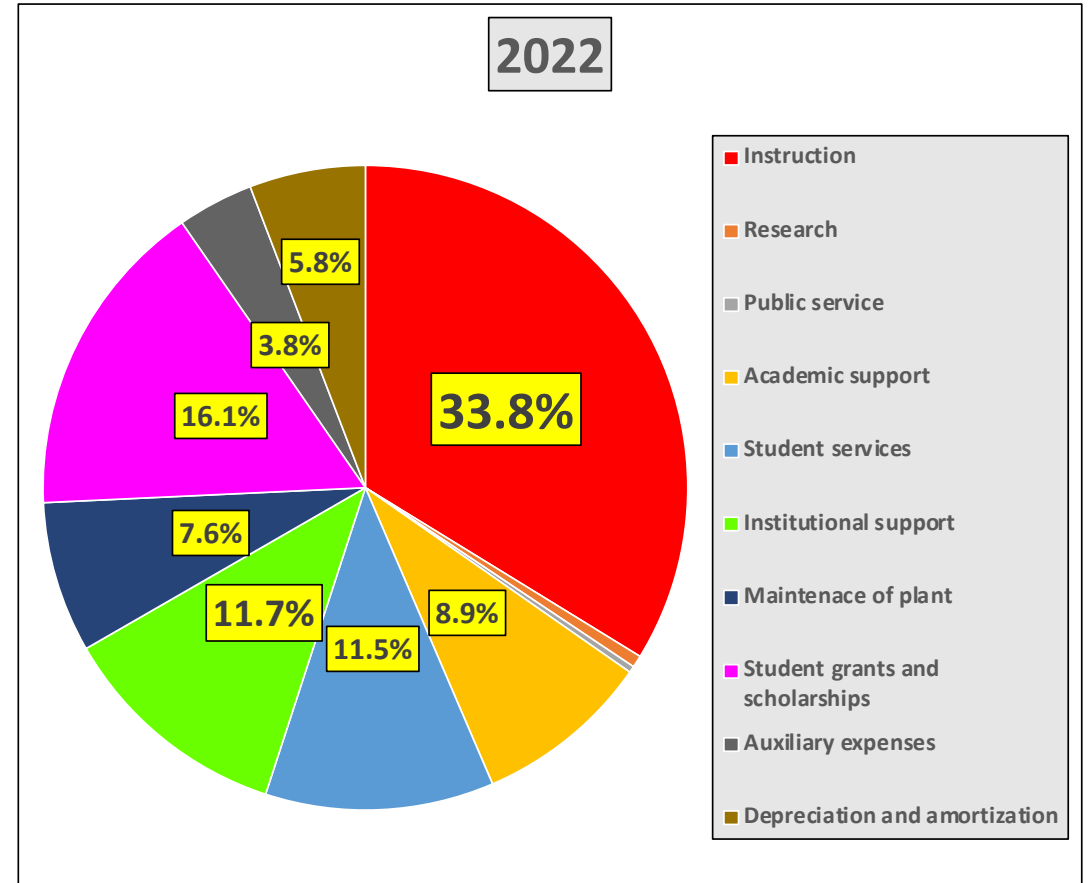
- HEERF I (CARES Act, 2020)
- HEERF II (Coronavirus Response and Relief Supplemental Appropriations Act, CRRSAA, 2021)
- HEERF III (American Rescue Plan, ARP, 2021)

Expense and Employee Analysis

CSU Expense Distribution, 2019 to 2022

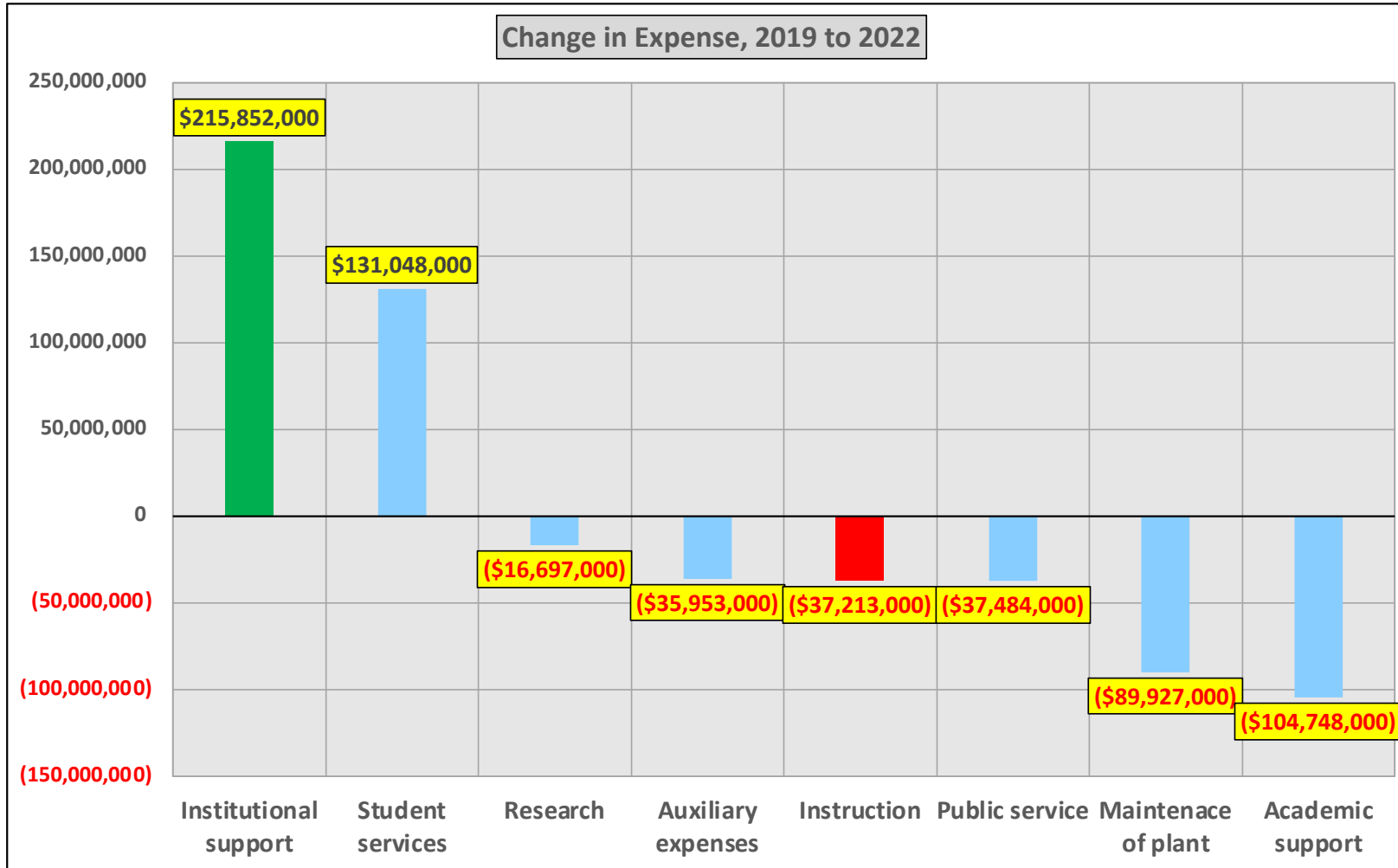
Source: CSU audited financial statements

Total Expense:	2019	2020	2021	2022
Instruction	3,614,639,000	3,853,279,000	3,530,908,000	3,577,426,000
Research	80,580,000	57,249,000	57,268,000	63,883,000
Public service	71,870,000	58,867,000	50,452,000	34,386,000
Academic support	1,042,756,000	1,028,607,000	1,000,371,000	938,008,000
Student services	1,083,497,000	1,139,403,000	1,243,642,000	1,214,545,000
Institutional support	1,021,045,000	1,195,144,000	1,184,370,000	1,236,897,000
Maintenance of plant	892,396,000	986,818,000	867,215,000	802,469,000
Student grants and scholarships	915,286,000	1,195,923,000	1,335,231,000	1,706,130,000
Auxiliary expenses	440,354,000	399,282,000	403,504,000	404,401,000
Depreciation and amortization	521,100,000	546,220,000	560,612,000	616,502,000
Total Operating Expenses	9,683,523,000	10,460,792,000	10,233,573,000	10,594,647,000
Total Expense:	2019	2020	2021	2022
Instruction	37.3%	36.8%	34.5%	33.8%
Research	0.8%	0.5%	0.6%	0.6%
Public service	0.7%	0.6%	0.5%	0.3%
Academic support	10.8%	9.8%	9.8%	8.9%
Student services	11.2%	10.9%	12.2%	11.5%
Institutional support	10.5%	11.4%	11.6%	11.7%
Maintenance of plant	9.2%	9.4%	8.5%	7.6%
Student grants and scholarships	9.5%	11.4%	13.0%	16.1%
Auxiliary expenses	4.5%	3.8%	3.9%	3.8%
Depreciation and amortization	5.4%	5.2%	5.5%	5.8%
Total Operating Expenses	100.0%	100.0%	100.0%	100.0%



Change in Expenses, 2019 to 2022

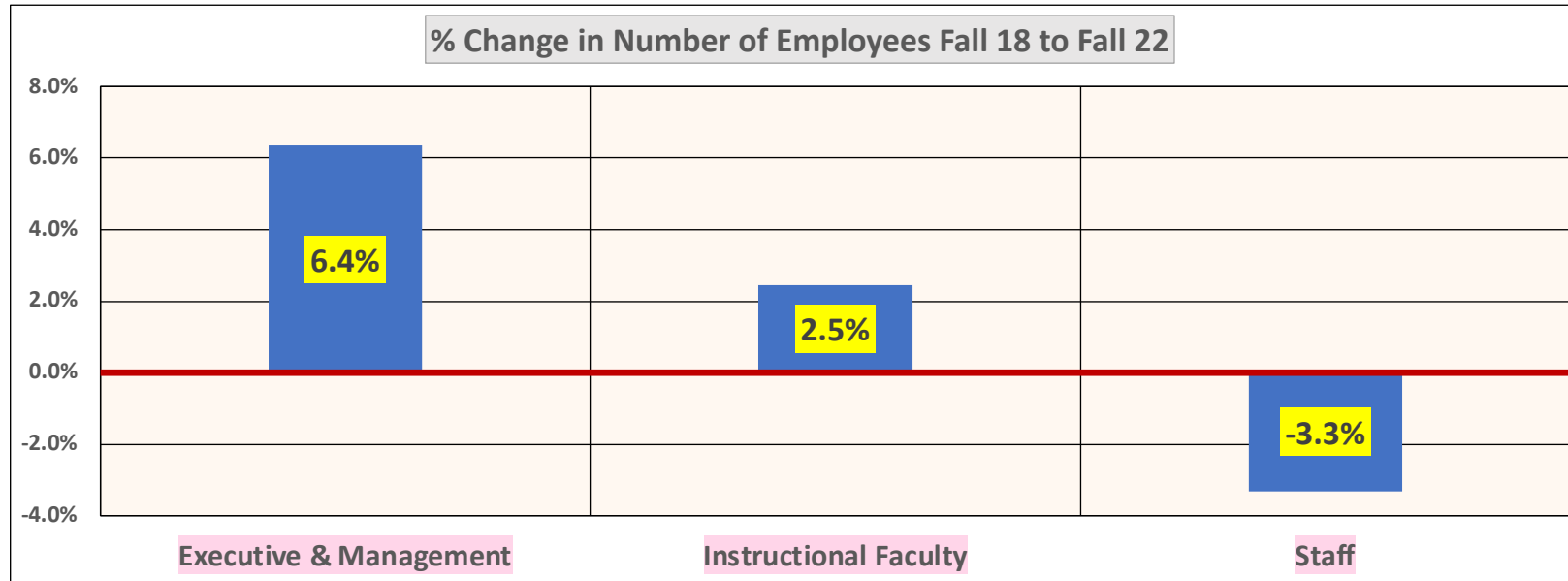
Source: CSU Audited financial statements



Change in Employees at all of CSU

Biggest category of increase is Executive and Management

Source: <https://www.calstate.edu/csu-system/faculty-staff/employee-profile/csu-workforce/Pages/default.aspx>



	Fall 2018	Fall 2019	Fall 2020	Fall 2021	Fall 2022	# Change	% Change
Instructional Faculty	27,134	27,682	26,934	27,895	27,800	666	2.5%
Staff	20,120	20,336	20,037	18,905	19,455	(665)	-3.3%
Executive & Management	4,266	4,426	4,478	4,380	4,537	271	6.4%
Enrollment	481,210	481,929	485,550	477,466	457,992	(23,218)	-4.8%
Professor	5,333	5,353	5,299	5,233	5,168	(165)	-3.1%
Associate	2,259	2,343	2,601	2,901	3,095	836	37.0%
Assistant	3,411	3,436	3,345	2,973	2,932	(479)	-14.0%
Lecturer	16,131	16,550	15,689	16,788	16,605	474	2.9%
Total Instructional Faculty	27,134	27,682	26,934	27,895	27,800	666	2.5%

**Auxiliary Example (CSUN) and
the Lack of Strict Walls Between
CSU and the Auxiliaries**

Auxiliary Analysis and Example: CSUN and their Auxiliaries

The audited financial statements and websites of each organization reveal the control and discretion that CSUN has over these organizations

A. North Campus Development Corporation:

- “Primary functions, which the Auxiliary is to manage, operate or administer are:
 - a. Housing
 - b. Real property acquisition/real property development
- Auxiliary agrees to receive and apply exclusively the funds and properties coming into its possession toward furthering these purposes for the benefit of CSU and the Campus.
- Auxiliary shall not perform any of the functions unless the function has been specifically assigned in this agreement with the Campus.”
- “The Corporation has set goals in the development of North Campus, including establishing strong academic ties and academic facilities spanning a broad range of the University's colleges and departments, and ensuring a steady, predictable, and safe source of revenue with no financial risk to the University.”

B. CSUN Foundation

- **Purpose in the Articles of Incorporation:** “To further the purposes and objectives of California State University Northridge”
- **Functions which are activities essential and integral to the educational mission of the University:**
 - Loans, scholarships, grants-in-aids, stipends, and related financial Assistance;
 - Externally funded projects including research, workshops, conferences, and institutes;
 - Auxiliary agrees to receive and apply exclusively the funds and properties coming into its possession toward furthering these purposes for the benefit of CSU and the Campus.

CSUN Auxiliary Conclusion

- **The evidence that demonstrates there are no strict walls between the university and the auxiliary organizations is in the audited statements of the CSU System. For each of the last several years, below are the interactions between the main campus and the auxiliary orgs.**
- **There are allegedly strict walls between the two; the millions and millions of dollars going back and forth demonstrate that these walls are not strict and that there is no legal limitation.**
- **There are no strict walls – these five organizations are an integral part of CSUN.**
- **When examining the financial health, freedom and flexibility of CSU, the auxiliary organizations must be considered**

Financial Results for the Five CSUN Auxiliaries, 2022

Source: Audited financial statements of auxiliaries, <https://www.calstate.edu/csu-system/auxiliary-organizations>

2022	North Campus Development Corp	CSUN Foundation	The University Corporation	University Student Union	Associated Students (AS)	TOTALS
Total Assets	5,293,156	308,403,163	72,399,282	10,981,881	16,130,626	413,208,108
Total Liabilities	115,243	690,220	23,841,512	3,654,102	1,454,272	29,755,349
Total Net Assets	5,177,913	307,712,943	48,557,770	7,327,779	14,676,354	383,452,759
Without donor restriction Net Assets	5,177,913	80,205,959	44,636,781	7,327,779	14,676,354	152,024,786
Total Revenues	442,160	21,822,294	40,968,580	16,417,429	11,171,799	90,822,262
Total Expenses	414,521	14,202,834	43,088,778	14,356,417	9,366,563	81,429,113
Change in Net Assets	27,639	7,619,460	(2,120,198)	2,061,012	1,805,236	9,393,149
Operating Cash Flows	559,557	13,482,267	2,311,729	1,186,751	3,369,327	20,909,631

CSUN Auxiliaries: Highest W-2 Salaries per most recent IRS 990

Auxiliary	Position	W-2 Compensation
North Campus Dev Corp	Chair	\$440,721
North Campus Dev Corp	Secretary & Treasurer	\$283,027
North Campus Dev Corp	Director	\$250,076
North Campus Dev Corp	Prez & Exec Director	\$192,136
North Campus Dev Corp	Director	\$165,039
The University Corporation	CFO	\$197,983
The University Corporation	Director	\$153,653
The University Corporation	Agency Fund	\$120,000
The University Corporation	Controller	\$113,044
The University Corporation	Director Admin/HR	\$109,029
The University Corporation	Tseng College	\$102,760
Associated Students	Exec Director	\$129,565
Associated Students	Controller	\$100,770
CSUN Foundation *	Director/Univ Pres	\$440,720
CSUN Foundation *	Director	\$295,503
CSUN Foundation *	Director	\$283,027
CSUN Foundation *	Dir/Foundation Pres	\$230,969
CSUN Foundation *	Director/CFO/Secretary	\$147,004
CSUN Foundation *	Director	\$116,260
Student Union	Exec Director	\$184,653
Student Union *	University Representative	\$176,178
Student Union *	Student Affairs Rep	\$172,311
* = Paid by a related party (likely the university)		

CSUN Payments Between the Auxiliaries and CSU, 2016 to 2022

Source: Audited financial statements

ITEM	2016	2017	2018	2019	2020	2021	2022
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$4,390,000	\$5,313,000	\$5,323,000	\$6,471,000	\$7,169,000	\$6,204,000	\$6,304,000
Payments from discretely presented component units for other than salaries	\$8,526,000	\$10,657,000	\$10,524,000	\$8,528,000	\$8,843,000	\$5,912,000	\$6,462,000
Payments to discretely presented component units for services, space, and programs	\$18,846,000	\$17,167,000	\$18,764,000	\$20,428,000	\$18,816,000	\$14,031,000	\$20,921,000
Gifts in kind from discretely presented component units	\$0	\$296,000	\$34,000	\$75,000	\$37,000	\$0	\$0
Gifts (cash or assets) from discretely presented component units	\$76,000	\$3,446,000	\$2,041,000	\$653,000	\$1,026,000	\$504,000	\$2,253,000
Accounts receivable from discretely presented component units	\$528,000	\$299,000	\$319,000	\$279,000	\$761,000	\$22,000	\$14,000
Other amounts receivable from discretely presented component units	\$0	\$0	\$0	\$0	\$45,000	\$0	\$18,000
Accounts payable to discretely presented component units	(\$125,000)	(\$401,000)	(\$288,000)	(\$260,000)	(\$204,000)	(\$1,511,000)	(\$526,000)
Other amounts payable to discretely presented component units	\$0	\$0	\$0	(\$51,000)	(\$3,516,000)	(\$39,000)	(\$1,847,000)
Payments to the Office of the Chancellor for administrative activities	\$389,000	\$442,000	\$372,000	\$475,000	\$348,000	\$838,000	\$339,000
Payments to the Office of the Chancellor for state pro rata charges	\$931,000	\$1,060,000	\$1,374,000	\$150,000	\$162,000	\$174,000	\$171,000
Accounts receivable from the Office of the Chancellor	\$1,342,000	\$1,904,000	\$773,000	\$285,000	\$547,000	\$568,000	\$788,000
Accounts payable to the Office of the Chancellor	\$0	\$0	\$0	\$0	(\$9,000)	\$0	\$0
Accounts receivable from campuses other than the Office of the Chancellor	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Accounts payable to campuses other than the Office of the Chancellor	\$0	\$0	\$0	\$0	\$0	\$0	\$0
State lottery allocation received	\$2,307,000	\$3,067,000	\$2,844,000	\$3,003,000	\$2,945,000	\$3,077,000	\$2,907,000
Other interagency payments (receipts) for services, space, and programs	\$0	\$0	\$0	\$3,000	(\$223,000)	\$165,000	\$111,000
Total Dollars	\$37,210,000	\$43,250,000	\$42,080,000	\$40,039,000	\$36,747,000	\$29,945,000	\$37,915,000

2022 Payments To and From Auxiliaries for All CSU Institutions, Part 1

Source: CSU Audited financial statements

Institution	SDSU	Obispo	Long Beach	Monterey	Fullerton	Pomona	Sacramento	SFSU	CSUN	Fresno	San Bern	Chico
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$5,925,000	\$7,366,000	\$3,549,000	\$1,401,000	\$3,083,000	\$1,548,000	\$3,533,000	\$3,696,000	\$6,304,000	\$2,789,000	\$3,473,000	\$2,279,000
Payments from discretely presented component units for other than salaries	\$8,008,000	\$37,538,000	\$20,600,000	\$3,575,000	\$7,835,000	\$13,682,000	\$12,352,000	\$5,006,000	\$6,462,000	\$4,103,000	\$11,410,000	\$3,874,000
Payments to discretely presented component units for services, space, and programs	\$33,729,000	\$6,690,000	\$25,756,000	\$0	\$40,974,000	\$33,157,000	\$21,415,000	\$8,693,000	\$20,921,000	\$13,990,000	\$9,913,000	\$15,231,000
Gifts in kind from discretely presented component units	\$1,194,000	\$471,000	\$597,000	\$793,000	\$0	\$0	\$30,000	\$0	\$0	\$311,000	\$36,000	\$158,000
Gifts (cash or assets) from discretely presented component units	\$37,551,000	\$25,861,000	\$18,028,000	\$5,990,000	\$1,788,000	\$2,166,000	\$317,000	\$2,570,000	\$2,253,000	\$2,020,000	\$0	\$1,401,000
Accounts receivable from discretely presented component units	\$22,193,000	\$2,280,000	\$5,727,000	\$12,485,000	\$2,564,000	\$4,717,000	\$3,998,000	\$1,633,000	\$14,000	\$1,844,000	\$3,136,000	\$1,840,000
Other amounts receivable from discretely presented component units	\$1,753,000	\$476,000	\$0	\$43,838,000	\$1,299,000	\$39,000	\$366,000	\$8,370,000	\$18,000	\$2,702,000	\$0	\$110,000
Accounts payable to discretely presented component units	(\$2,847,000)	(\$767,000)	(\$734,000)	(\$1,406,000)	(\$2,819,000)	(\$7,050,000)	(\$815,000)	(\$410,000)	(\$526,000)	(\$1,072,000)	(\$538,000)	(\$797,000)
Other amounts payable to discretely presented component units	(\$760,000)	(\$3,663,000)	\$0	(\$1,605,000)	\$0	\$0	(\$664,000)	\$0	(\$1,847,000)	\$0	\$0	\$0
Payments to the Office of the Chancellor for administrative activities	\$720,000	\$602,000	\$310,000	\$70,000	\$319,000	\$218,000	\$380,000	\$2,175,000	\$339,000	\$363,000	\$142,000	\$110,000
Payments to the Office of the Chancellor for state pro rata charges	\$124,000	\$127,000	\$143,000	\$61,000	\$150,000	\$96,000	\$179,000	\$150,000	\$171,000	\$50,000	\$75,000	\$45,000
Accounts receivable from the Office of the Chancellor	\$4,910,000	\$622,000	\$93,000	\$321,000	\$1,499,000	\$3,853,000	\$77,000	\$4,818,000	\$788,000	\$580,000	\$148,000	\$1,919,000
Accounts payable to the Office of the Chancellor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Accounts receivable from campuses other than the Office of the Chancellor	\$0	\$30,000	\$0	\$0	\$0	\$0	\$0	\$1,000	\$0	\$5,000	\$0	\$2,000
Accounts payable to campuses other than the Office of the Chancellor	(\$4,000)	\$0	\$0	\$0	\$0	(\$1,000)	\$0	\$0	\$0	\$0	\$0	\$0
State lottery allocation received	\$2,877,000	\$1,833,000	\$3,125,000	\$734,000	\$2,943,000	\$2,242,000	\$2,488,000	\$2,605,000	\$2,907,000	\$2,713,000	\$1,807,000	\$1,618,000
Other interagency payments (receipts) for services, space, and programs	(\$263,000)	\$305,000	\$958,000	\$165,000	(\$723,000)	\$26,000	(\$50,000)	\$27,000	\$111,000	\$393,000	(\$70,000)	\$431,000
Total Dollars	\$115,110,000	\$79,771,000	\$78,152,000	\$66,422,000	\$58,912,000	\$54,693,000	\$43,606,000	\$39,334,000	\$37,915,000	\$30,791,000	\$29,532,000	\$28,221,000

2022 Payments To and From Auxiliaries for All CSU Institutions, Part 2

Source: CSU Audited financial statements

Institution	East Bay	Bakersfield	Sonoma	Channel	LA	DH	SJSU	Humboldt	Stanislaus	Maritime	San Marcos		Grand Total
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$4,752,000	\$2,923,000	\$3,754,000	\$877,000	\$1,947,000	\$502,000	\$3,077,000	\$2,267,000	\$0	\$25,000	\$283,000		\$65,353,000
Payments from discretely presented component units for other than salaries	\$2,088,000	\$13,054,000	\$2,998,000	\$7,123,000	\$4,818,000	\$2,995,000	\$3,451,000	\$5,295,000	\$5,428,000	\$126,000	\$3,959,000		\$185,780,000
Payments to discretely presented component units for services, space, and programs	\$1,815,000	\$5,646,000	\$7,488,000	\$11,365,000	\$6,480,000	\$13,337,000	\$24,290,000	\$387,000	\$2,330,000	\$0	\$15,879,000		\$319,486,000
Gifts in kind from discretely presented component units	\$0	\$0	\$0	\$24,000	\$0	\$0	\$0	\$618,000	\$7,000	\$17,000	\$0		\$4,256,000
Gifts (cash or assets) from discretely presented component units	\$2,228,000	\$0	\$3,511,000	\$8,000	\$0	\$443,000	\$6,364,000	(\$5,000)	\$0	\$542,000	\$3,425,000		\$116,461,000
Accounts receivable from discretely presented component units	\$2,514,000	\$3,226,000	\$695,000	\$1,092,000	\$641,000	\$3,485,000	\$7,353,000	\$2,480,000	\$349,000	\$115,000	\$1,571,000		\$85,952,000
Other amounts receivable from discretely presented component units	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$131,000		\$59,102,000
Accounts payable to discretely presented component units	\$0	(\$772,000)	(\$190,000)	(\$775,000)	(\$223,000)	(\$3,190,000)	(\$8,051,000)	(\$16,000)	(\$1,576,000)	(\$14,000)	(\$1,458,000)		(\$36,046,000)
Other amounts payable to discretely presented component units	(\$563,000)	\$0	\$0	\$0	\$0	\$0	(\$20,642,000)	(\$418,000)	\$0	\$0	(\$95,156,000)		(\$125,318,000)
Payments to the Office of the Chancellor for administrative activities	\$156,000	\$167,000	\$224,000	\$97,000	\$157,000	\$127,000	\$561,000	\$83,000	\$125,000	\$373,000	\$247,000		\$8,065,000
Payments to the Office of the Chancellor for state pro rata charges	\$87,000	\$49,000	\$153,000	\$53,000	\$83,000	\$101,000	\$239,000	\$44,000	\$64,000	\$15,000	\$192,000		\$2,451,000
Accounts receivable from the Office of the Chancellor	\$13,214,000	\$1,179,000	\$6,015,000	\$312,000	\$4,268,000	\$415,000	\$438,000	\$497,000	\$137,000	\$1,461,000	\$108,000		\$47,672,000
Accounts payable to the Office of the Chancellor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
Accounts receivable from campuses other than the Office of the Chancellor	\$40,000	\$2,000	\$0	\$9,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$89,000
Accounts payable to campuses other than the Office of the Chancellor	(\$2,000)	\$0	(\$1,000)	\$0	\$0	\$0	\$0	\$0	(\$80,000)	\$0	\$0		(\$88,000)
State lottery allocation received	\$1,363,000	\$971,000	\$1,185,000	\$750,000	\$2,429,000	\$1,430,000	\$2,627,000	\$893,000	\$922,000	\$161,000	\$1,244,000		\$41,867,000
Other interagency payments (receipts) for services, space, and programs	(\$96,000)	(\$119,000)	\$195,000	(\$65,000)	\$259,000	\$550,000	\$50,000	\$197,000	\$276,000	\$27,000	\$120,000		\$2,704,000
Total Dollars	\$27,596,000	\$26,326,000	\$26,027,000	\$20,870,000	\$20,859,000	\$20,195,000	\$19,757,000	\$12,322,000	\$7,982,000	\$2,848,000	(\$69,455,000)		\$777,786,000

CSU Graduation Rates (Years are the Cohort or start year)

Significant Increases in Rates Over Time

Source: <https://tableau.calstate.edu/>

