



UNIVERSITY
OF
CALIFORNIA

Michael V. Drake, MD
President

Office of the President
1111 Franklin St.
Oakland, CA 94607

universityofcalifornia.edu

March 22, 2023

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

Dear Senator Skinner:

Pursuant to Section 92675 of the Education Code, enclosed is the University of California's biennial report to the Legislature on Performance Outcome Measures.

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. Sarah Haynes)
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
Mr. Jack Zwald, Department of Finance
Ms. Gabriela Chavez, Department of Finance

CAMPUSES

Berkeley
Davis
Irvine
UCLA
Merced
Riverside
San Diego
San Francisco
Santa Barbara
Santa Cruz

MEDICAL CENTERS

Davis
Irvine
UCLA
San Diego
San Francisco

NATIONAL LABORATORIES

Lawrence Berkeley
Lawrence Livermore
Los Alamos

DIVISION OF AGRICULTURE AND
NATURAL RESOURCES

Mr. Gabriel Petek, Legislative Analyst Office
Ms. Jennifer Pacella, Legislative Analyst Office
Provost and Executive Vice President Katherine S. Newman
Vice President and Vice Provost Yvette Gullatt
Associate Vice Provost Elizabeth Halimah
Executive Vice President and Chief Financial Officer Nathan Brostrom
Senior Vice President Brent Colburn
Vice President Pamela Brown
Associate Vice President David Alcocer
Associate Vice President and Director Kathleen Fullerton

UNIVERSITY OF CALIFORNIA

Report to the California State Legislature Performance Outcome Measures

Legislative background

California Education Code Section [92675](#), states:

- a) For purposes of this section, the following terms are defined as follows:
 - 1) The “four-year graduation rate” means the percentage of a cohort of undergraduate students who entered the university as freshmen at any campus and graduated from any campus within four years.
 - 2) The “two-year transfer graduation rate” means the percentage of a cohort of undergraduate students who entered the university at any campus as junior-level transfer students from the California Community Colleges and graduated from any campus within two years.
 - 3) “Low-income student” means an undergraduate student who has an expected family contribution, as defined in subdivision (g) of Section 69432.7, at any time during the student’s matriculation at the institution that would qualify the student to receive a federal Pell Grant. The calculation of a student’s expected family contribution shall be based on the Free Application for Federal Student Aid (FAFSA) application, or an application determined by the Student Aid Commission to be equivalent to the FAFSA application submitted by that applicant.
- b) Commencing with the 2013–14 academic year, the University of California shall report, by March 15 of each year, on the following performance measures for the preceding academic year, to inform budget and policy decisions and promote the effective and efficient use of available resources:
 - 1) The number of transfer students enrolled from the California Community Colleges, and the percentage of California Community College transfer students as a proportion of the total number of undergraduate students enrolled.
 - 2) The number of new transfer students enrolled from the California Community Colleges, and the percentage of new California Community College transfer students as a proportion of the total number of new undergraduate students enrolled.
 - 3) The number of low-income students enrolled and the percentage of low-income students as a proportion of the total number of undergraduate students enrolled.
 - 4) The number of new low-income students enrolled and the percentage of new low-income students as a proportion of the total number of new undergraduate students enrolled.
 - 5) The four-year graduation rate for students who entered the university four years prior and, separately, for low-income students in that cohort.
 - 6) The two-year transfer graduation rate for students who entered the university two years prior and, separately, for low-income students in that cohort.
 - 7) The number of degree completions, in total and for the following categories:
 - A) Freshman entrants.
 - B) California Community College transfer students.
 - C) Graduate students.
 - D) Low-income students.
 - 8) The percentage of freshman entrants who have earned sufficient course credits by the end of their first year of enrollment to indicate they will graduate within four years.

- 9) The percentage of California Community College transfer students who have earned sufficient course credits by the end of their first year of enrollment to indicate they will graduate within two years.
 - 10) For all students, the total amount of funds received from all sources identified in subdivision (c) of Section 92670 for the year, divided by the number of degrees awarded that same year.
 - 11) For undergraduate students, the total amount of funds received from the sources identified in subdivision (c) of Section 92670 for the year expended for undergraduate education, divided by the number of undergraduate degrees awarded that same year.
 - 12) The average number of University of California course credits and total course credits, including credit accrued at other institutions, accumulated by all undergraduate students who graduated, and separately for freshman entrants and California Community College transfer students.
 - 13)
 - A) The number of degree completions in science, technology, engineering, and mathematics (STEM) fields, in total, and separately for undergraduate students, graduate students, and low-income students.
 - B) For purposes of subparagraph (A), “STEM fields” include, but are not necessarily limited to, all of the following: computer and information sciences, engineering and engineering technologies, biological and biomedical sciences, mathematics and statistics, physical sciences, and science technologies.
 - c) Commencing with the 2017–18 academic year, the University of California shall include in the report described in subdivision (b) goals for the three academic years immediately following the academic year of the report for each of the performance measures listed under that subdivision.
 - d) It is the intent of the Legislature that the appropriate policy and fiscal committees of the Legislature review these performance measures in a collaborative process with the Department of Finance, the Legislative Analyst’s Office, individuals with expertise in statewide accountability efforts, the University of California, the California State University, and, for purposes of data integrity and consistency, the California Community Colleges, and consider any recommendations for their modification and refinement. It is further the intent of the Legislature that any modification or refinement of these measures be guided by the legislative intent expressed in Section 66010.93.
- (Amended by Stats. 2017, Ch. 23, Sec. 19. (SB 85) Effective June 27, 2017.)

This report responds to the above language. Pursuant to subsection (c), for the first time, this report includes three yearly goals for each performance measure listed in subsection (b). University goals are indicated by dashed box. All years indicate the fall of the academic year (e.g. 2019 indicates the 2019-20 academic year.) The appendix includes data for all graphs included in this report as well as details on how University goals are derived and sources of data.

California Community College Enrollment

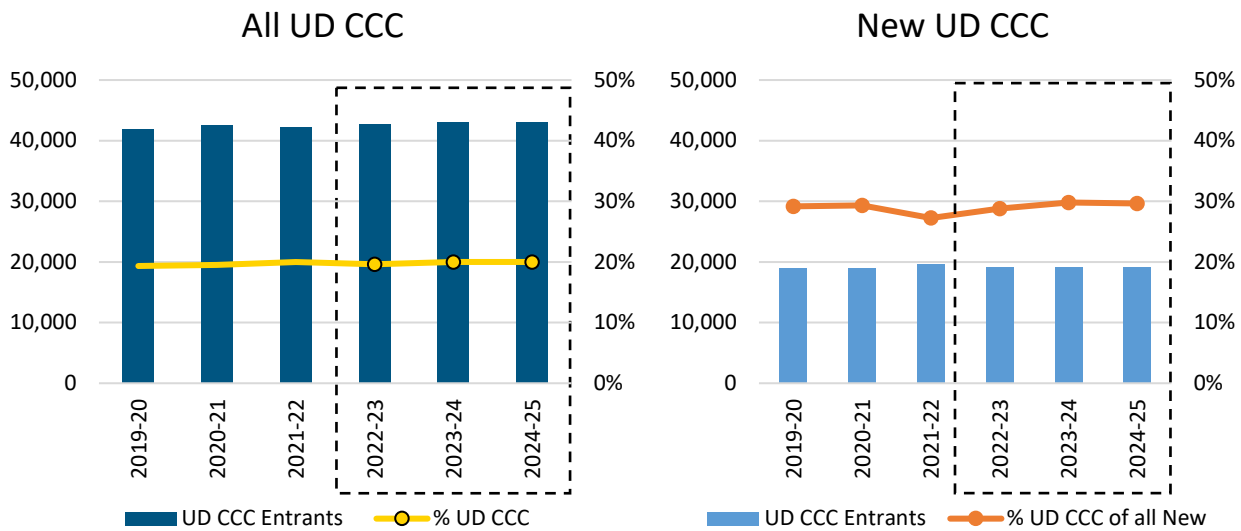
This section responds to subsections (b)(1) and (b)(2) of the legislative text cited above.

The number of transfer students enrolling from a California Community College (CCC) campus continues to increase. Universitywide, UC has met its goal of the 2:1 ratio of new freshman to CCC transfers.

The dashed boxes detail University goals required by subsection (c).

Figure 1: Upper division transfer students enrolled from the California Community Colleges

Source: UC Data Warehouse and Budget Analysis and Planning General Campus FTE enrollment estimates. Excludes summer.

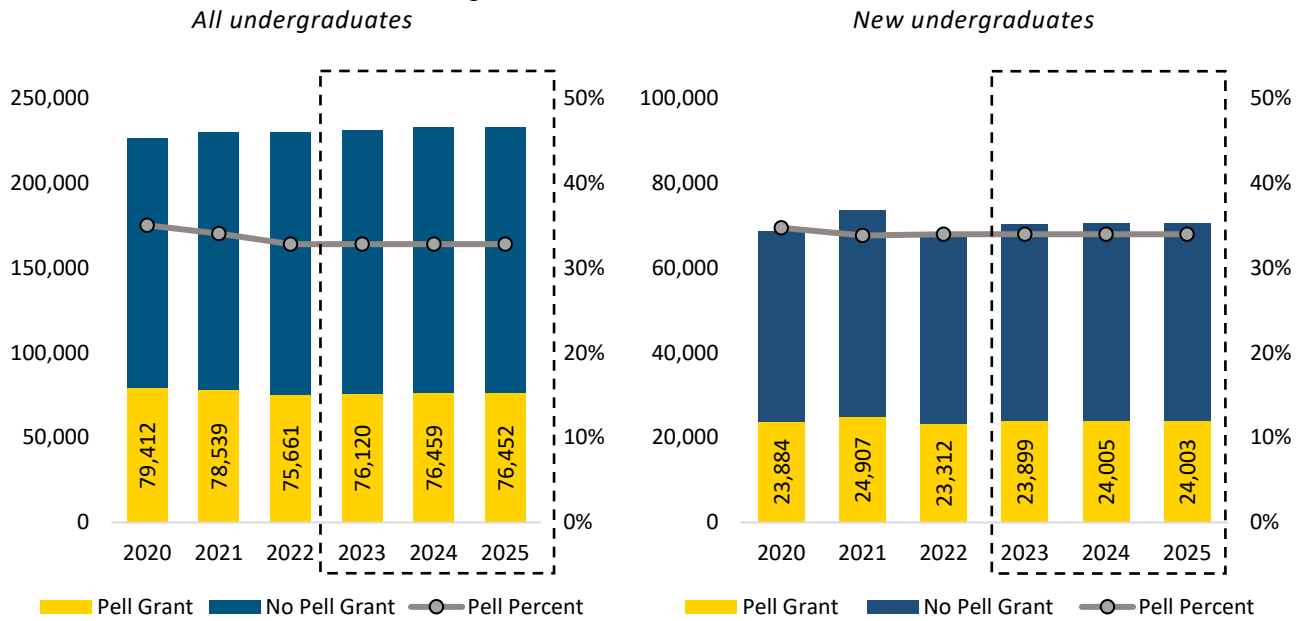


Low Income Student Enrollment

This section responds to subsections (b)(3) and (b)(4) of the legislative text cited above.

Students who receive a federal Pell Grant during their enrollment at a UC campus are considered low-income for the purposes of this report. The dashed boxes detail University goals required by subsection (c).

Figure 2: Pell Student enrollment



Source: UC Information Center, fall enrollment headcount. Pell status is for the particular fall term.

Graduation rates

This section responds to subsection (b)(5) and (b)(6) of the legislative text cited above.

The dashed box details University goals required by subsection (c).

Figure 3: Freshmen four-year graduation rate by fall cohort entry year

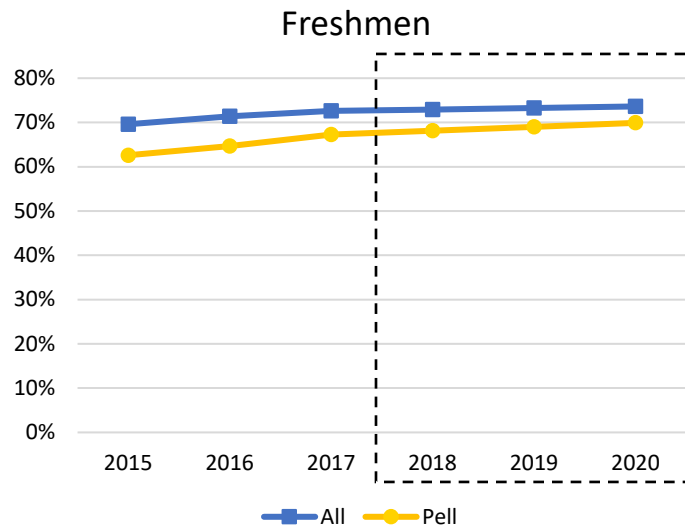


Figure 4: All transfer student two-year graduation rate by fall cohort entry year

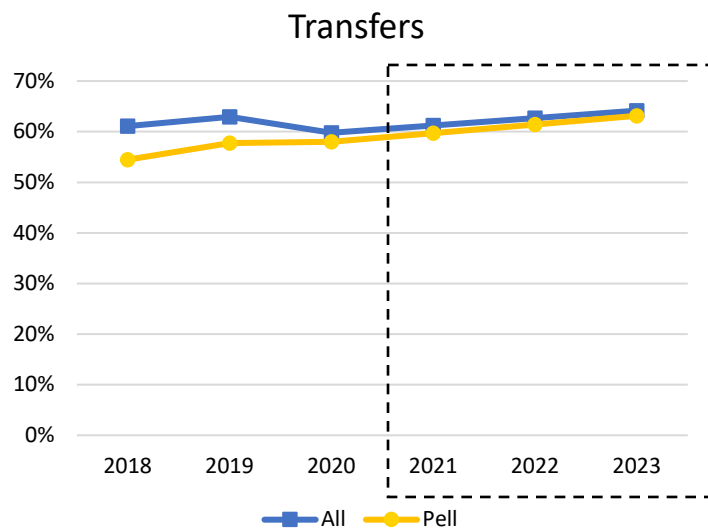
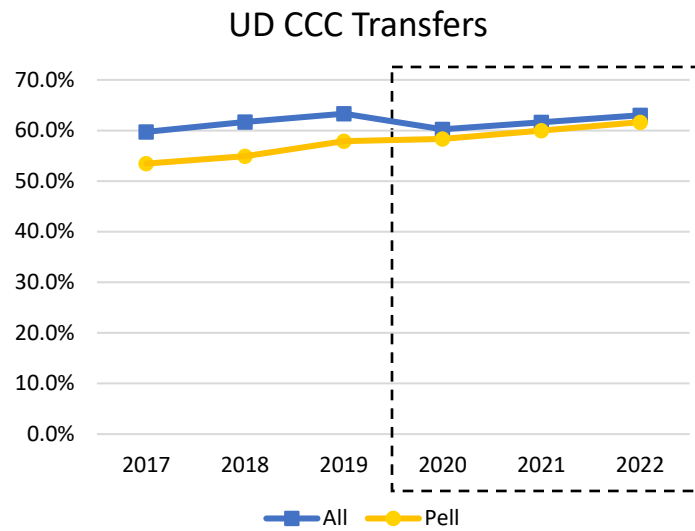


Figure 5: Upper-division CCC transfer student two-year graduation rate by fall cohort entry year



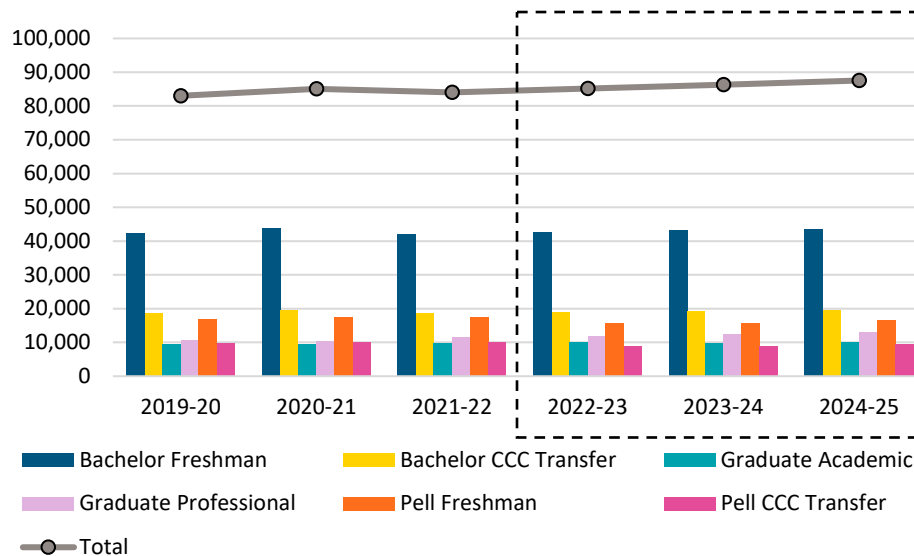
Source: UC Data Warehouse. Pell students are those who received a Pell grant at any time during enrollment.

Degree completions

This section responds to subsection (b)(7) of the legislative text cited above.

The dashed box details University goals required by subsection (c).

Figure 6: Degree completions by type



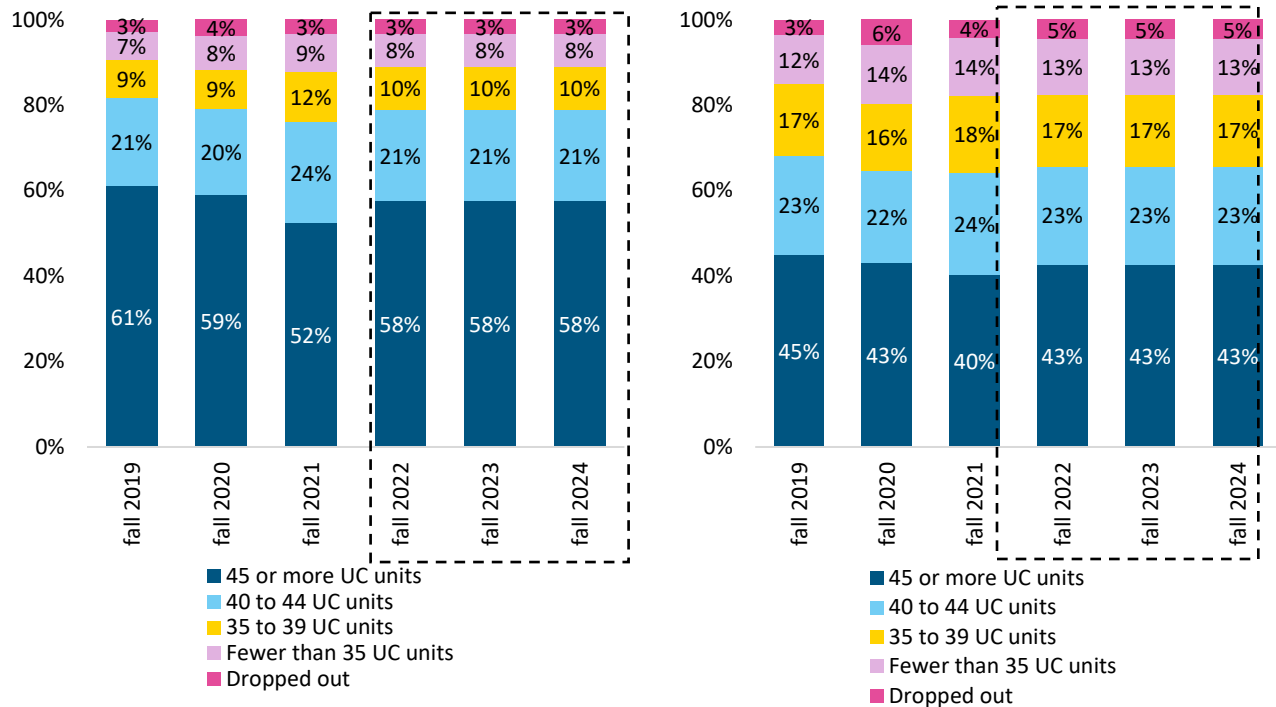
Source: UC Data Warehouse. Freshman and CCC transfer are at the time of entry. Other bachelor’s degree entrants are not shown, but included in the total. Pell recipients are those who receive a Pell Grant at any point during their enrollment.

First-year course credits

This section responds to subsections (b)(8) and (b)(9).

This report assumes that 45 UC quarter credit hours is the minimum a student needs in their first year in order to graduate in four years if entering as a freshman or in two years if entering as a CCC transfer¹. The dashed boxes detail University goals required by subsection (c).

Figure 7: First-year course credits earned by entry type, by entry year
Freshmen Upper division CCC transfers



Source: UC Data Warehouse

¹ Most UC undergraduate degree programs require 180 quarter credit hours for graduation. The true number of credit hours needed for four- or two-year graduation will depend on the specific degree program, the number of credits transferred or accepted through AP/IB tests, as well as other individual factors.

Student funding

This section responds to subsection (b)(10).

Figure 8: Total expenditures classified as “core funds” and degrees awarded

Fund	Expenditures				Notes
	2021-22	2022-23	2023-24	2024-25	
State General Fund	\$4,747,855,000	\$5,812,566,000	\$5,824,411,000	\$5,999,143,000	Includes over \$300 million for debt service not available for the operating budget.
Systemwide tuition and fees	\$3,858,666,000	\$3,918,740,000	\$4,084,440,000	\$4,206,973,000	Excludes UNEX, summer session, and “other” fees
Nonresident tuition and fees and other student fees	\$1,158,566,000	\$1,162,559,000	\$1,191,157,000	\$1,226,892,000	Other student fees include admission application fees and other fees
University of California General Funds	\$206,623,000	\$301,000,000	\$301,000,000	\$310,030,000	Includes interest on General Fund balances and the portion of indirect cost recovery and patent royalty income used for core educational purposes
Total	\$9,971,710,000	\$11,194,865,000	\$11,401,008,000	\$11,743,038,000	

Degrees Awarded, 2021-22

84,018

Source: UC Budget Analysis and Planning. Degrees awarded excludes credentials and certificates.

The University does not believe dividing these two numbers produces a meaningful statistic. Dividing total funding by degrees awarded does not convey the true cost of a degree because not all of the funding included in the calculation is associated with instruction. Core funds support the tripartite mission of the University, and include significant funding for non-instructional uses, specifically research and public service. In addition, over \$298 million of core funds were used to cover lease

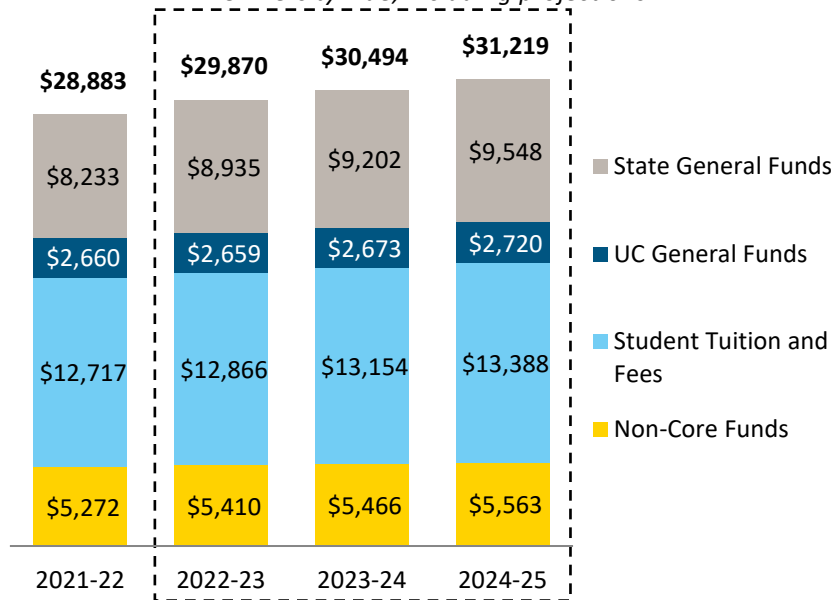
revenue and General Obligation bond debt service in 2021-22 and were not available for the operating budget.

Section 92670 of the Education Code (AB 94) requests the University to conduct a study of expenditures for instruction. The report was submitted in October 2022 and includes a more relevant version of this calculation, which is included on the following page.

Undergraduates pay less than what UC spends on their education.

This section responds to subsection (b)(11).

Figure 9: Expenditures for undergraduate instruction, NACUBO methodology
Universitywide, including projections



Source: Expenditures for Instruction Report (https://www.ucop.edu/operating-budget/files/legreports/2022-23/uc_efi_legrpt.pdf). 2020-21 is the most recent data available.

For many years, UC has provided Average Expenditures for Instruction to the State that show per student expenditures based on a methodology agreed to by both the State and the University. That calculation shows that expenditures per student were \$27,090 in 2000-01 and by 2021-22, had dropped to \$21,540 per student.

To comply with the level of disaggregation required in AB 94, UC could not rely on the methodology used to compute the Average Expenditures for Instruction and based its approach on the NACUBO Cost of College methodology. UC's Expenditures for Instruction (EFI) report explains the challenges with this request, including:

- Categories requested do not reflect how UC is funded, how it distributes funds received, and how it tracks spending.

- UC is reliant on existing data, which is not available by course or other academic activity, but instead by campus and expenditure type.
- Proxies were required when expenses could not be disaggregated (e.g., STEM)

The EFI report demonstrates that undergraduates continue to pay less than what UC spends on their education (an average of \$14,098 in student fees compared to \$28,883 in expenditures).

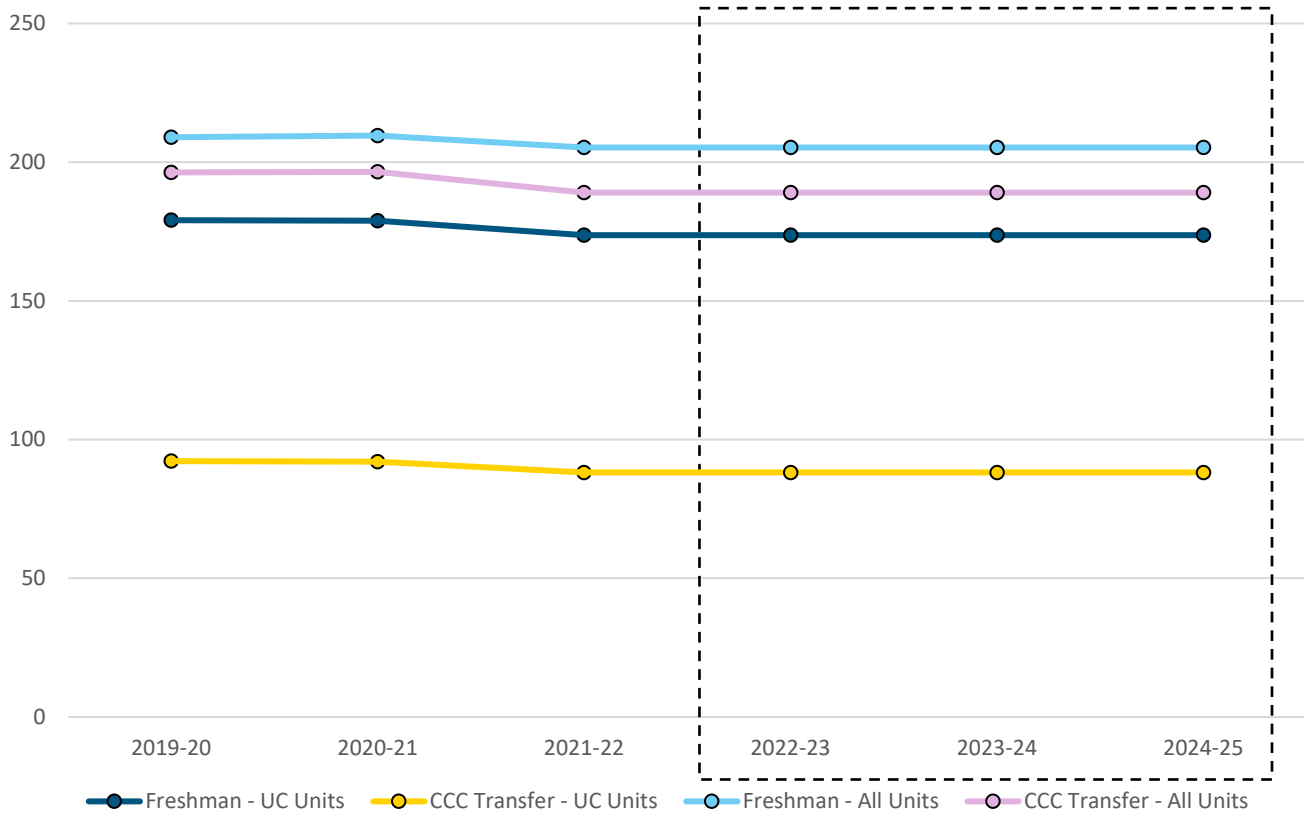
The EFI report can inform policy discussions, but UC doesn't believe it is a management tool. It also reflects expenditures on instruction but does not represent the cost of instruction because it does not account for underfunded areas such as faculty salaries, degraded student-faculty ratios, and deferred maintenance. Expenditures in these areas can be reduced or deferred on a short-term basis but require greater funding in future years to avoid seriously damaging the student experience.

Credits earned at graduation

This section responds to subsection (b)(12).

The normative number of units needed to graduate with a UC degree is 180. The dashed box details University goals required by subsection (c).

Figure 10: Average units (UC and all units) at graduation by entry type

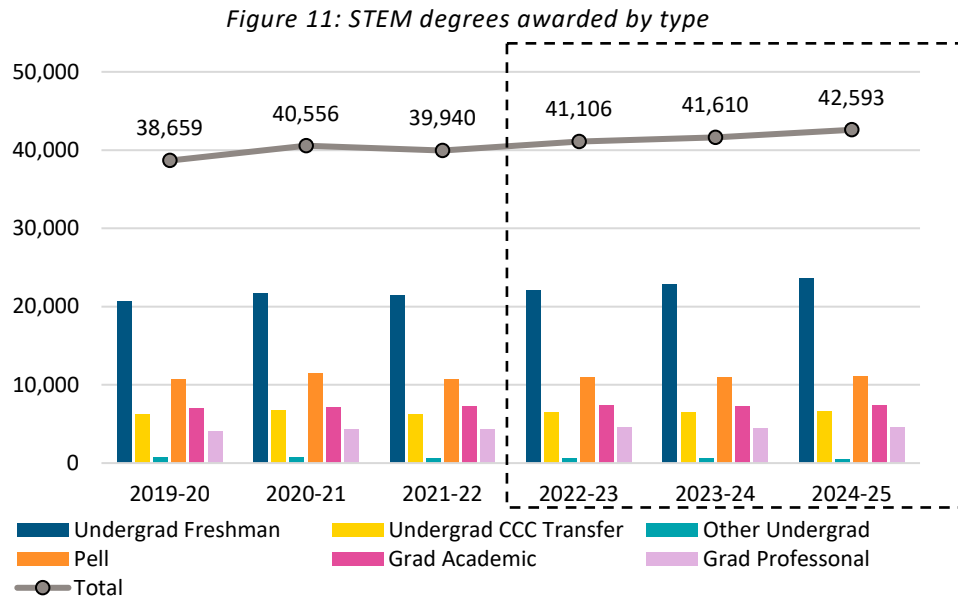


Source: UC Data Warehouse

Science, technology, engineering, and mathematics (STEM) degrees

This section responds to subsection (b)(13).

The dashed box details University goals required by subsection (c).



Source: UC Data Warehouse. Pell recipients are those who receive a Pell Grant at any point during their enrollment. Only undergraduates are eligible for Pell.

Appendix

(b)(1) The number of transfer students enrolled from the California Community Colleges, and the percentage of California Community College transfer students as a proportion of the total number of undergraduate students enrolled.

(b)(2) The number of new transfer students enrolled from the California Community Colleges, and the percentage of new California Community College transfer students as a proportion of the total number of new undergraduate students enrolled.

	Actual Data			Goal Data (subsection (c))		
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Upper Division CCC Entrants	41,800	42,500	42,200	42,800	43,000	43,000
% upper division CCC	19.5%	20.0%	19.6%	20.0%	20.0%	20.0%
New Upper Division CCC Entrants	19,000	19,031	19,553	19,200	19,200	19,200
% upper division CCC of all new entrants	29.2%	29.3%	27.2%	28.8%	29.8%	29.6%

Source: UC Data Warehouse and Budget Analysis and Planning General Campus FTE enrollment estimates. Excludes summer FTE.

(b)(3) The number of low-income students enrolled and the percentage of low-income students as a proportion of the total number of undergraduate students enrolled.

(b)(4) The number of new low-income students enrolled and the percentage of new low-income students as a proportion of the total number of new undergraduate students enrolled.

	Fall Term	Actual Data			Goal Data (subsection (c))		
		2020	2021	2022	2023	2024	2025
All Students	Pell Grant	79,412	78,539	75,661	76,120	76,459	76,452
	No Pell Grant	147,037	151,990	154,746	155,685	156,378	156,364
	Total	226,449	230,529	230,407	231,804	232,837	232,817
	Pell Percent	35.1%	34.1%	32.8%	32.8%	32.8%	32.8%
New Students	Pell Grant	23,884	24,907	23,312	23,899	24,005	24,003
	No Pell Grant	44,792	48,658	45,234	46,373	46,579	46,575
	Total	68,676	73,565	68,546	70,272	70,585	70,579
	Pell Percent	34.8%	33.9%	34.0%	34.0%	34.0%	34.0%

Source: UC Information Center, fall enrollment headcount. Pell status is for the particular fall term.

(b)(5) The four-year graduation rate for students who entered the university four years prior and, separately, for low-income students in that cohort.

(b)(6) The two-year transfer graduation rate for students who entered the university two years prior and, separately, for low-income students in that cohort.

		4 Year Freshman Grad Rate	
		Entry year	
		All	Pell recipient
Actual Data	2016	71%	65%
	2017	73%	67%
	2018	73%	68%
Goal Data	2019	73%	69%
	2020	73%	70%
	2021	74%	70%

		2 Year All Transfer Grad Rate	
		Entry year	
		All	Pell recipient
Actual Data	2018	61%	54%
	2019	63%	58%
	2020	60%	58%
Goal Data	2021	61%	60%
	2022	63%	61%
	2023	64%	63%

		2 Year Upper Division CCC Transfer Grad Rate	
		Entry year	
		All	Pell recipient
Actual Data	2018	62%	55%
	2019	63%	58%
	2020	60%	58%
Goal Data	2021	62%	60%
	2022	63%	62%
	2023	64%	63%

Source: UC Data Warehouse. Pell students are those who received a Pell grant at any time during enrollment.

(b)(7) The number of degree completions, in total and for the following categories: a) Freshman entrants; B) California Community College transfer students; C) Graduate Students; D) Low-income students.

			Bachelor		Graduate		Pell
		Total	Freshman	UD CCC Transfer	Academic	Professional	
Actual	2019-20	83,018	42,391	18,561	9,401	10,711	26,373
	2020-21	85,090	43,800	19,557	9,454	10,206	27,429
	2021-22	84,018	42,134	18,689	9,773	11,614	27,429
Goals	2022-23	85,171	42,531	19,069	9,971	11,803	24,515
	2023-24	86,339	43,064	19,292	9,864	12,435	24,711
	2024-25	87,538	43,446	19,597	10,008	12,853	26,047

Source: UC Data Warehouse. Pell students are those who received a Pell grant at any time during enrollment. Total degree completion includes non-UD CCC transfer students.

(b)(8) The percentage of freshman entrants who have earned sufficient course credits by the end of their first year of enrollment to indicate they will graduate within four years.

(b)(9) The percentage of California Community College transfer students who have earned sufficient course credits by the end of their first year of enrollment to indicate they will graduate within two years.

		Actual Data			Goal Data		
		fall 2019	fall 2020	fall 2021	fall 2022	fall 2023	fall 2024
Freshmen	45 or more UC units	61%	59%	52%	58%	58%	58%
	40 to 44 UC units	21%	20%	24%	21%	21%	21%
	35 to 39 UC units	9%	9%	12%	10%	10%	10%
	Fewer than 35 UC units	7%	8%	9%	8%	8%	8%
	Dropped out	3%	4%	3%	3%	3%	3%
UD CCC	45 or more units	45%	43%	40%	43%	43%	43%
	40 to 44 units	23%	22%	24%	23%	23%	23%
	35 to 39 UC units	17%	16%	18%	17%	17%	17%
	Fewer than 35 units	12%	14%	14%	13%	13%	13%
	Dropped out	3%	6%	4%	5%	5%	5%

Source: UC Data Warehouse.

(b)(12) The average number of University of California course credits and total course credits, including credit accrued at other institutions, accumulated by all undergraduate students who graduated, and separately for freshman entrants and California Community College transfer students.

	Actual Data			Goal Data		
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Freshman - UC Units	179	179	174	174	174	174
UD CCC Transfer - UC Units	92	92	88	88	88	88
Freshman - All Units	209	210	205	205	205	205
UD CCC Transfer - All Units	196	197	189	189	189	189

Source: UC Data Warehouse.

(b)(13) The number of degree completions in science, technology, engineering, and mathematics (STEM) fields, in total, and separately for undergraduate students, graduate students, and low-income students.

		Bachelor				Grad		Total
		Freshman	UD CCC Transfer	Other	Pell	Academic	Professional	
Actual	2019-20	20,628	6,200	764	10,676	7,002	4,065	38,659
	2020-21	21,653	6,710	746	11,395	7,067	4,380	40,556
	2021-22	21,438	6,267	649	10,684	7,238	4,348	39,940
Goals	2022-23	22,069	6,460	603	10,927	7,380	4,594	41,106
	2023-24	22,905	6,458	547	10,923	7,253	4,447	41,610
	2024-25	23,591	6,579	494	11,070	7,340	4,588	42,593

Source: UC Data Warehouse.

Contact Information:
University of California
Office of the President
1111 Franklin Street
Oakland, CA 94607
<http://www.ucop.edu>