

CALIFORNIA ONLINE COMMUNITY COLLEGE DISTRICT



# 2022-2023 Calbright Budget Summary

SUBMITTED BY

**Akur Varadarajan**

Interim Chief Financial Officer  
Calbright College

and

**Ajita Talwalker Menon**

President & CEO  
Calbright College

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## President and CEO's Message



Calbright College enters the 2022-2023 fiscal year with significant momentum propelled by continued institutional development, expansion of operational capacity, and, most critically, a dedication to our fast-growing student body. Between July 1, 2021 and June 30, 2022, our enrollment grew by more than 120%, and this past spring, surpassed 1,000 students for the first time in history. Now in the middle of our seven-year start-up period, we remain focused on building our institutional infrastructure from the ground up, scaling, and quickly iterating and improving – we are a different College today than six months ago, and will, again, be a

different institution six months from now.

Calbright was created for students who lack access to traditional educational systems and whose employment opportunities are limited, whether that be because of their schedules, the rapidly evolving economy, the credentials they hold, where they live, and/or family commitments. Two-and-a-half years after first opening our doors, we are grateful to Governor Newsom, Members of the Legislature, and advocates both in Sacramento and throughout the state who recognize that our mission of advancing economic mobility and workforce development is more critical today than ever.

Our students are overwhelmingly non-traditional and underrepresented in higher education. 93% are at least 25 years old and the student body's median age is late 30s. 24% identify as Black, 31% as Latinx, 12% as Asian, and 5% as Native American/Hawaiian/Alaskan. Building Calbright is both a remarkable challenge and an exceptional privilege. Addressing the stubbornly persistent gap between those who benefit from higher education and job training and those left behind in the labor market is difficult work that takes care and time as we continue to build a more resilient, equitable, and inclusive California.

Calbright's budget, like the work of our dedicated faculty and staff, is student-focused and reflects the needs of current and future learners who call every part of this state – 42 of California's 58 counties – home.

Sincerely,

A handwritten signature in black ink that reads "Ajita Menon". The signature is fluid and cursive.

Ajita Talwalker Menon  
President & CEO  
Calbright College

# Introduction

Calbright's 2022-2023 budget advances the College's plans for high-quality growth outlined in our Strategic Vision, and supports California's continued response to the realities of a lingering COVID-19 pandemic that is spurring economic uncertainty and an uneven recovery across the state. This holistic \$48 million budget draws against roughly \$71 million available in one-time/start-up funding provided to the College in its founding legislation and \$15 million in ongoing funding included in the 2022-2023 California state budget. 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.

## 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 budget as well as in long-term financial planning. They are grounded in the College's founding mission and unique role, to 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

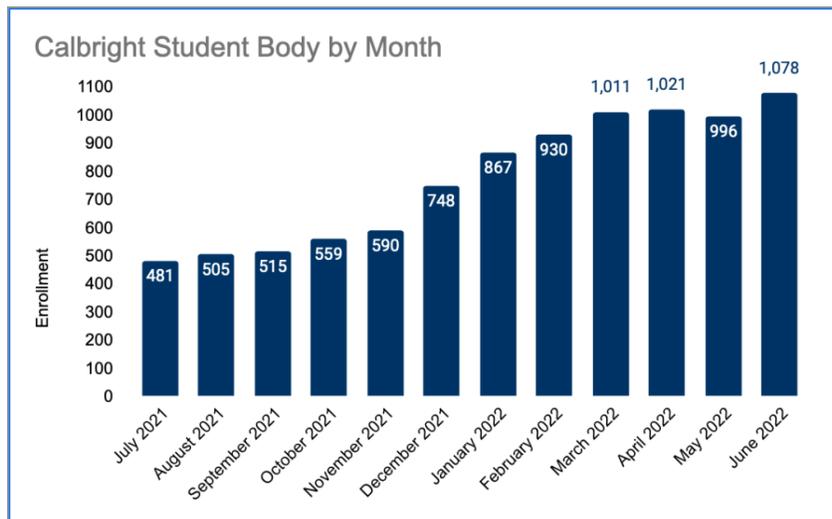
Calbright's unique model of education serves students who have traditionally lacked access to California's system of higher education and job training. They are adults without degrees who seek economic stability and mobility, and those whose employment prospects are increasingly limited. About 93% are at least 25 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. In a March 2022 survey, 34% of Calbright students indicated that they are parents/caregivers, which is triple the California Community Colleges system-wide rate. The majority of our enrolled students are people of color, including 31% who identify as Latinx, 24% who identify as Black, and 12% who identify as Asian.



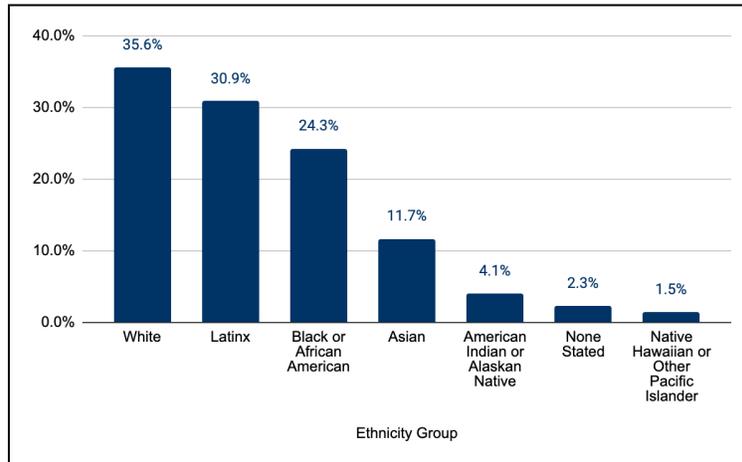
Calbright exists to serve working adults like Alana, who struggled to find a program that could award her the credential she needed to level up her career. In her own words:

*"In total, it took me about eight months from when I started Calbright, to finding a new job and getting my first raise. I'm really happy with my experience at Calbright, and if someone is considering enrolling, I would definitely say go for it. Calbright offers so much support."* **-Alana, North Hollywood**

During the 2021-2022 fiscal year, Calbright experienced notable growth and progress, increasing both the size of its faculty and staff and more than doubling its student body. It is expected that this growth will continue through the 2022-2023 fiscal year and beyond, settling around 5,000 students by December 2023.

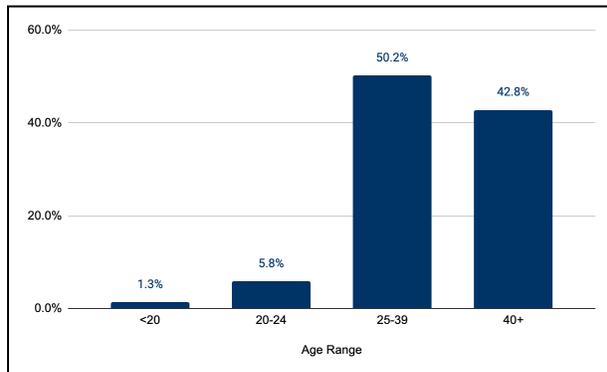


## Race of Student Body\*

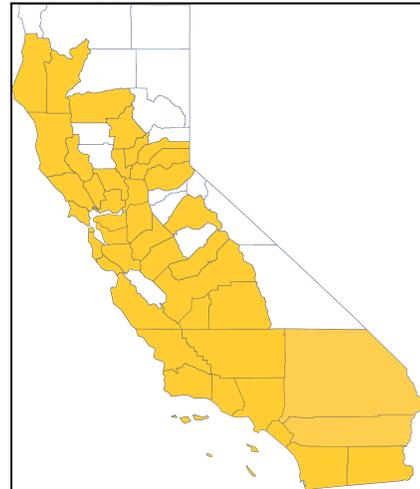


\*Enrollees who select multiple ethnicities are counted in all categories they select

## Age of Student Body



## Calbright students reside in 42 of California's 58 counties



## Supporting the Student Experience

According to a March 2022 survey of Calbright's student body, 58% of students are unemployed or working part time, with 7.8% working more than 40 hours per week. 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 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. The College also currently provides 642 Chromebooks and 606 wifi

devices from the Calbright lending library to users across the state, in order to support those who lack the computer and reliable internet necessary to complete their program.

Building on the continuous learner feedback our student-facing team receives, Calbright's 2022-2023 budget makes substantial investment in the student experience and includes:

- \$1.3 million during the 2022-2023 fiscal year for Calbright's joint research partnership with UC Irvine's top-ranked School of Education. This multi-year endeavor will apply behavioral science and data analytics to activities across the student lifecycle, allowing the College to identify areas of strength, quickly expand on lessons learned, test them, and iterate while creating human-powered systems that directly engage with students to nurture persistence and success.
- An additional \$8.8 million investment in hiring of faculty and staff including four instructional faculty members and two administrative/support faculty members, and faculty focused on curriculum assessment and instructional design. As an institution that delivers Competency Based Education, 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 three new academic counselors and additional student support specialists.
  - 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 2022-2023 fiscal year budget invests in the expansion of the College's Workforce Development team. Three new positions supporting workforce engagement and research and development have been approved by Calbright's Board of Trustees. When filled, these roles will focus on creating and expanding partnerships with employers and industry. In concert with other departments, they will also research potential opportunities to launch new high-quality programs that are responsive to adult learners and the labor market in key regions of the state.

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.

## 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 2022-2023 fiscal year and beyond, building on the momentum and

success of the previous fiscal year and anticipated long-term growth. Assuming a base of stable ongoing funding of \$15 million per year, by December 2023, Calbright plans for:

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

## 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 have engaged 20 external stakeholders in meaningful partnerships by the end of 2023. 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.

### **Business Partnership Case Study: OpenClassrooms**

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 that Data Analysis skills are in-demand in the job market, Calbright established a partnership with OpenClassrooms to both validate market assumptions and co-create an academic program. As a premiere vocational training online platform offering employment services for students worldwide with a US Dept. of Labor Registered Apprenticeship Program (RAP) in Data Analysis, OpenClassrooms is a formidable partner to accelerate program goals. Over a two-month period in 2022, Calbright's faculty and staff — informed by qualitative and quantitative comprehensive research — developed the business case. They listened to and observed incumbents, hiring managers, and subject matter experts to better understand what it takes to succeed in a job centered around data analysis.

This collaborative research partnership shaped the concept and design of Calbright's new Data Analysis program which is set to launch as a pilot in late summer 2022. 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. They'll 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 will integrate essential workforce skills like communication and time management, as well as career preparation support, such as resume writing and interviewing.

### **Partnering for Statewide Economic Development**

Calbright engages in statewide and regional efforts led by entities such as economic development agencies, county and local governments, workforce development boards, and CCC Districts' regional networks to serve students across the state. New organizations added to the existing Economic Development list since the last milestone report include the Cooperative Economic Empowerment Movement, Worker Education and Resources Center, South Bay Workforce Investment Board, NextGen Policy, and the Bay Area Council.

### **Partnering with Labor Organizations**

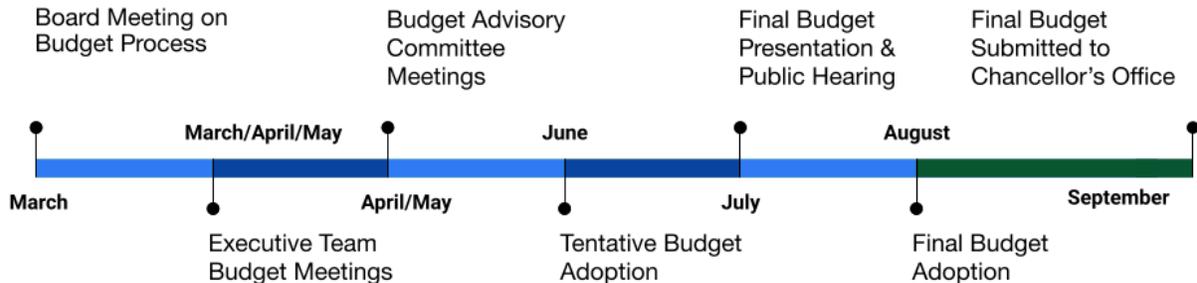
Calbright is collaborating with Service Employees International Union/United Healthcare Workers (SEIU-UHW) to respond to an acute need in the healthcare industry. The purpose of this new partnership is to support a more diverse pipeline of critical healthcare professionals, and the College is currently in the process of finalizing a new program based on certifications for professionals seeking to become Licensed Vocational Nurses (LVNs). Calbright also conducted research with the SEIU UHW-West & Joint Employer Education Fund, and is using the findings to inform the design of the Upskilling for Equitable Health Impacts program.

# 2022-2023 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

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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 2022-2023 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 8.4% 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.

## 2022-2023 Budget

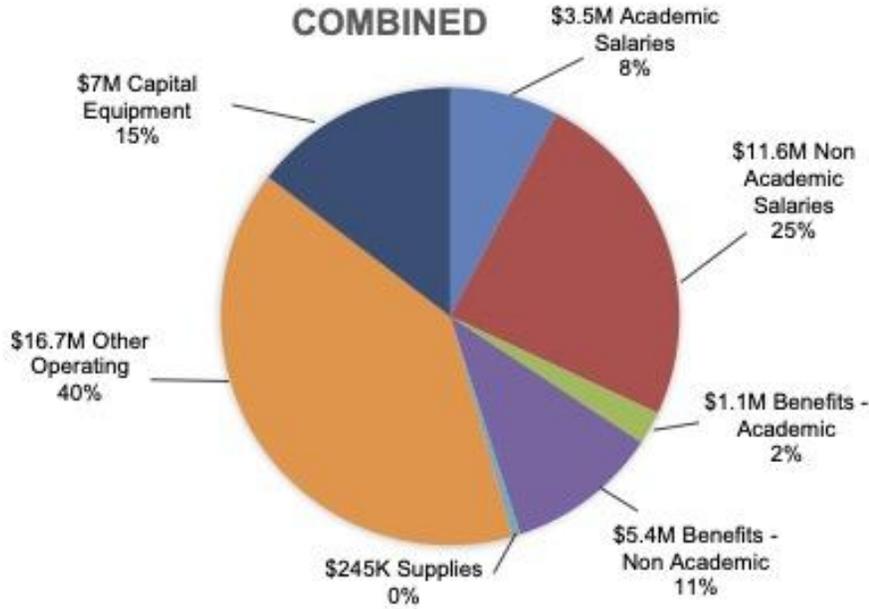
Calbright's final 2022-2023 budget projects comprehensive expenditures of approximately \$48 million. This includes roughly \$19 million in expenditures drawn from the College's ongoing funding – provided by the 2022-2023 California state budget – and about \$29 million in start-up costs, drawn against the one-time funding Calbright received in its founding legislation to be used during the College's seven year start-up period. A prudent 8.4% reserve fund is accounted for in the 2022-2023 fiscal year.

Nearly half of the College's projected budget (\$21.9 million) supports employee compensation, benefits, and required contributions to California's public employee pension programs for Calbright's 65 current employees and anticipated growth during the 2022-2023 fiscal year. Operating expenses, such as learning platform and software licenses and technology needs for employees and students, represent the second largest category of expenditures, at \$19 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:

- \$1.2 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
- \$4.7 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
- \$3 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
- \$4.5 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
- \$7 million in capital outlay

Calbright will begin the 2022-2023 fiscal year with \$15 million in ongoing funds allocated in the 2022-2023 state budget and \$71 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 robust mission fulfillment.

# FY 22-23 Final Budget: On-Going & One-Time Total Expenses



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 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

## FY 2022-2023 Final Budget Summary

	Annual Funding	One-Time	Total
Beginning balance	<b>\$8,076,543</b>	<b>\$71,139,029</b>	<b>\$79,215,572</b>
Revenue			
General Apportionments	15,000,000		15,000,000
Local Revenue	12,000	120,372	132,372
Total Revenue	<b>15,012,000</b>	<b>120,372</b>	<b>15,132,372</b>
Expenses			
Academic Salaries	3,691,200		3,691,200
Non Academic Salaries	8,900,856	2,754,600	11,655,456
Benefits - Academic	1,130,141		1,130,141
Benefits - Non Academic	3,884,954	1,278,476	5,163,430
Supplies and Materials	155,000	110,000	265,000
Operating Expenses	1,293,030	17,836,156	19,129,186
Capital Outlay		7,000,000	7,000,000
Total Expenses	<b>\$19,055,181</b>	<b>\$28,979,232</b>	<b>\$48,034,413</b>
Ending Balance	<b>\$4,033,362</b>	<b>\$42,280,169</b>	<b>\$46,313,531</b>
Restricted		42,280,169	42,280,169
Unassigned	4,033,362		4,033,362
Reserves			8.40%

## FY 2021-2022 Year End Projections\*

	Annual Funding	One-Time	Total
<b>Beginning balance</b>	<b>\$6,583,953</b>	<b>\$77,078,135</b>	<b>\$83,662,088</b>
<b>Revenue</b>			
General Apportionments	15,000,000	270,000	15,270,000
Local Revenue	12,000	153,686	165,686
<b>Total Revenue</b>	<b>15,012,000</b>	<b>423,686</b>	<b>15,435,686</b>
<b>Expenses</b>			
Academic Salaries	2,990,000	171,200	3,161,200
Non Academic Salaries	4,100,000	1,407,737	5,507,737
Benefits - Academic	969,042	41,171	1,010,213
Benefits - Non Academic	1,478,060	557,493	2,035,553
Supplies and Materials	100,000	10,000	110,000
Operating Expenses	3,832,308	3,681,868	7,514,176
Capital Outlay	50,000	493,322	543,322
<b>Total Expenses</b>	<b>\$13,519,410</b>	<b>\$6,362,791</b>	<b>\$19,882,201</b>
<b>Ending Balance</b>	<b>\$8,076,543</b>	<b>\$71,139,029</b>	<b>\$79,215,572</b>
Restricted		71,139,030	71,139,030
Unassigned	8,076,543		8,076,543

\*Please note: at the time of publication, 2021-2022 fiscal year expenditures were not yet final. The figures in the above table reflect anticipated based on real-time accounting, but final numbers may be subject to change.