

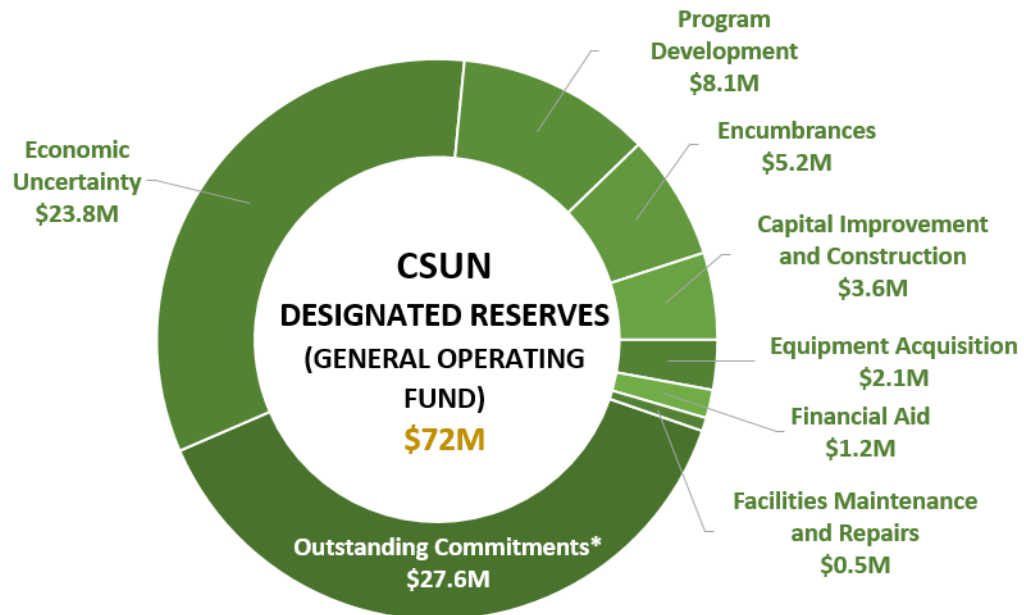
### **CSUN Statement on CSU and Campus Operating Reserves**

On June 20th, California State University Chancellor Timothy White [issued a statement](#) on a recent report from the California State Auditor on CSU outside accounts and parking programs at four individual campuses. The primary focus of the report is CSU's \$1.5B operating reserve, \$72M of which is attributed to CSUN. The report mischaracterizes these funds as "surplus" revenues. In fact, these are one-time funds designated for specific purposes as described below. Over the past several years, the Chancellor's Office has provided numerous [public reports regarding CSU cash and investment balances, including reserves](#). The CSU has also established a comprehensive [financial transparency portal](#) to provide the public with revenue and expense information for the system and individual campuses. Additionally, the Public Policy Institute of California lauded the CSU and highlighted the [CSU's Prudent Saving Strategy](#).

CSUN also has a strong record of fiscal responsibility and transparency in managing its financial resources at the campus level. Campus reserves are regularly presented within the open sessions of the CSUN University Planning and Budget Group (UPBG). The most recent May 23, 2019 UPBG presentation is posted on [the Budget Planning and Management website](#) and includes details on the divisional and central operating reserve amounts. CSUN's \$72M operating reserve includes encumbrances for contractual obligations, student financial aid reserves, campus quality fee balances, capital construction and deferred maintenance reserves, Graduation Initiative 2025 funds allocated toward CSUN's multi-year student success plan, and reserves dedicated for economic uncertainties such as potential state or system budget impacts, unforeseen expenses, and campus emergencies. All told, the \$72M reserve equates to just 16% of CSUN's 2018/19 general operating fund budget, representing less than two months of operating expenses. This is significantly below the five-month operating reserve standard recommended by the National Association of College and University Business Officers (NACUBO).

The breakdown of campus operating fund reserves as of June 30, 2018 is shown in the following chart:

*CSUN's \$72M Designated General Operating Fund Reserve  
by CSU Financial Reporting Category as of June 30, 2018*



*\*Includes new faculty start-up commitments, centers and research support, summer and other ongoing projects, classroom and lab renovations, etc.*

The State Auditor's report also references an aggregate \$4B in reserve balances for all CSU investment funds, \$290M of which is attributed to CSUN (inclusive of the \$72M discussed above). The \$290M CSUN total includes a number of funds which are restricted to specific purposes and are primarily for self-supporting enterprises which receive no state appropriations nor student tuition revenue (e.g. Parking, Student Housing, and Extended Learning).

We encourage the campus community to contact The Office of the Vice President for Administration and Finance with questions regarding campus reserves or any of the information included within the websites and references above.