

CALIFORNIA ONLINE COMMUNITY COLLEGE DISTRICT



2021-2022 Calbright Budget Summary

SUBMITTED BY

Jeff Bell

Chief Financial and Administrative Officer
Calbright College

and

Ajita Talwalker Menon

President & CEO
Calbright College

July 31, 2021

Table of Contents

President and CEO’s Message	2
Introduction	3
Our Mission	3
Principles	3
Who Calbright Serves	4
Supporting the Student Experience	5
Strategic Direction	6
Collaborating Across California	6
Expanding Operational Capacity	7
2021-2022 Budget Process	8
2021-2022 Budget	9
2021-2022 One-Time Funding	10
2021-2022 Ongoing Funding	10
Financial Displays	11
Fiscal Year 2021-2022 Budget Overview	11
Fiscal Year 2020-2021 Annual Funding	12
Fiscal Year 2019-2020 Ongoing Funding	13
Fiscal Year 2019-2020 One-Time Funding	14

President and CEO's Message



Calbright College was created to support economic mobility for hard working Californians across the state who lack access to traditional educational systems and job training – our mission is rooted in the intrinsically Californian premise that opportunity should be accessible to all who seek it. We are grateful to Governor Newsom, Members of the Legislature, and advocates both in Sacramento and throughout the state who recognize that this mission is more critical today than ever, and we look forward to playing an important role in advancing equity in the state's post-pandemic recovery.

Before the COVID-19 pandemic, more than 8 million Californians with a high school diploma but no college degree were effectively stranded – many of them employed, but without financial stability or mobility. The pandemic turned this crisis into a catastrophe and struck especially deep for Black and Latinx families, women, service workers, and those seeking a second chance after involvement with the justice system.

As outlined in this report, Calbright's budget, like the work of its dedicated faculty and staff, is student-focused and reflects the needs of current and future learners who are working adults, caregivers, and parents who call every part of this state home. The 2021-2022 fiscal year represents the first year of implementation for the College's Strategic Vision and corresponding three-year phase of high-quality growth. Our ambitious goals pair active investment in student services and learning platforms with intentional engagement with industry, employers, and mission-aligned partners to support program design, career preparation and stronger labor market connection.

There is distinct urgency in this moment – not just for Calbright, but for the millions of Californians who bore the brunt of this pandemic, are navigating an imbalanced economic recession, and face another recovery that leaves them stranded without a path into good jobs in the new economy. I am excited by Calbright's future and our essential work ahead to deliver a more equitable recovery and provide long-term opportunity for all Californians.

Sincerely,

A handwritten signature in black ink that reads "Ajita Menon". The signature is fluid and cursive, with a long horizontal stroke extending from the end.

Ajita Talwalker Menon
President & CEO
Calbright College

Introduction

Calbright's 2021-2022 budget aligns with California's focus on advancing new solutions responsive to the realities communities are faced with as they emerge from the global pandemic and navigate economic uncertainty, toward a more inclusive recovery. This budget includes \$77.4 million available in one-time/start-up funding as well as \$15 million in ongoing funding issued by the State. The College plans to simultaneously invest in opportunities for growth and expand its educational infrastructure as well as support current students, faculty, and staff as Calbright transitions from its early-year start-up phase into the high-quality growth phase highlighted in our 2021-2023 Strategic Vision.

Our Mission

Calbright College is committed to increasing economic mobility and closing equity gaps for working adults who lack easy access to traditional forms of higher education. We offer online, flexible, affordable, skills-based programs that provide tangible economic value for both working adults and hiring managers.

Principles

These core principles will guide the work that fulfills Calbright's Strategic Vision and are represented in our 2021-2022 budget as well as in long-term financial planning. They are grounded in the College's founding mission and unique role, contribute to the California Community College (CCC) system's Vision for Success, and are informed by partners' and stakeholders' aspirations and expectations.

Add Value

Benefit Calbright's students, the CCC system, employers, and the state.

Focus on Good Jobs

Prepare learners to secure and succeed in available jobs with career potential, in stable or growing industries.

Be Responsive

Keep improving in response to relevant changes in economic conditions, research, policy, workforce needs, and learners' lives.

Support the Learner

Design to meet the specific needs of adults without degrees.

Advance Equity

Narrow opportunity gaps by race, ethnicity, gender, income, and region.

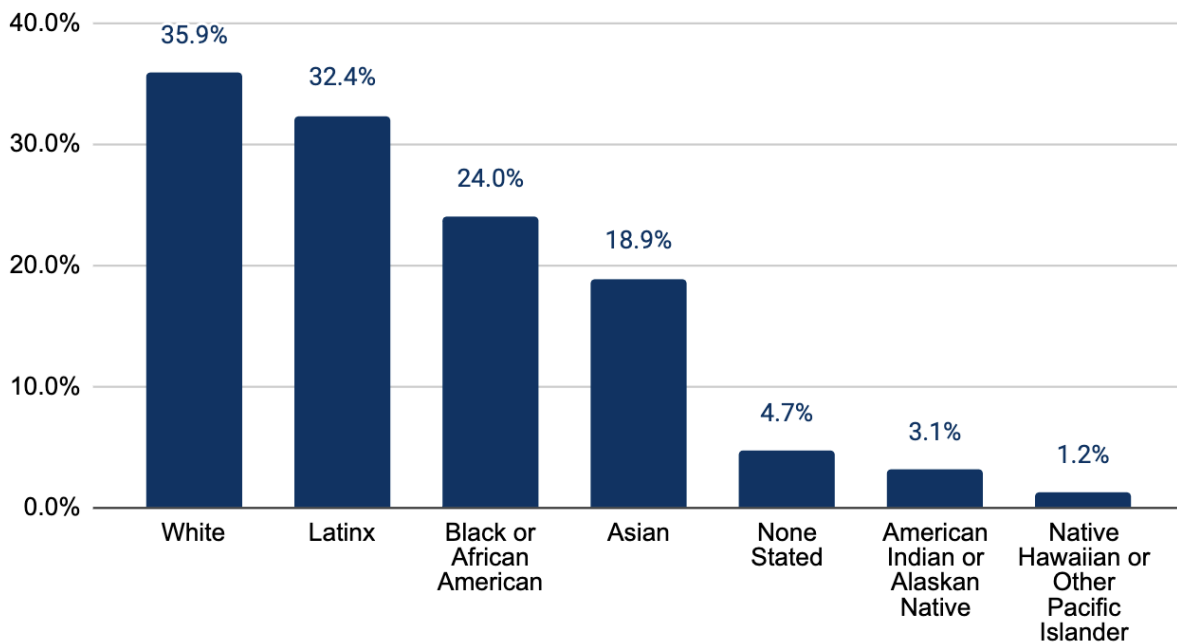
Align Quality and Growth

Grow enrollment while strengthening outcomes through high-quality teaching, learning, and student experience, consistent with available resources.

Who Calbright Serves

Calbright’s unique model of education serves students who have traditionally lacked access to California’s system of higher education and job training. They are adults without degrees who seek economic stability and mobility. About 94% are older than 25 years old and have responsibilities that make online, self-paced programs their only or most viable option. They are working adults, whether or not they work for pay, and may be unemployed, underemployed, displaced, reentering, or have jobs that are low-wage, dead-end, and/or in declining sectors. The majority of our enrolled students are people of color, including 32% who are Latinx and 24% who are Black.

Race of Active Enrollees*



**Enrollees who selected multiple ethnicities are counted in all categories they selected*

Deborah is but one example of the unique opportunity Calbright provides. She lives in Madera County, which, as of June, 2021, has an unemployment rate of 9.1%, three percentage points higher than the national average. After 10 years as a stay-at-home mom, she was looking to re-enter the workforce and enrolled in the College’s medical coding program. In her own words, she says:

“My experience with Calbright so far has been amazing. It is a user-friendly program and they have provided all the necessary books and manuals for studying. I have had routine follow-up phone meetings with student advocates wanting to know how my studies are going and how they can improve my experience.”

Supporting the Student Experience

Whether a learner is currently employed but seeks a career change, or, like Deborah, wishes to launch their career after time out of the labor market, many have been removed from formal education for a substantial amount of time and need support to ensure their success. At every stage of enrollment, Calbright's Student Services and Success team works directly with students, from program selection and coursework progression to career services, ensuring graduates have the tools needed to conduct their job search. The College has already provided 192 Chromebooks and 155 wi-fi hot spots to students who lack the computer and reliable internet necessary to complete their program.

Building on the continuous learner feedback the Student Services and Success team receives, Calbright's 2021-2022 budget makes substantial investment in the student experience and includes:

- \$4 million to advance a learner's journey across critical touchpoints designed to promote engagement and persistence to support student completion;
- \$5.5 million to grow capacity for deeper industry, employer, and partner engagement to support high-quality program design, career preparation, and stronger labor market connection; and
- \$7 million to support research, development, and scale activities to design, build, and launch new high-quality programs that are responsive to the needs of adult learners & key regions of the state.

Complementing Calbright's direct investment in the student experience, the College's budget catalyzes the implementation of its 2021-2023 Strategic Vision, advances the infrastructure and programmatic endeavors to fulfill its mission-driven and statutory requirements, and also plans for additional compliance costs and resources associated with the recommendations made by the California State Auditor during the 2020-2021 fiscal year.

Strategic Direction

The first and only online California Community College focused on job training for those who have historically lacked access to traditional educational institutions, Calbright has ambitious goals for the 2021-2022 fiscal year as well as for its long-term growth. Assuming a base of stable funding at \$15 million per year through 2023, by December, 2023, Calbright is planning for:

- Enrollment of 5,000 students
- 1,200 students have completed a Calbright program
- Between 250-550 students (depending on pace of economic recovery) will have attained a positive labor market outcome
- 10 new programs launched, including at least one developed with another California Community College
- 20 external partners
- Full accreditation

Collaborating Across California

The above timeline requires that the College continues to establish robust partnerships with stakeholders across the state, not only to develop programs that meet the needs of California's economy, but also to reach students within every region of the state and tap into the different types of knowledge, expertise, and relationships needed to successfully meet both learners' and employers' needs. These endeavors will intentionally include other community colleges and districts interested in working together on innovative ways to serve adult learners. Partnerships may vary in size and scope, but all will help model and expand opportunities for Californians who seek to create a better future for themselves.

Already, in partnership with Compton College, we are building bridges for Calbright students into Compton's certificate and degree programs, and giving Compton students access to additional job-search support. A joint pilot program with Bakersfield College will increase access to skills-based badging and micro-credentials. We are also building a new Working Learner Innovation Alliance (WLIA) with community college districts eager to work together on better serving adult learners.

To serve the needs of California's economy, Calbright will also continue to work with organizations focused on economic development throughout the state, identifying ways that workforce-focused entities and community colleges can collaborate to increase equitable access to good jobs not only for today, but to see around the corner and plan for future decades. Partners will range from specific corporate leaders and labor unions to healthcare districts and regional and county government agencies and municipalities.

During the spring of 2021, for example, Calbright began working with Workforce Development Boards in priority regions to help them better assess the value of skills their clients already have, and offer training for good jobs in their area. This partnered approach is being piloted in eight regions: SELACO (Southeast Los Angeles County), San Bernardino (Inland Empire),

Fresno (Central Valley), NOVA (San Jose area to San Mateo County), Merced, Pacific Gateway (Long Beach region), San Diego regional board, and with Jewish Vocational Services (JVS) in San Francisco.

Expanding Operational Capacity

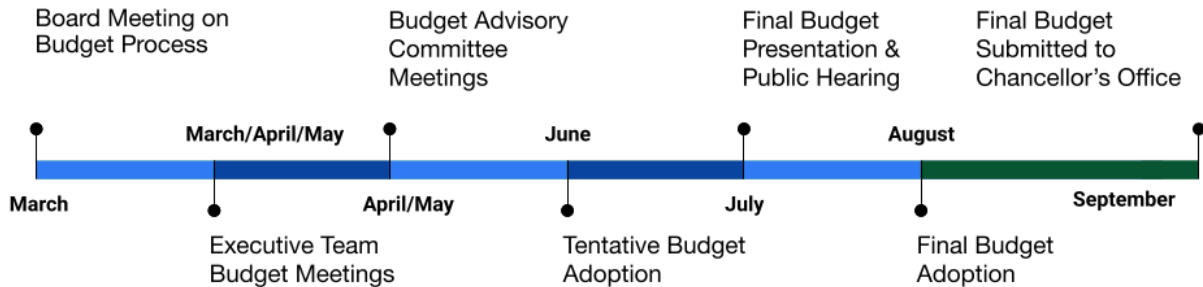
A key component of Calbright's growth is ensuring appropriate staffing across all levels of the institution so that it can continue to operate effectively as it expands during the immediate high-quality growth phase as well as during the seven-year start-up phase that ends in 2026. For the 2021-2022 fiscal year, Calbright's hiring plan reflects the College's Strategic Vision and focuses on current and future student success. It includes 25 additional positions, as outlined below:

- Workforce, Strategy and Innovation, & Research and Development: 7 additional positions proposed for 2021-22
- Student Services and Success: 3 additional positions proposed for 2021-22
- Learning/Instruction: 8 additional positions proposed for 2021-22
- Information Technology: 2 additional positions proposed for 2021-22
- CEO, College Administration, Strategic Initiatives: 3 additional positions proposed for 2021-22
- All other remaining departments: 2 additional positions proposed for 2021-22

2021-2022 Budget Process

This budget was created in accordance with all pertinent State of California, California Community Colleges system, and Calbright College policies, including Title 5 and the California Community Colleges Budget and Accounting Manual. The budget presented in this document and in accompanying materials is the conclusion of a collaborative process between Calbright College and its Board of Trustees.

Budget Preparation Calendar



Calbright College has an established budget approval calendar and timeline (Board Policy 6300) and actively engages its Board in budget development. In compliance with Board Policy 6200, the Calbright College 2021-2022 budget:

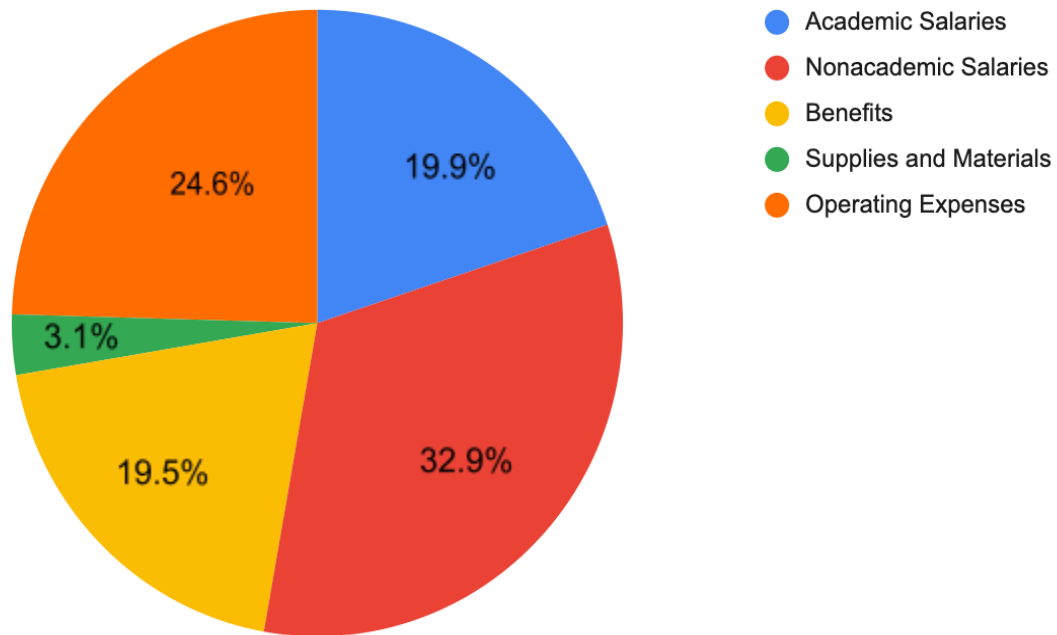
- Supports the College’s strategic priorities;
- Presents, for Board review, the assumptions upon which the budget is based;
- Provides a schedule to the Board by March of each year that includes dates for presentation of the tentative budget, required public hearing, Board study sessions, and approval of the final budget:
 - During the public hearing, interested persons are able to address the Board regarding the proposed budget and/or any item in the proposed budget.
- Unrestricted general reserves are 9.4% of Calbright’s general fund;
- Any and all changes in the assumptions upon which this budget was based were reported to the Board in a timely manner; and
- Budget projections address long-term goals and commitments.

2021-2022 Budget

Calbright's Final 2021-2022 budget projects ongoing expenditures of approximately \$15 million. In addition, this budget includes \$44.4 million in one-time, start-up spending, drawn from the remaining \$77.4 million in initial funding Calbright received at its founding for start-up/one-time investments, for a total of \$59.4 million in comprehensive spending. \$20.3 million of the College's 2021-2022 budget will provide for employee compensation, benefits, and required contributions to California's public employee pension programs for the College's 65 full time equivalent employees. As mentioned in previous sections of this document, there are 27 additional positions already authorized by the Board the College plans to fill during this fiscal year and 25 positions proposed in 2021-2022 budget.

While Calbright continues to build the functional capacity of the College, the ongoing \$5 million reduction in annual funds (from \$20 million to \$15 million) it received during FY 2020-2021 and 2021-2022 serves as a notable constraint to future growth and robust mission fulfillment.

Distribution of Expenditures



As California's only fully online public institution, Calbright's budget also reflects its unique role within the California Community Colleges system. The College's salary expenditures fall into two categories: academic and nonacademic. Academic salaries include faculty, positions that

focus on learning and instruction, and some roles within the Student Services team, for example. Nonacademic salaries include staff who support the College's broader operations, including activities associated with career services, student engagement and success, workforce partnerships and innovation, and finance. In addition, Calbright's Information Technology department, which is classified as nonacademic, plays a critical role developing, maintaining, and expanding the College's technology-based infrastructure and learning platforms, which are integral to Calbright's online curriculum.

2021-2022 One-Time Funding

Calbright College's founding legislation included one-time/start-up funding for which the College would use to build out the infrastructure needed to meet its mission and to expand operational capacity. \$77.4 million of this original funding remains available and Calbright plans to spend \$44.4 million of these dollars during 2021-2022 in a number of important areas, for example:

- \$4 million to expand outreach efforts designed to effectively reach and support enrollment growth from equity communities across key regions of the state;
- \$4 million to advance a learner's journey across critical touchpoints designed to promote engagement and persistence to support student completion;
- \$5.5 million to grow capacity for deeper industry, employer, and partner engagement to support high-quality program design, career preparation, and stronger labor market connection;
- \$7 million to support research, development, and scale activities to design, build, and launch new high-quality program pathways that are responsive to the needs of adult learners and key regions of the state;
- \$3.5 million for technology software implementation; and
- \$10.75 million in capital outlay.

2021-2022 Ongoing Funding

In addition to the available \$77.4 million in start-up funds, the 2021-2022 California budget includes \$15 million in ongoing/annual funds for Calbright. These recurring funds are critical for the College's scheduled operations and, for the 2021-2022 fiscal year Calbright plans to spend \$15 million in these ongoing funds. These funds will be allocated in the following manner:

- \$10.9 million in salaries and benefits for the College's faculty and staff;
- \$4.1 million in operating expenses, supplies, and materials, including:
 - \$744,000 budgeted for telecommunications;
 - \$650,000 budgeted for facility leases;
 - \$548,000 budgeted for new software licenses, tech upgrades, and training, for students, faculty, and staff;
 - \$450,000 budgeted for legal expenses; and
 - \$102,000 budgeted for insurance services.

Financial Displays

Fiscal Year 2021-2022 Budget Overview

	Annual Funding	One-Time	Total
Beginning balance	\$5,495,000	\$77,382,000	\$82,877,000
Revenue			
Other General Apportionments	\$15,000,000	\$0	\$15,000,000
Local Revenue	\$100,000	\$800,000	\$900,000
Total Revenue	\$15,100,000	\$800,000	\$15,900,000
Expenses			
Academic Salaries	\$2,988,667	\$326,000	\$3,315,000
Non Academic Salaries	\$4,935,000	\$6,556,000	\$11,491,000
Benefits - Academic	\$976,000	\$840,000	\$1,816,000
Benefits - Non Academic	\$1,955,000	\$1,699,000	\$3,654,000
Supplies and Materials	\$466,000	\$630,000	\$1,096,000
Operating Expenses	\$3,685,000	\$23,566,000	\$27,250,000
Capital Outlay	\$0	\$10,750,000	\$10,750,000
Total Expenses	\$15,007,000	\$44,367,000	\$59,372,000
Ending Balance	\$5,588,000	\$33,815,000	\$39,403,000
Restricted	\$0	\$33,815,000	\$33,815,000
Unassigned	\$5,588,000	\$0	\$5,588,000
Contingency Reserve			9.4%

Fiscal Year 2020-2021 Annual Funding

	Annual	One-Time	Total
Beginning balance	\$2,090,162	\$82,090,689	\$84,180,851
Revenue			
Other General Apportionments	\$15,000,000	\$0	\$15,000,000
Local Revenue	\$100,000	\$0	\$100,000
Total Revenue	\$15,100,000	\$0	\$15,100,000
Expenses			
Academic Salaries	\$2,135,879	\$71,283	\$2,207,162
Non Academic Salaries	\$3,260,861	\$1,537,258	\$4,798,119
Benefits - Academic	\$649,494	\$21,471	\$670,965
Benefits - Non Academic	\$991,849	\$466,753	\$1,458,602
Supplies and Materials	\$87,343	\$0	\$87,343
Operating Expenses	\$3,769,008	\$2,403,951	\$6,172,959
Capital Outlay	\$0	\$218,190	\$218,190
Total Expenses	\$10,894,434	\$4,718,906	\$15,613,341
Ending Balance	\$6,295,728	\$77,371,783	\$83,667,511
Restricted	\$0	\$77,371,783	\$77,371,783

Fiscal Year 2019-2020 Ongoing Funding

	Budgeted	Actual	Difference
Beginning balance	\$16,500,000	\$16,646,582	\$146,582
Revenue			
Other General Apportionments	\$20,000,000	\$0	-\$20,000,000
Local Revenue	\$0	\$108,430	\$108,430
Total Revenue	\$20,000,000	\$108,430	-\$19,891,570
Expenses			
Academic Salaries	\$7,521,571	\$1,509,910	-\$6,011,661
Nonacademic Salaries	\$4,963,556	\$3,555,129	-\$1,408,427
Benefits	\$5,036,305	\$957,546	-\$4,078,759
Supplies and Materials	\$0	\$202,263	\$202,263
Operating Expenses	\$2,354,213	\$8,108,251	\$5,754,038
Capital Outlay	\$0	\$331,751	\$331,751
Total Expenses	\$19,875,645	\$14,664,850	-\$5,210,795
Transfer to Capital Outlay Fund	-\$14,775,000	\$0	\$14,775,000
Ending Balance	\$1,849,355	\$2,090,162	\$240,807

Fiscal Year 2019-2020 One-Time Funding

	Budgeted	Actual	Difference
Beginning balance	\$100,000,000	\$100,347,315	\$347,315
Revenue			
Other General Apportionments	\$0	-\$20,000,000	-\$20,000,000
Local Revenue	\$0	\$2,067,493	\$2,067,493
Total Revenue	\$0	-\$17,932,507	-\$17,932,507
Expenses			
Academic Salaries			
Nonacademic Salaries			
Benefits			
Supplies and Materials			
Operating Expenses	\$8,407,397	\$208,775	-\$8,198,622
Capital Outlay	\$7,230,000	\$115,344	-\$7,114,656
Total Expenses	\$15,637,397	\$324,119	-\$15,313,278
Transfer to Capital Outlay Fund			
Ending Balance	\$84,362,603	\$82,090,689	-\$2,271,914