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Michael V. Drake, MD
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DIVISION OF AGRICULTURE AND
NATURAL RESOURCES

July 20, 2022

The Honorable Nancy Skinner
Chair, Joint Legislative Budget Committee
1020 N Street, Room 553
Sacramento, California 95814

Director Keely Bosler
Department of Finance
915 L Street
Sacramento, California 95814

Dear Senator Skinner and Director Bosler:

Pursuant to Item 6440-001-0001 Provision 6.9(c) of the Committee on Budget and Fiscal Review, Budget Act of 2019 (SB 109, Chapter 363, Statutes of 2019), enclosed is the University of California's report describing a joint degree and certificate completion proposal from UC Davis (UCD) Continuing and Professional Education (CPE) and UC Riverside (UCR) University Extension and a systemwide market demand research plan from UC San Diego (UCSD) Extension Center. These two proposals have been approved to receive funds as part of the \$15 million that was appropriated in the 2019 Budget Act "to develop or expand degree and certificate completion programs at University of California extension centers." In accordance with the 2019 Budget Act and pursuant to Item 6440-001-0001, Provision 6.9. (a), we are requesting release of the \$5.1 million in remaining funds for the proposals described in this report.

If you have any questions regarding this report, Associate Vice President David Alcocer would be pleased to speak with you. David can be reached by telephone at (510) 987-9113, or by e-mail at David.Alcocer@ucop.edu.

Sincerely,

Michael V. Drake, MD
President

Enclosure

cc: Senate Budget and Fiscal Review
The Honorable John Laird, Chair
Senate Budget and Fiscal Review Subcommittee #1
(Attn: Mr. Christopher Francis)
(Attn: Ms. Jean-Marie McKinney)

The Honorable Kevin McCarty, Chair

Assembly Budget Subcommittee #2

(Attn: Mr. Mark Martin)

(Attn: Ms. Carolyn Nealon)

Mr. Hans Hemann, Joint Legislative Budget Committee

Ms. Erika Contreras, Secretary of the Senate

Ms. Amy Leach, Office of the Chief Clerk of the Assembly

Ms. Sue Parker, Office of the Chief Clerk of the Assembly

Ms. Tammy Weis, Office of the Chief Clerk of the Assembly

Mr. Chris Ferguson, Department of Finance

Ms. Rebecca Kirk, Department of Finance

Mr. Jack Zwald, Department of Finance

Mr. Gabriel Petek, Legislative Analyst Office

Ms. Jennifer Pacella, Legislative Analyst Office

Mr. Scott Ogus, Legislative Analyst Office

Provost and Executive Vice President Michael Brown

Executive Vice President and Chief Financial Officer Nathan Brostrom

Vice President and Vice Provost Yvette Gullatt

Associate Vice Provost Elizabeth Halimah

Senior Vice President Brent Colburn

Vice President Pamela Brown

Associate Vice President David Alcocer

Associate Vice President and Director Kieran Flaherty

UNIVERSITY OF CALIFORNIA

**Degree and Certificate Completion Programs
Request for Release of Funds Pursuant to the 2019 Budget Act**

The 2019 Budget Act appropriated \$15 million in one-time funds to the University of California for bachelor degree and certificate completion programs through UC Extension:

Of the funds appropriated in this item, \$15,000,000 shall be available on a one-time basis to develop or expand degree and certificate completion programs at University of California extension centers. The amount shall be available for encumbrance or expenditure until June 30, 2024. [Item 6440-001-0001, Provision 6.9. (a) (SB109, Chapter 363, Statutes of 2019)]

Item 6440-001-0001, Provision 6.9. (c), of the 2019 Budget Act requires the following:

The University of California shall submit, 30 days prior to the release of funds provided pursuant to this provision, a plan to the Department of Finance and the Joint Legislative Budget Committee that includes: (1) A budget plan and description of how funds will be used for initial planning, curriculum development, outreach, and other start-up costs for the new or expanded programs; (2) types of certificates, degrees and programs the University of California plans to develop or expand, which University of California extension locations will offer these programs, and how these programs meet regional labor market needs and student demand; (3) the tuition and fees for each certificate, degree and program; (4) the estimated number of students, by extension campus location and home institution that will participate in the program; (5) information on types of financial aid, including state, federal, and institutional financial aid and loans that students in these programs may be eligible to receive; (6) a long-term plan that describes how these programs will be self-supported after the initial start-up.

After the successful completion of the first round of Request for Proposals (RFP), \$9.1 million in funding was awarded to UC Santa Barbara (UCSB), UC Merced (UCM), UCLA and UC San Diego (UCSD), and \$5.1 million remained from the \$15 million allocated for degree and certificate completion efforts at UC Extension Centers. On December 16, 2021, University of California Office of the President (UCOP) Provost and Executive Vice President of Academic Affairs, Michael Brown, issued a second RFP pursuant to the item above. Upon that request, and in response to the proposals that were received by UCOP, the Bachelor Degree and Certificate Completion Proposal Review Committee, Round Two was formed to evaluate the programs and send recommendation to UCOP President, Michael Drake.

The committee received and reviewed two proposals, one bachelor degree and certificate completion program – a partnership between UC Davis (UCD) Continuing and Professional Education (CPE) and UC Riverside (UCR) University Extension – and one request for additional funding from the UCSD Extension Center for Research and Evaluation (CR+E) to continue their market demand research. The committee members reviewed and approved both proposals. Their recommendation to approve both proposals was then sent to President Drake who agreed and approved both proposals on June 21, 2022. The approved proposals and funding levels are:

- The UC Riverside University Extension and the UC Davis Continuing and Professional Education (CPE) – University of California Reengagement Consortium (UCRC) **\$4,850,000**
 - UC San Diego (UCSD): Degree Completion Analysis and Workforce Market Demands **\$250,000**
- Total funding: \$5,100,000**

This report constitutes a plan for expenditure for the remaining \$5.1 million of appropriated funding. The following section summarizes the required six elements called for in the Budget Act language for the two programs that have been approved for funding. The remainder of the requirements for reporting are detailed in individual plans for the two proposals.

- (1) *A budget plan and description of how funds will be used for initial planning, curriculum development, outreach, and other start-up costs for the new or expanded programs.*

Budget plan Initial planning (year one):

<u>UCD/UCR</u> :	\$2,301,619
<u>UCSD</u> :	\$196,000
Grand total, year one:	\$2,497,619

For a detailed breakdown of UCD/UCR first-year costs, startup costs, and costs in subsequent years, please see the campus plan (*Table 1* and *Table 7*).

- (2) *Types of certificates, degrees and programs the University of California plans to develop or expand, which University of California extension locations will offer these programs, and how these programs meet regional labor market needs and student demand.*

Types of programs:

UCD/UCR: Hybrid degree completion and certificate program

UCSD: Market demand research

Location:

UCD/UCR: UCD Continuing and Professional Education (CPE) and UCR University Extension

UCSD: UCSD Extension Center for Research and Evaluation (CR+E)

How the Program will meet regional market needs and student demands:

See the individual campus plans.

- (3) *The tuition and fees for each certificate, degree and program.*

UCD: Four-unit concurrent course = \$1016, four-unit XD course = \$1200

UCR: Three-unit concurrent course = \$762, four-unit concurrent course = \$1016, four-unit XD course = \$1200

UCSD: N/A

- (4) *The estimated number of students, by extension campus location and home institution, that will participate in the program.*

UCD: 434

UCR: 655

UCSD: N/A

Total: 1099

- (5) *Information on types of financial aid, including state, federal, and institutional financial aid and loans that students in these programs may be eligible to receive.*

UCD/UCR: Please see the UCD/UCR plan for financial aid and tuition details.

UCSD: N/A

(6) *A long-term plan that describes how these programs will be self-supported after the initial start-up.*

UCD/UCR: Please see *Table 7*. in Appendix A.

UCSD: UCSD Extension's market demand research funds will be exhausted after the funding period.

Plan: UC Davis and UC Riverside – University of California Reengagement Consortium (UCRC)

Overview:

The UCR University Extension and the UCD Continuing and Professional Education (CPE) submitted for consideration a proposal developed collaboratively between the two campuses and in close communication with both the UCSB Professional and Continuing Education and the UCM Extension. The proposal, to form the University of California Reengagement Consortium (UCRC) – a partnership between the four campus Extensions – is designed to serve the most underserved populations across nearly the entire state. The proposal included a request for **\$4,850,000** to fund the program.

The program targets working professionals, as well as unemployed and underemployed adults, and is designed to address specific barriers (e.g., financial barriers such as application fees, lack of sufficient advising support, familial and professional obligations, course scheduling and modality) that impede students from degree completion, transfer eligibility, and certificate attainment. The proposed program includes three pathways for students:

1. degree completion through pre-reentry coursework (XR/XD/concurrent) and a hand-off to UCM Extension's Degree Completion program or to UCR or UCD admissions;
2. coursework (XR/XD/concurrent) to fill gaps in transfer eligibility and a hand-off to UCM Extension's Degree Completion program or existing UCR/UCD transfer and admissions offices;
3. certificate, or career concentration, attainment through participation in programs included in a multi-campus Program-Sharing Network (PSN) that are aligned with workforce development goals.

The proposal includes two target audiences: UCR/UCD degree stop-outs and residents of California in our campuses' surrounding counties with some college and no degree attainment.

(b) The University of California shall submit, 30 days prior to the release of funds provided pursuant to this provision, a plan to the Department of Finance and the Joint Legislative Budget Committee that includes:

- (1) *A budget plan and description of how funds will be used for initial planning, curriculum development, outreach, and other start-up costs for the new or expanded programs.*

Budget plan Initial planning (year one):

Table 1. Initial Planning, Year One

	Y1 22/23
Revenue	
State funds	\$ 2,301,619
Student Fees - UCR	\$ 107,546
Student Fees - UCD	\$ 64,204
Total Revenue	\$ 2,473,369
Expenses UCR	
Personnel	\$ 490,400
Benefits	\$ 242,970
Direct Course Delivery Costs	\$ 48,412
Other Direct Costs	\$ 200,000
F&A	\$ 343,624
Total UCR	\$ 1,325,406
Expenses UCD	
Personnel	\$ 441,013
Benefits	\$ 202,180
Direct Course Delivery Costs	\$ 21,624
Other direct costs	\$ 185,525
F&A	\$ 297,620
Total UCD	\$ 1,147,962
Total Expenses	\$ 2,473,368
Gross margin W/State Funds	\$ -
Gross margin W/out State Funds	\$ (2,301,619)

-For the complete and detailed budget, see the *UCRC Budget* in Appendix A.

(2) *Types of certificates, degrees and programs the University of California plans to develop or expand, which University of California extension locations will offer these programs, and how these programs meet regional labor market needs and student demand.*

Type of program:

Re-engagement program that includes three possible academic pathways: transfer, degree completion (re-entry), and certificate completion.

Location:

UCR University Extension and the UCD Continuing and Professional Education (CPE).

How the Program will meet regional market needs and student demands:

The program provides degree and certificate completion in the Riverside and Davis regions and serves to enhance and augment the transfer and degree completion initiatives started at UCSB and UCM, respectively, funded during the first round of State funding in 2020. This program will engage students through a unique and innovative consortium model that extends beyond programmatic and audience expansion to include shared operational services, curricular sharing, and an advising community of practice that supports the success of all four partner campuses. Known as the UC Reengagement Consortium (UCRC), the funds will provide start-up monies to establish a multiple pathway reengagement model along with a virtual network of staff supporting work across the four campuses—with UCR serving as fiscal agent and lead Principal Investigator (PI).

Given the vast territories the four UC Extensions cover, these combined and collaborative efforts have the potential to serve most of the state of California, including the most underserved regions and populations of the state. Having adjacent territorial boundaries and similarly large and heterogeneous markets will also allow collaborations beyond the boundaries of each institution to identify viable pockets of need that might not achieve economies of scale within a single region. A key component of the plan is the ability of each partner campus to serve underserved populations in their regions; and, collectively, serve students across virtually the entire state.

Two specific populations will be targeted: 1) UCR/UCD degree program stop-outs; 2) other California residents in the regions with some college and no attainment. A significant portion of UC degree stop-outs and California residents with some college and no attainment are under-represented minorities (URM) and first-generation students. In acknowledgement of the diverse backgrounds of the stop-out population, the goal is that at least 25% of students served through the UCRC are URM and that 10% are first-generation students.

(3) *The tuition and fees for each certificate, degree and program.*

Table 2. Student Fees

Concurrent	UCR	UCD
Three Unit	\$762	
Four Unit	\$1016	\$1200
XR/XD/Certificate courses		
Four unit	\$1200	\$1200

(4) *The estimated number of students, by extension campus location and home institution, that will participate in the program.*

Table 3. Projected UC degree stop-out enrollments.

UC Degree Stop-out Enrollments	Degree pathway ¹	Certificate pathway
Davis	159	97
Riverside	249	151
Subtotal	408	248
Total	656	

Table 4. Projected "some college, no attainment" enrollments.

Some College, No Attainment Enrollments	Degree or Transfer	Certificate pathway
Davis	51	127
Riverside	143	122
Subtotal	194	249
Total	443	

Table 5. Total enrollment across all target audiences.

Target Audience	Total Enrollments
UC Degree Stop-outs	656
Some College, No Attainment	443
Total	1,099

Table 6. Estimated distribution of enrollment by pathway by year.

	Y1 22/23 (25%)	Y2 23/24 (75%)	Total in Funding Period (100%)
Degree/Transfer pathway enrollments	151	452	603
Certificate pathway enrollments	124	372	496
Total	275	824	1,099

¹ Degree Completion pathway enrollments in Tables 3 & 4 are calculated at 55% of the total students served because research suggests 45% of students will re-enter matriculation without pre-reentry coursework completed at participating UC Extensions.

(5) *Information on types of financial aid, including state, federal, and institutional financial aid and loans that students in these programs may be eligible to receive.*

Reengaged students who take courses at Extension are not currently eligible for Federal Financial Aid, however, the per unit prices for Extension “X” courses, “XR/XD”, or concurrent are below the cost of tuition and fees for matriculated students. In addition, there are funds allocated in the proposed budget for student support for fees. Additionally, the shared/centralized advising team allows for a continuous point of contact for the student prior to matriculation.

(6) *A long-term plan that describes how these programs will be self-supported after the initial start-up.*

Table 7 (Appendix A.) presents a five-year budget. State funding is included in the budget for the first two years as the State funding line. The three additional years are included to demonstrate the eventual sustainability of the program. The State funding will be split between the Riverside and Davis campuses based on their respective expected expenses. Funding generated by each campus through student fees are included as additional revenue and will be utilized by the receiving campuses to support their operations related to the project. In-kind support in the form of waived application fees, waived certificate completion fees, free student access to career assessment tools, and pro bono administrative leadership are included but not indicated in the budget detail.

The sustainability of this initiative is rooted in not just the generation of marginal increases to revenue, but also the collaborative model being built to share content, operations, and technology. This shared operations model has already been piloted between UCR and UCSB since fall 2021 as well as UCR and UCI since spring, 2022. The model significantly reduces the individual campus costs, is easily scalable, and provides a creative approach to meeting the needs of students across the four regions collaboratively. Rather than place additional pressure on already constrained central main campus resources or on any one of the four partners disproportionately, this unique, self-sustaining, shared/ central operations model provides support across the partner Extensions and between their sister departments (e.g., advising, instructional design, IT).

APPENDIX A – UCRC Budget

Budget Detail

Table 7. Budget detail showing pathway to fiscal sustainability.

	Y1 22/23	Y2 23/24	Y3 24/25	Y4 25/26	Y5 26/27
Revenue					
State funding	\$ 2,301,619	\$ 2,548,381	\$ -	\$ -	\$ -
Student Fees - UCR	\$ 107,546	\$ 249,217	\$ 573,200	\$ 734,535	\$ 1,328,626
Student Fees - UCD	\$ 64,204	\$ 128,753	\$ 369,600	\$ 739,200	\$ 1,182,720
Total Revenue	\$ 2,473,369	\$ 2,926,351	\$ 942,800	\$ 1,473,735	\$ 2,511,346
Expenses UCR					
Personnel	\$ 490,400	\$ 564,218	\$ 566,364	\$ 594,682	\$ 624,416
Benefits	\$ 242,970	\$ 282,627	\$ 280,898	\$ 294,943	\$ 309,690
Direct Course Delivery Costs	\$ 48,412	\$ 112,187	\$ 258,030	\$ 330,657	\$ 465,019
Other Direct Costs	\$ 200,000	\$ 280,100	\$ 25,000	\$ 25,000	\$ 25,000
F&A	\$ 343,624	\$ 433,696	\$ -	\$ -	\$ -
Total UCR	\$ 1,325,406	\$ 1,672,828	\$ 1,130,292	\$ 1,245,282	\$ 1,424,125
Expenses UCD					
Personnel	\$ 441,013	\$ 431,143	\$ 387,766	\$ 401,338	\$ 415,385
Benefits	\$ 202,180	\$ 181,532	\$ 181,473	\$ 187,825	\$ 194,399
Direct Course Delivery Costs	\$ 21,624	\$ 43,364	\$ 124,481	\$ 248,963	\$ 398,341
Other direct costs	\$ 185,525	\$ 291,401	\$ 8,345	\$ 8,637	\$ 8,939
F&A	\$ 297,620	\$ 331,604	\$ -	\$ -	\$ -
Total UCD	\$ 1,147,962	\$ 1,279,044	\$ 702,065	\$ 846,763	\$ 1,017,064
Total Expenses	\$ 2,473,368	\$ 2,951,872	\$ 1,832,358	\$ 2,092,044	\$ 2,441,188
Gross margin W/State funding	\$ -	\$ (25,521)			
Gross margin W/out State funding	\$ (2,301,619)	\$ (2,573,902)	\$ (889,558)	\$ (618,309)	\$ 70,157

Table 8. Staffing FTE

Positions ²	FTE	
	Y1 22/23	Y2 23/24
Riverside		
Project Director Co-PI – Provides overall coordination and direction for the Project	0.75	0.75
Project Assistant – Project administrative support.	0.75	0.75
Public Education Spec III – Course, instructor coordination.	0.50	0.50
Tutoring Support – Direct student tutoring.	0.50	1.00
Riverside Total	2.50	3.00
Shared Services³		
Academic Advisor/Student Success Coach – Direct student advising	3.75	4.50
Digital Marketing Specialist – Day-to-day coordination of site-specific project digital marketing.	0.75	0.75
Instructional Designer – Course and instruction design to meet needs of students and instructors.	1.75	1.25
IT (Student Technology Support) – Student technology support.	1.00	1.50
IT (Applic Dev, Data Integration) – Integration between different campus and Extension enrollment and student data systems.	1.00	0.75
Shared Total	8.25	8.75
Davis		
Project Co-Director – UCD site coordination	0.25	0.25
Public Education Spec II – Course, instructor coordination.	0.50	0.50
Campus Advising Liaison Officer – Liaison between Project and campus student advising.	1.00	1.00
Tutoring Support - Direct student tutoring.	1.00	1.00
Davis Total	2.75	2.75
Total	13.50	14.50

Budget Narrative

Personnel & Benefits

- Staffing directly assigned to coordinating and supporting this project. Staffing beyond years one and two may change depending on self-support viability and project experience.
- Collaborative cost-sharing in the areas of advising, instructional design, marketing, and IT. When feasible existing staff may be shared with the participating campuses as an alternative to hiring additional FTE. This shared operations model piloted between UCR and UCSB since fall 2021 significantly reduces the individual campus costs, is easily scalable, and provides a creative approach to meeting the needs of students across the four regions.

² The staffing chart consists of bought out time of existing staff in addition to new hires in the area of advising and IT.

³ Each campus has budgeted positions, but they are conceptually agreed that they should view these resources as shared and resourced based on project workload or case load.

Cost of Service

- Direct costs associated with offering courses. Course production, programming, & instruction. Budgeted as a percentage of revenue based on historical experience.

Other Direct Costs

- Marketing and promotion – \$180,000 - cost of materials and production for promotion and outreach efforts that include website landing page, social media advertising, and collateral. These expenses are highest in years one and two due to one-time expenses required to support the development of the infrastructure to conduct outreach to a significantly larger region and population.
- Student Support - \$400,000 – additional or existing campus resources that program staff may need to access for non- or pre-matriculated students including fee remission, tutoring, and other direct student support.
- Curriculum and Faculty development - \$123,000 – Resources for faculty and curriculum development required to support the diverse needs of the target student population.
- Student Career Assessment - \$15,000 – Licenses, training, and materials for Strong Interest Inventory.

Plan: UC San Diego Extension Degree Completion and Market Demands Research, Additional Funding

Overview:

In the fall of 2020, the UC San Diego Extension Center for Research and Evaluation (CR+E) was awarded \$200,000 by the University of California, Office of the President (UCOP) to conduct statewide market research on degree completion, workforce needs, and the demand for campus-based degree and certificate programs. UCOP funding enabled CR+E to conduct a statewide survey of thousands of California’s who have started but not finished four-year degrees, and create a novel workforce dashboard with a wealth of information on labor market supply and demand for all of the metropolitan statistical areas (MSA) in the state of California. The workforce dashboard provides valuable insights into the regional labor markets for all of the UC campus locations, and is useful for identifying areas for program development and ensuring appropriate alignment between current programs and workforce needs. The workforce dashboard has been well received and is in use across the UC system. For the dashboard to continue to be useful for program development and refinement, it must be updated with current labor market data. In addition to updating the dashboard data, improvements from user feedback can be integrated to make the tool even more valuable and user friendly. An updated and improved workforce dashboard will help the UC system meet its educational and economic goals.

(b) The University of California shall submit, 30 days prior to the release of funds provided pursuant to this provision, a plan to the Department of Finance and the Joint Legislative Budget Committee that includes:

- (1) *A budget plan and description of how funds will be used for initial planning, curriculum development, outreach, and other start-up costs for the new or expanded programs.*

A refresh of the workforce dashboard created by CR+E will include two parts: 1) Updating of the labor market data in the dashboard, which currently includes 2019 and 2020 information, to include 2021 through 2023 data (with 2022-23 data added quarterly as it becomes available), and 2) Improvements to the user interface and functionality of the dashboard. Modifications will include the exploration of platforms for data visualization beyond Tableau, such as Power BI; increased customization of geographic search areas in addition to MSA parameters (e.g., mile radii from UC campuses); exploration and solutions for segments of the labor market that are not as well-represented in the current dashboard version (e.g., the agricultural sector in the Central Valley);

increased granularity of national comparison data; and refinement of dashboard views and visualizations to support increased ease of use and interpretation.

Budget plan

DESCRIPTION	COST
Senior Research Analyst, CR+E (.75 FTE salary & benefits for 14 months)	\$91,875
Director, CR+E (.20 FTE salary & benefits for 14 months)	\$28,000
Chief Impact & Strategy Officer, Extension (.05 FTE salary & benefits for 14 months)	\$10,940
Emsi Labor Market Data	\$65,000
User Interface Software & Development	\$54,185
TOTAL	\$250,000

(2) *Types of certificates, degrees and programs the University of California plans to develop or expand, which University of California extension locations will offer these programs, and how these programs meet regional labor market needs and student demand.*

UC San Diego Extension will continue to conduct research for the state of California broadly. More specific research will be conducted for the areas surrounding all nine extension centers at Berkeley, Davis, Irvine, Los Angeles, Merced, Riverside, San Diego, Santa Barbara and Santa Cruz.

(3) *The tuition and fees for each certificate, degree and program.*

N/A

(4) *The estimated number of students, by extension campus location and home institution, that will participate in the program.*

N/A

(5) *Information on types of financial aid, including state, federal, and institutional financial aid and loans that students in these programs may be eligible to receive.*

N/A

(6) *A long-term plan that describes how these programs will be self-supported after the initial start-up.*

Total one-time funding is \$250,000 for 14 months. An updated workforce dashboard will take 12 months to complete from receipt of the award. An additional two months will be required to update the dashboard with 2023 data as it becomes available.

Contact Information:

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