

CALIFORNIA ONLINE COMMUNITY COLLEGE DISTRICT



2023-2024 Calbright Budget Summary

SUBMITTED BY

Angelito Tolentino

Chief Financial Officer
Calbright College

and

Ajita Talwalker Menon

President & CEO
Calbright College

November, 2023

Table of Contents

President and CEO's Message	2
Executive Summary	3
Our Mission	3
Strategic Direction	3
Who Calbright Serves	4
Supporting the Student Experience	7
Partnerships	9
Partnering with Economic Development Efforts, Industry, and Labor	9
2023-2024 Budget Process	12
2023-2024 Budget	13
Financial Displays	15

President and CEO's Message



Calbright College, as the Chronicle of Higher Education noted, is a college that is “hitting its stride.” In the past fiscal year, enrollment grew by 167% and 170 certificates were awarded to graduates of our programs – the highest annual number in our short history. Carrying this palpable momentum into the new fiscal year, Calbright was granted accreditation by the Distance Education Accrediting Commission in late July 2023, and surpassed a student body of 3,000 in the summer of 2023.

Calbright’s 2023-2024 fiscal year budget invests in our student-centered design – in building this new college from the ground up around the goals and needs of adult learners. Every department across the College will grow as enrollment continues to increase, with a focus on our integrated student support team, which includes both faculty and staff, as well as our technology team, which engages directly with students and builds and maintains the platforms our community uses on a daily basis. We will also continue to invest in infrastructure and partnerships for teaching and learning to work with mission-aligned organizations across the state and nation to catalyze our progress throughout the second-half of the College’s seven-year start-up period and beyond.

Calbright serves as the leading edge of the learning curve for solving the complex equation of how to best nurture adult learner success. This is a shared challenge here in California and in higher education, with single-digit completion rates for students who are at least 25 years old across the California Community Colleges system. The system’s new Vision 2030 roadmap doubles down on the importance of adult learner success and its inextricable link to the state’s long-term economic prosperity. In focusing on adult learners—and the need for them to not just enroll in higher education but to graduate and then carry that success into the labor market—Vision 2030 implicitly validates Calbright’s mission and special attention on working age Californians.

Open for enrollment for four years now, we are hitting our growth curve – expanding our student body with communities who reflect our mission and increasing the number of programs offered while also focusing on student success to support learners and employers in every part of California.

Sincerely,

A handwritten signature in black ink that reads "Ajita Menon".

Ajita Talwalker Menon
President & CEO
Calbright College

Executive Summary

Calbright's 2023-2024 budget advances plans for high-quality growth that will propel the College through its seven-year start-up period, which concludes in early 2026. This holistic \$67.3 million budget provides the resources for College to prepare to launch 10 new programs—for a total of 14 in operation by the end of the fiscal year—expand operational capacity to support increased enrollment and program offerings, and invest in new and existing partnerships to catalyze the College's activities. This budget plans for roughly \$50.1 million in one-time/start-up expenditures, which draw against roughly \$65 million available, full use of the \$15 million in ongoing funding provided to the College by the 2023-2024 California state budget, and \$2 million in carryover ongoing funds.

Through prudent and intentional forecasting, the College plans to simultaneously expand educational infrastructure and nurture the success of our growing student body and the faculty and staff who serve our students. The new pieces of curriculum—from Data Analysis to Network Technology—are part of the larger constellation for how Calbright meets the goals of working age Californians as well as the needs of the state's evolving labor market. The 2023-2024 budget continues to invest in skills-based programs and the personnel to drive instruction and student support services.

Our Mission

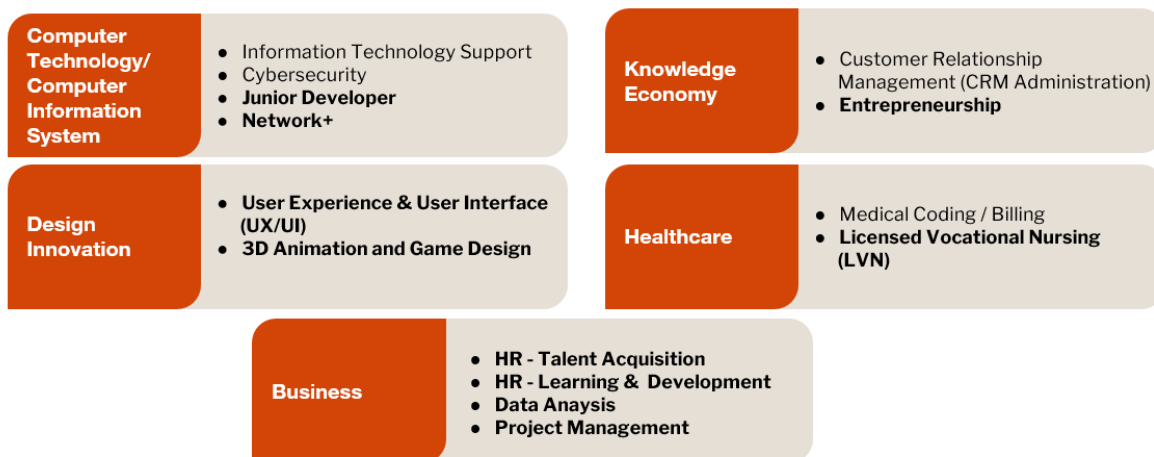
Calbright College is committed to increasing economic mobility and closing equity gaps for working adults who lack easy access to traditional forms of higher education. We offer online, flexible, affordable, skills-based programs that provide tangible economic value for both working adults and hiring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

Strategic Direction

The first and only fully 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 2023-2024 fiscal year and beyond. These build on the momentum and success of the previous fiscal year and anticipated long-term growth. Calbright's budget assumptions for the 2023-2024 consist of the following goals:

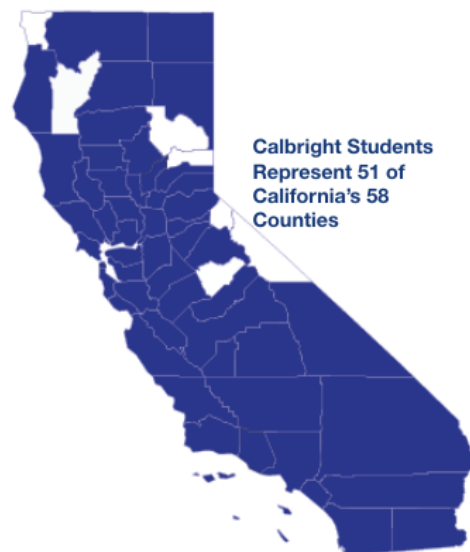
- Enrollment of 5,000 students, representing Calbright's statewide mandate
- Continued acceleration of program completion, surpassing 2022-2023 fiscal year figures
- 10 new programs prepared to launch, including at least one developed with another California Community College
- Expansion of external partnerships
- Full accreditation

Implementing 10 New Programs - Occupational Clusters



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, and those whose employment prospects are increasingly limited amidst a rapidly evolving labor market. More than 90% are at least 25 years old—nearly 40% are at least 40 years old—and have responsibilities that make online, flexibly paced programs their only or most viable option. They are working adults, whether or not they work for pay, and are unemployed, underemployed, displaced, reentering, or have jobs that are low-wage, dead-end, and/or in declining sectors. Nearly a third of Calbright's students are parents/caregivers, compared to roughly 10% across the California Community Colleges (CCC) system, and the majority of students are people of color, including 34.6% who identify as Latinx, 22.1% who identify as Black, and 20.6% who identify as Asian.



Calbright exists to serve working adults like Alana, who struggled to find a program that could award her the credential she needed to level up her career. In her own words:

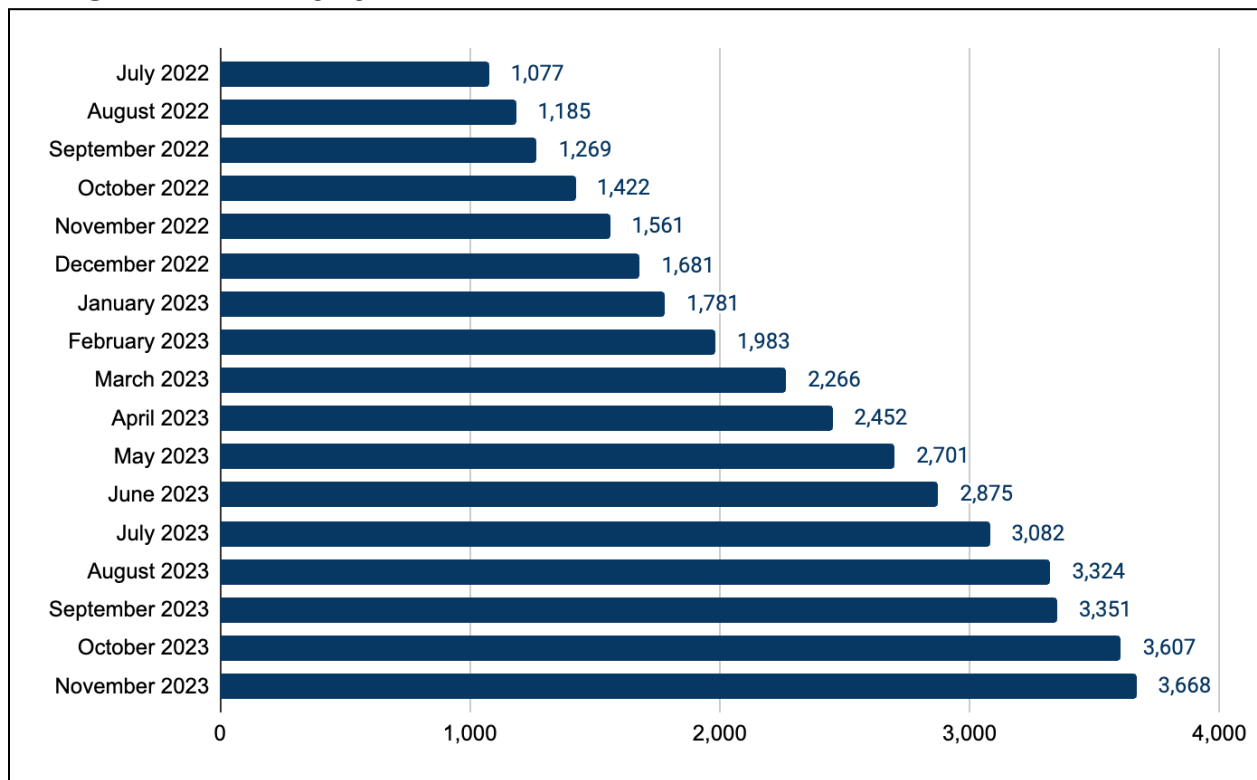
“I breezed through the coursework in about six months. I took the first CompTIA A+ exam, and I passed, and started to look for a job, and I ended up landing one! I got a job with a company that is a managed service provider for IT.”

Alana Rueh
IT Support graduate

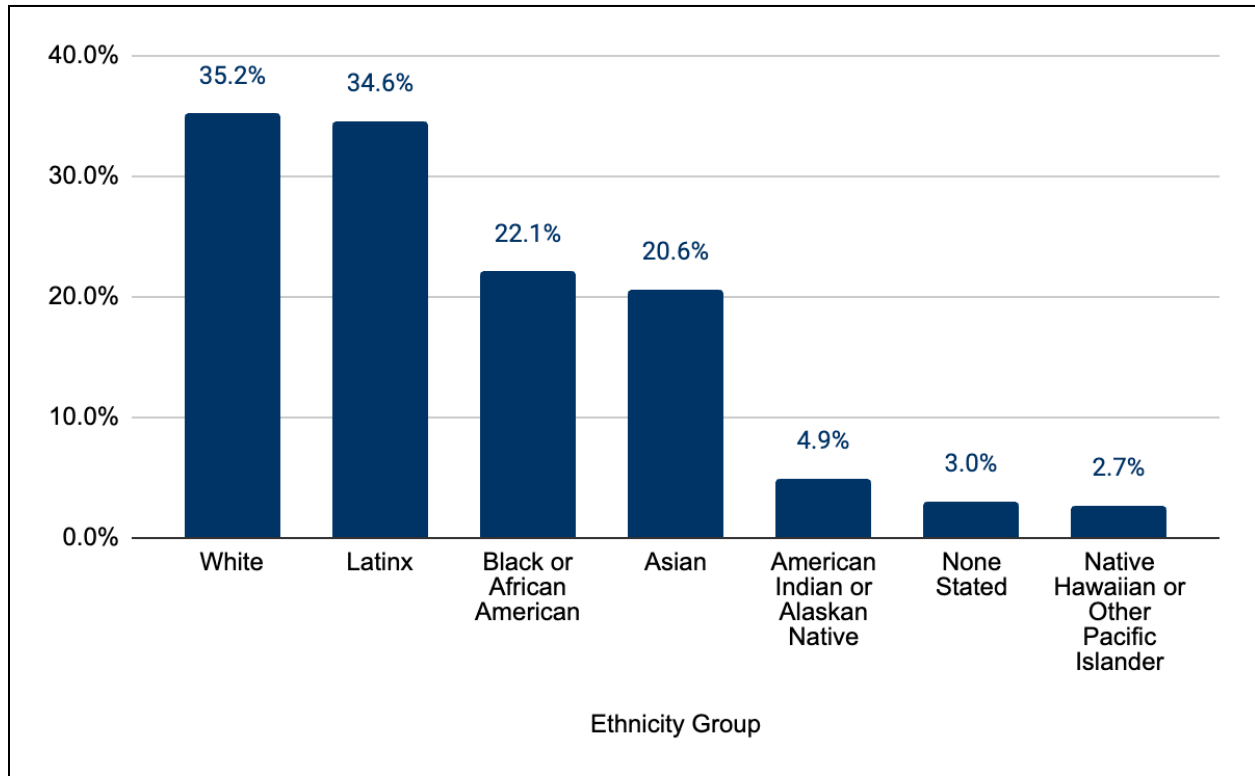


During the 2022-2023 fiscal year, Calbright experienced sustained growth and progress, with a 167% increase in enrollment, 146% uptick in certificates awarded, and substantial growth in the size of faculty and staff and to support learners. As of November 2023, Calbright’s student body surpassed 3,600, and is expected to reach 5,000 students by the end of the 2023-2024 fiscal year.

Calbright Student Body by Month

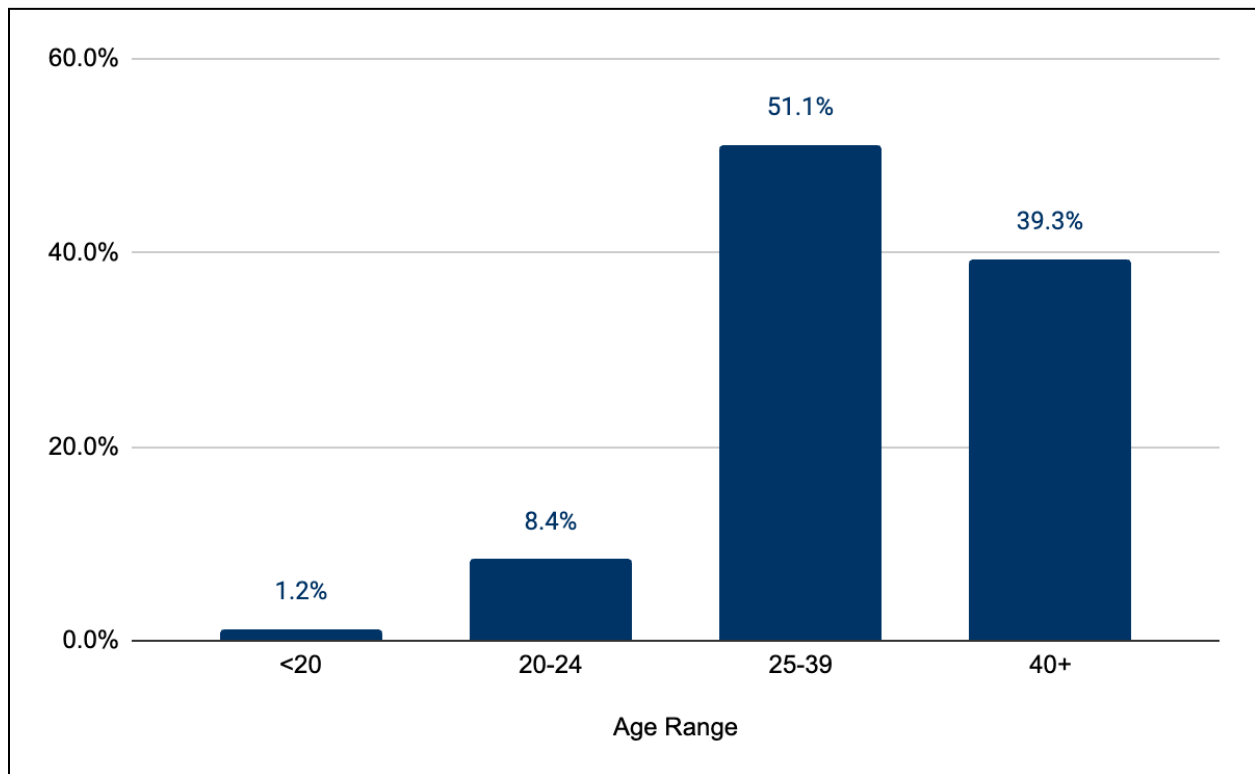


Race of Student Body*



*Enrollees who select multiple ethnicities are counted in all categories they select.

Age of Student Body



Supporting the Student Experience

According to responses to Calbright's admissions application, 60.3% of Calbright students are not working at all or working less than 30 hours per week. Of those unemployed students, 47% were ages 25-30 and 41.4% were over 40 years of age. Whether a learner is currently employed but seeks a career change, or wishes to launch their career after time out of the labor market, a majority of Calbright students 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 team works directly with students, often times before they formally enroll, answering questions and sharing information about services in order to create a welcoming environment. In order to support those who lack the computer and reliable internet necessary to complete their program, the College also operates a technology lending library for students, at no charge, and currently provides 1,874 Chromebooks and 1,945 wifi devices to users across the state.

Building on continuous learner feedback, Calbright's 2023-2024 budget makes substantial investment in the student experience and includes:

- \$1.5 million during the 2023-2024 fiscal year for Calbright's joint research partnership with UC Irvine's (UCI) School of Education and behavioral design nonprofit ideas42. This multi-year partnership leverages behavioral science insights, data science techniques, and proactive student support methods to help more Calbright students complete their programs and improve College's operations. It's already yielding positive results for adult learners:
 - *Timeline Pilot:* Calbright acted on recent student feedback citing that the flexibly paced education model, while the reason many students are able to enroll, can also sometimes act as a double-edged sword. In collaboration with UCI and ideas42, Calbright developed a pilot model of program timelines—specifically for Customer Relationship Management Platform Administration students—that help create a customized structure for students.
 - *Initial Results:* In the first month after enrolling, students offered timelines as part of the pilot completed roughly 30 percent of program assignments, compared to less than 20 percent for students in the control group; and this pattern appears to hold as students progress further from their enrollment date. Nearly four months into using timelines, the pilot group completed around 40 percent of assignments, while the control group averaged a completion rate under 25 percent. While the full effects of the timelines will not be clear until they can be examined over a longer time period and across other programs, these early indications are statistically significant and have helped Calbright continue to develop new ways of supporting students in structuring their learning – including deploying timeline options now for all Calbright programs.

- A \$1 million investment to sponsor the Engaging Adult Learners in Higher Education track of the 2023-2024 Learning Engineering Tools Competition, a multi-million dollar competition for edtech innovation. Calbright partnered with Axim Collaborative, who invested an additional \$500,000 to the track, Georgia State University, The Learning Agency, Schmidt Futures, and other philanthropic leaders like the Gates and Walton foundations to sponsor the competition. As both a College and research and development engine, Calbright continues to invest in opportunities to drive innovative and equitable solutions to advance adult learner success—including persistence and completion—in an all-online, asynchronous environment. Through this sponsorship, Calbright will catalyze its progress and build the winning innovations into the College’s operations to advance the learning science field and create the greatest benefit and drive educational and career outcomes for non-traditional students.
- An additional \$4.5 million investment in hiring of faculty and staff, including expanding the Learning and Instruction department with 32 positions to support program growth and development (as noted in figures below). As an institution that delivers Competency-Based Education (CBE), rigorous and continuous assessment is critical to measure student mastery and ensure curriculum is on the leading edge of available information and best practices.
 - In addition to instructional and instructional design faculty, Calbright plans to hire 24 members of the Student Services and Success department, including 17 roles focused directly on frontline student support.
 - Complementing these faculty roles and continued student body growth, the College will also focus on investing in necessary curriculum software and hiring technology experts and leaders who build and maintain the learning platforms and systems students utilize on a daily basis.
- To continue to advance employer engagement and industry alignment, the 2023-2024 fiscal year budget invests in the expansion of the College’s Workforce Development team, with five new roles. The College also plans to launch a research, data, and data strategy team, which has 10 planned positions budgeted for FY 2023-2024. This is a critical advancement as Calbright’s founding legislation calls for the College to serve as a research and development engine to expand options for adult learners across the CCC system and help solve the complex equation of how to best nurture adult learner success.

These workforce and data strategy roles will focus on creating and expanding partnerships with employers and industry, in addition to researching potential opportunities to launch new high-quality programs—as well as measuring student outcomes—that are responsive to adult learners and the labor market in key regions of the state.

Operational Capacity Per Department

Learning & Instruction

32 additional roles
proposed in FY 23-24
(23 Adjuncts)

Student Success

24 additional roles
proposed in FY 23-24
(17 Student Support)

Information Technology

14 vacant and new
roles proposed in FY
23-24

Research & Data Strategy

10 additional roles
proposed in FY 23-24

Workforce Strategy

5 additional roles
proposed in FY 23-24

Administration

2 additional roles
proposed in FY 23-24

General Counsel

1 additional role
proposed in FY 23-24

External Affairs

1 additional role
proposed in FY 23-24

Human Resources

1 additional role
proposed in FY 23-24

Amplifying Calbright's investment in the student experience, the College's budget advances the infrastructure and programmatic endeavors required to fulfill its mission-driven and statutory requirements and goals as outlined in the Strategic Vision. The budget also prudently plans for additional compliance costs, time, and resources associated with the recommendations made by the California State Auditor during the 2020-2021 fiscal year and ongoing engagement with the California State Legislature.

Partnerships

Calbright remains engaged in beneficial partnerships with sister community colleges, regional and state entities focused on economic development, employer and industry associations, labor organizations, and individual employers, including new and ongoing collaborations during the past year as new program development continues to expand.

A key goal in the College's Strategic Vision is to continue expanding external partnerships. Calbright actively shares the knowledge, strategies, and tools that emerge from our innovation and research, adding value to the CCC system and to external partners. Such shared gains include, but are not limited to, CBE program design, faculty and staff development, technology to improve the learner experience, and models for collaboration.

Partnering with Economic Development Efforts, Industry, and Labor

Statewide and regional partnerships inform Calbright's programs, create enrollment and employment pathways for students, and/or enhance labor market outcomes. By engaging with

employment-related partners, we identify gaps in skills, jobs that are unfilled, and needed training that is either not currently offered or not available statewide. These partnerships help educate Calbright about important developments in a rapidly changing labor market and provide insights into the hiring process, which helps the College better support its students. Such collaborations are already advising new programs to ensure they build the essential skill base for key jobs and sectors.

Analyzing Statewide Labor Market Data

Calbright uses Lightcast, a labor market analysis company, to conduct statewide research on job trends and industry growth rates to inform our program development and career services. This data includes where jobs are physically located, the rate at which a sector is expanding, what certificates the industry values, and the current number of Californians able to fill those roles. As the College strives to expand opportunities for students to gain work experience in the public sector, the Board of Trustees approved a \$116,070 investment to partner with Lightcast to explore and identify misaligned skills and degree requirements in the public sector that produce unintended barriers to economic mobility for Calbright learners. Over a six month period, which began in September 2023, Lightcast will share both qualitative and quantitative research to understand the impact of skills-based hiring for public sector roles and how this hiring practice could benefit Calbright students.

Program Co-Development with the California Community Colleges System

Building equitable, innovative, and student-centered programs requires Calbright to facilitate partnerships that provide insight into specific skills necessary for working learners to achieve positive labor market outcomes. That is why the College takes an equity-centered community design approach to researching workforce skills and integrating adult learner needs into program design.

After identifying a high-demand for data analysis skills in California—there are currently over 10,000 openings statewide requiring them—Calbright partnered with Bakersfield College (BC) to co-develop an academic program that also serves as a pre-apprenticeship conduit. The program is designed for students who have no previous data analysis experience—though those with some experience are welcome—and will help adult learners understand data types and sources. The program will introduce learners to the in-demand skills needed for the industry, which is expected to grow by 15.4% in California over the next decade according to data from Lightcast. Students will learn to organize complex data using spreadsheets and Structured Query Language (SQL) databases and how to use visualization and storytelling to inform and guide business strategy. The program integrates essential workforce skills like communication and time management, as well as career preparation support, such as resume writing and interviewing.

Graduates of the Calbright program may then matriculate to BC's 12-month paid data analyst apprenticeship program where they will further hone their skills in a real-world work environment and earn income while they learn. Those students who complete the full apprenticeship will receive certifications from the United States Department of Labor, California

Division of Apprenticeship Standards, and Bakersfield College. We expect interested students to begin matriculating to Bakersfield College's program in the first half of 2024.

This partnership, in addition to creating more opportunities for adult learners across the state, also satisfies a key requirement outlined in Calbright's founding legislation that calls for one of every 10 new programs to be developed with a traditional community college.

Partnering for Statewide Economic Development

Calbright engages in statewide and regional efforts led by entities such as economic development agencies, chambers of commerce, county and local governments, workforce development boards, and CCC Districts' regional networks to serve students across the state. As of October 2023, Calbright is a member of the following chambers of commerce across California:

- Fresno
- Greater Riverside
- Lodi
- Los Angeles Area
- Oakland
- Sacramento Asian-Pacific Islander
- Sacramento Black
- Sacramento Hispanic
- Sacramento Rainbow
- San Diego
- Sonoma
- Yuba-Sutter

In addition to chambers of commerce, Calbright continues to expand its network of economic development partners and is currently collaborating with:

- The Bay Area Council
- California Competes
- Cooperative Economic Empowerment Movement
- Inland Empire Economic Partnership
- NextGen Policy
- Office of Economic and Workforce Development – San Francisco
- Los Angeles Department of Economic Opportunity
- Los Angeles Economic Development Corporation
- South Bay Workforce Investment Board
- The Worker Education and Resources Center

Partnering with Labor Organizations

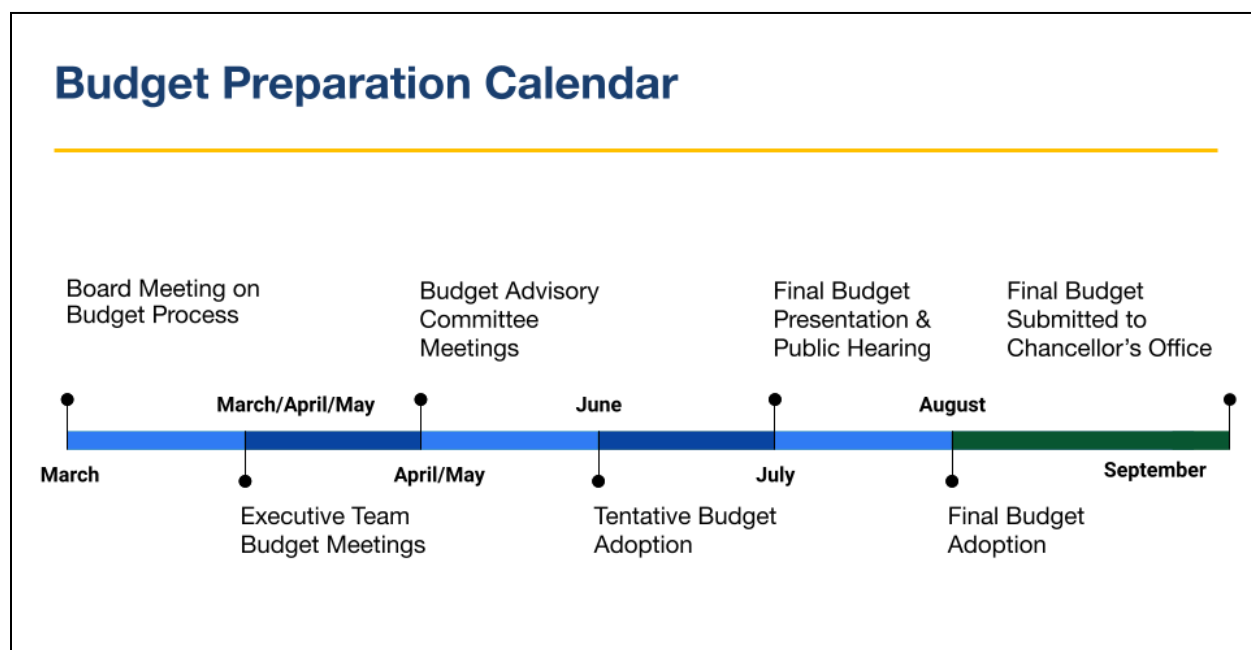
Calbright is collaborating with Service Employees International Union/United Healthcare Workers (SEIU-UHW) to respond to an acute need in the healthcare industry for more frontline healthcare workers. This is a priority that Governor Newsom continues to champion, and the College is working with SEIU-UHW to build a Licensed Vocational Nurse training program to provide an affordable and flexible option for interested Californians and help meet the needs of the state.

In addition to partnering on program development with SEIU-UHW, in FY 2022-2023 Calbright ratified its first contract with the California School Employees Association (CSEA) Chapter 53, creating an organized labor union agreement for classified employees. This agreement, signed

in March 2023, is Calbright's inaugural contract with CSEA and follows the College's agreement with its faculty association, which was ratified in May 2022.

2023-2024 Budget Process

Calbright's 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.



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 2023-2024 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 16% 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.

2023-2024 Budget

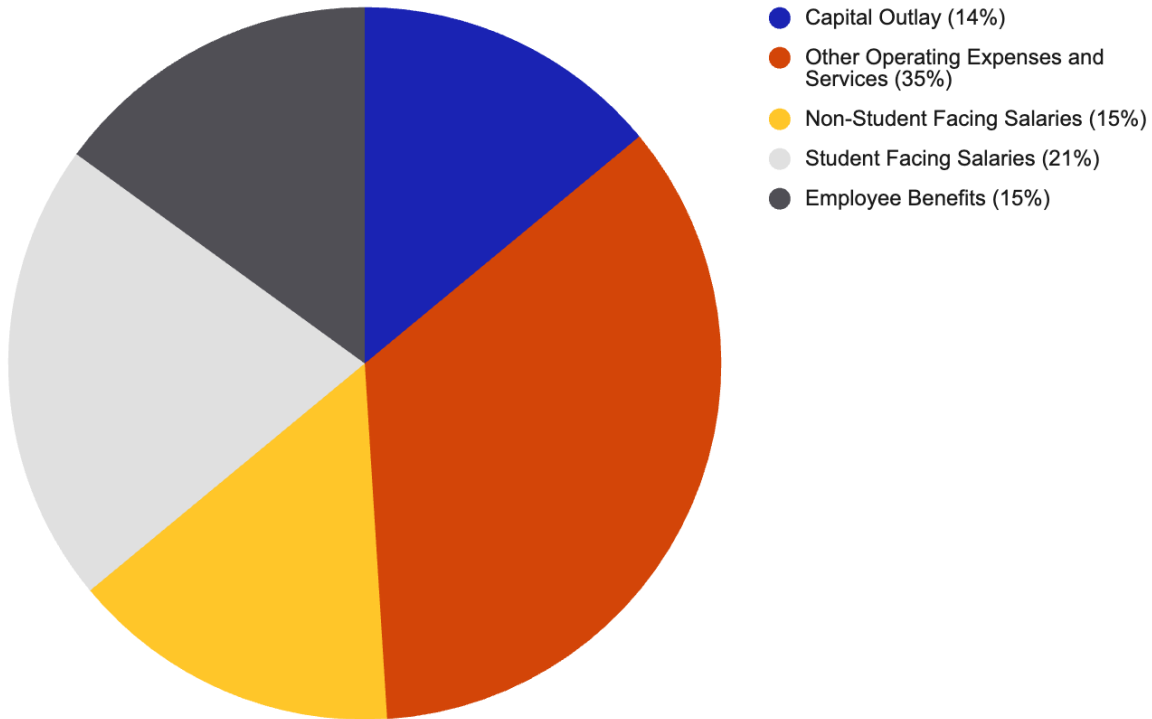
Calbright's final 2023-2024 budget projects comprehensive expenditures of approximately \$67.3 million. This includes \$17.1 million in expenditures drawn from the College's ongoing funding—provided by the 2023-2024 California state budget—and \$50.1 million in start-up costs, drawn against the one-time funding Calbright received in its founding legislation to be used during the College's seven-year start-up period. A prudent 16% reserve fund is accounted for in the 2023-2024 fiscal year.

More than half of the College's projected budget (\$33.8 million) supports employee compensation, benefits, and required contributions to California's public employee pension programs for Calbright's 133 current employees and anticipated growth during the 2023-2024 fiscal year. Operating expenses, such as learning platform, software licenses, and technology needs for employees and students represent the second largest category of expenditures, at \$23.7 million. Departments judiciously developed expense assumptions that reflect the College's continued growth and align with the Calbright's Strategic Vision, achieve departmental needs and goals, and advance critical institutional priorities, including:

- \$1.0 million to expand outreach and partnership efforts to effectively reach, engage with, and support communities and mission-aligned partners across key regions of the state, such as the Central Valley and Inland Empire;
- \$4.4 million to apply innovative behavioral and data science strategies to increase student success and to grow capacity for deeper industry and employer engagement to support workforce partnerships and a stronger labor market connections and outcomes for students;
- \$4.5 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;
- \$6.7 million for additional technology software implementation, expansion of the College's technology lending library to support enrollment growth, and ongoing student licensing and technology platforms; and
- \$9.7 million in capital outlay.

Calbright began the 2023-2024 fiscal year with \$15 million in ongoing funds allocated in the 2023-2024 state budget and \$65 million in initial one-time start-up funds. As the College continues to scale and its growth curve steepens throughout the seven year start-up period, the ongoing \$5 million reduction in annual funds (from \$20 million to \$15 million) received annually beginning in FY 2020-2021 serves as a notable constraint to future growth and mission fulfillment.

FY 2023-24 Total Expense Categorization



As California's only fully online public institution, Calbright's budget also reflects its unique role within the CCC system. The College's salary expenditures fall into two categories: academic and non academic. Academic salaries include faculty, positions that focus on learning and instruction, and some roles within the Student Services team, for example. Non academic 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. These delineations do not reflect the dynamics of an innovative and new kind of community college like Calbright, which has different operating needs than a traditional brick-and-mortar campus. For example, Calbright's technology department, which is classified as non-academic, 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 and used by students daily, and provides direct technology support to students.

Financial Displays

Fiscal Year 2023-2024 Final Budget Summary

As adopted by the Calbright College Board of Trustees in August 2023

Description	Object Code	2023-2024 Adopted Budget Unrestricted SubFund 11	2023-2024 Adopted Budget Restricted SubFund 12	2023-2024 Adopted Budget Combined General Fund 10
Revenue				
Federal Revenues	8100	-	-	-
State Revenues	8600	15,000,000.00	-	15,000,000.00
Local Revenues	8800	127,000.00	1,480,000.00	1,607,000.00
Total Revenues		15,127,000.00	1,480,000.00	16,607,000.00
Expenditures				
Academic Salaries	1000	3,496,076.00	4,189,654.00	7,685,730.00
Non Academic Salaries	2000	8,403,206.00	7,770,345.00	16,173,551.00
Employee Benefits	3000	4,792,254.00	5,165,579.00	9,957,833.00
Supplies and Materials	4000	65,500.00	30,000.00	95,500.00
Other Operating Expenses and Services	5000	431,530.00	23,315,331.00	23,746,861.00
Capital Outlay	6000	-	9,669,288.00	9,669,288.00
Total Expenditures		17,188,566.00	50,140,197.00	67,328,763.00
Excess / (Deficiency) of Revenues over Expenditures		(2,061,566.00)	(48,660,197.00)	(50,721,763.00)
Other Financing Sources	8900	-	-	-
Other Outgo	7000	-	-	-
Net Increase/ (Decrease) in Fund Balance		(2,061,566.00)	(48,660,197.00)	(50,721,763.00)
Beginning Fund Balance				
Net Beginning Balance, July 1	9010	9,811,190.00	65,078,506.00	74,889,696.00
Prior Year Adjustment	9020	-	-	-
Adjusted Beginning Balance	9030	9,811,190.00	65,078,506.00	74,889,696.00
Ending Fund Balance, June 30		7,749,624.00	16,418,309.00	24,167,933.00

Fiscal Year 2022-2023 Projected Actuals

As is standard practice, Calbright closes its fiscal year, reconciles accounts, and then participates in an annual external third party audit. As of the publication of this report, final reconciliation and third party audit have not yet completed, which is why the columns note that the figures are “projected.”

Description	Object Code	2022-2023 Projected Actuals Unrestricted SubFund 11	2022-2023 Projected Actuals Restricted SubFund 12	2022-2023 Projected Actuals General Fund 10
Revenue				
Federal Revenues	8100	-	-	-
State Revenues	8600	15,000,000.00	62,358.00	15,062,358.00
Local Revenues	8800	95,590.00	1,557,544.00	1,653,134.00
Total Revenues		15,095,590.00	1,619,902.00	16,715,492.00
Expenditures				
Academic Salaries	1000	3,209,431.00	-	3,209,431.00
Non Academic Salaries	2000	6,782,441.00	903,910.00	7,686,351.00
Employee Benefits	3000	3,954,188.00	460,149.00	4,414,337.00
Supplies and Materials	4000	128,302.00	4,368.00	132,670.00
Other Operating Expenses and Services	5000	935,383.00	5,261,791.00	6,197,174.00
Capital Outlay	6000	-	572,856.00	572,856.00
Total Expenditures		15,009,745.00	7,203,074.00	22,212,819.00
Excess / (Deficiency) of Revenues over Expenditures		85,845.00	(5,583,172.00)	(5,497,327.00)
Other Financing Sources	8900	-	-	-
Other Outgo	7000	-	-	-
Net Increase/ (Decrease) in Fund Balance		85,845.00	(5,583,172.00)	(5,497,327.00)
Beginning Fund Balance				
Net Beginning Balance, July 1	9010	9,042,132.00	71,450,878.00	80,493,010.00
Prior Year Adjustment	9020	-	-	-
Adjusted Beginning Balance	9030	9,042,132.00	71,450,878.00	80,493,010.00
Ending Fund Balance, June 30		9,127,977.00	65,867,706.00	74,995,683.00