



UNIVERSITY OF CALIFORNIA

Michael V. Drake, MD
President

March 19, 2024

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

universityofcalifornia.edu

The Honorable Scott D. Wiener
Chair, Joint Legislative Budget Committee
1020 N Street, Room 553
Sacramento, California 95814

Dear Senator Wiener:

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

If you have any questions regarding this report, Interim Associate Vice President and Director Cain Diaz would be pleased to speak with you. Cain can be reached by telephone at (510) 987-9350, or by e-mail at Cain.Diaz@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: Mr. Kirk Feely)
- The Honorable David A. Alvarez, Chair
- Assembly Education Finance Subcommittee #3
- (Attn: Mr. Mark Martin)
- (Attn: Ms. Sarah Haynes)
- Mr. Hans Hemann, Joint Legislative Budget Committee
- Mr. Chris Ferguson, Department of Finance
- Ms. Rebecca Lee, Department of Finance
- Ms. Gabriela Chavez, Department of Finance
- 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

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

Interim Associate Vice Provost Cynthia Davalos
Interim Senior Vice President Michael Reese
Executive Vice President and Chief Financial Officer Nathan Brostrom
Vice President Pamela Brown
Interim Associate Vice President and Director Cain Diaz
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.

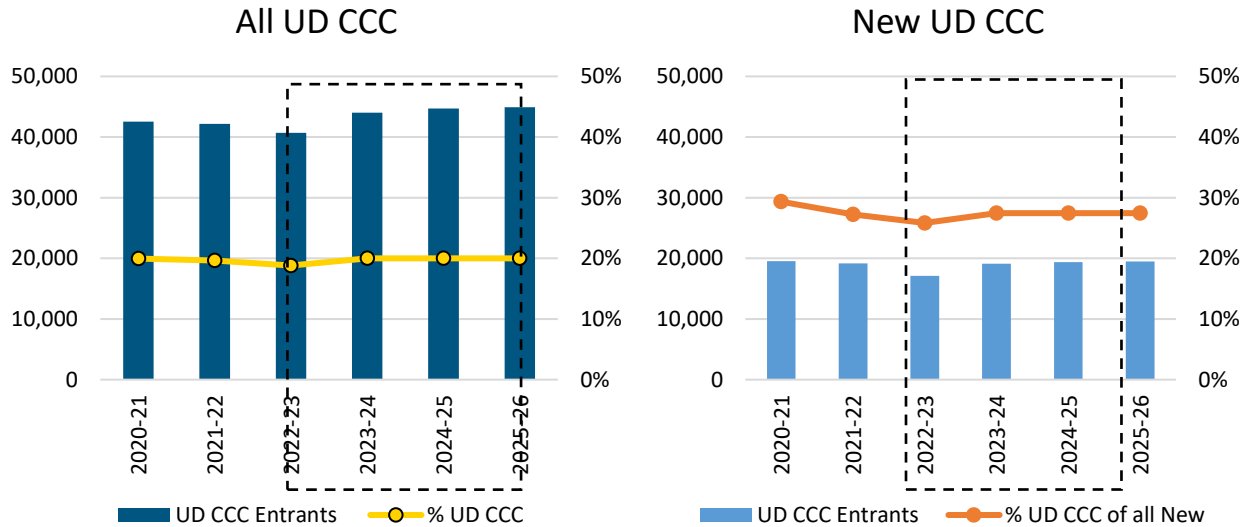
California Community College Enrollment

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

The 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. The below figures are FTE.

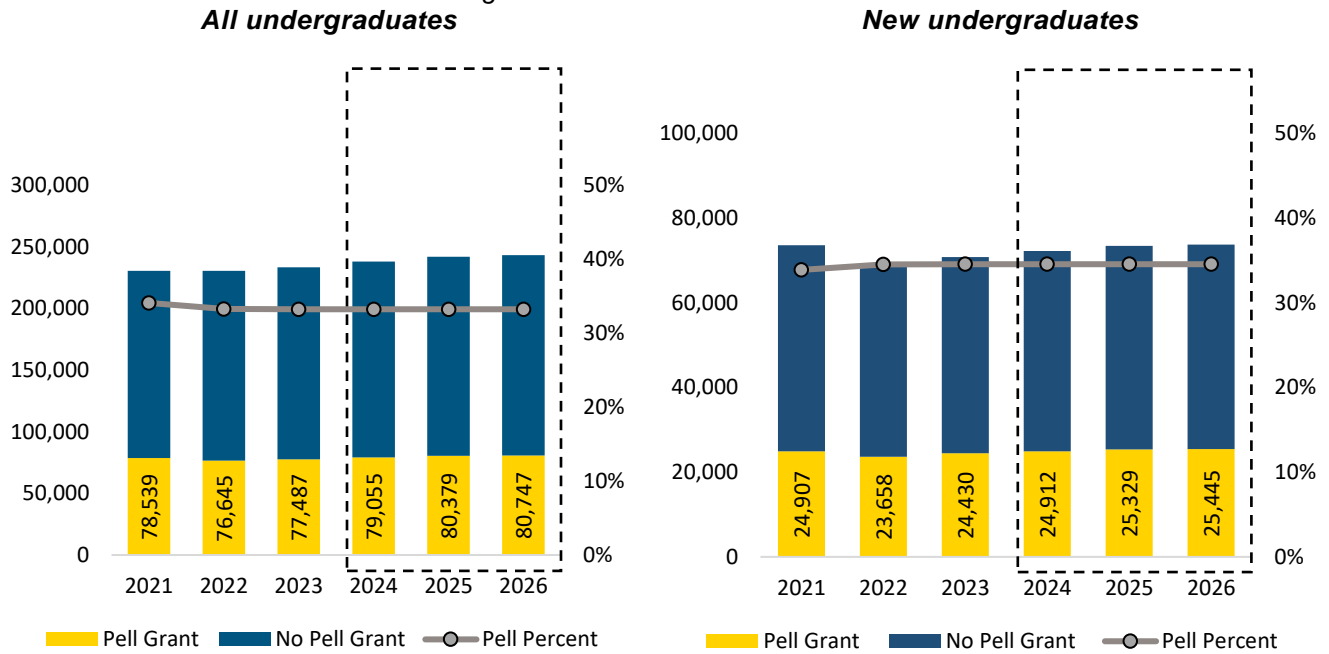


Low Income Student Enrollment

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

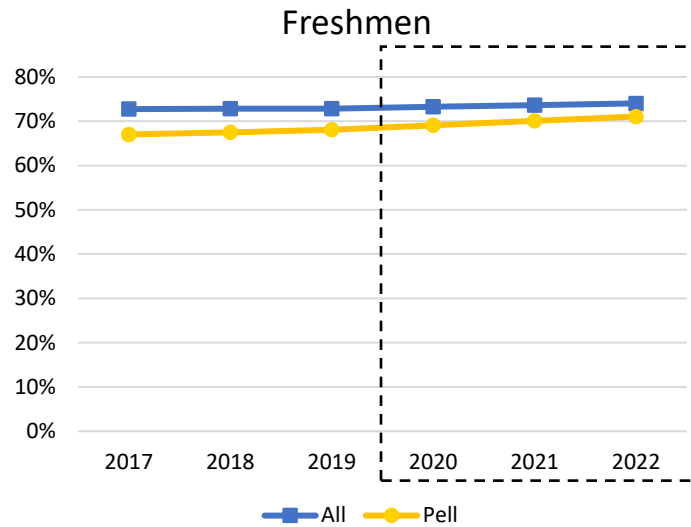


Figure 4: All transfer student two-year graduation rate by fall cohort entry year

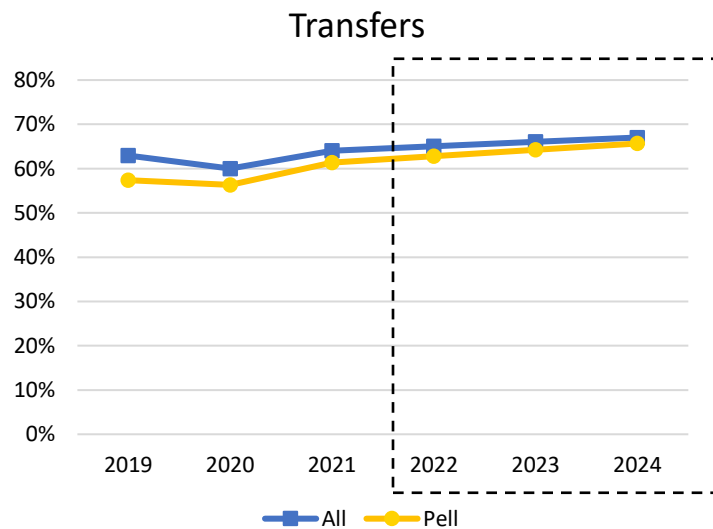
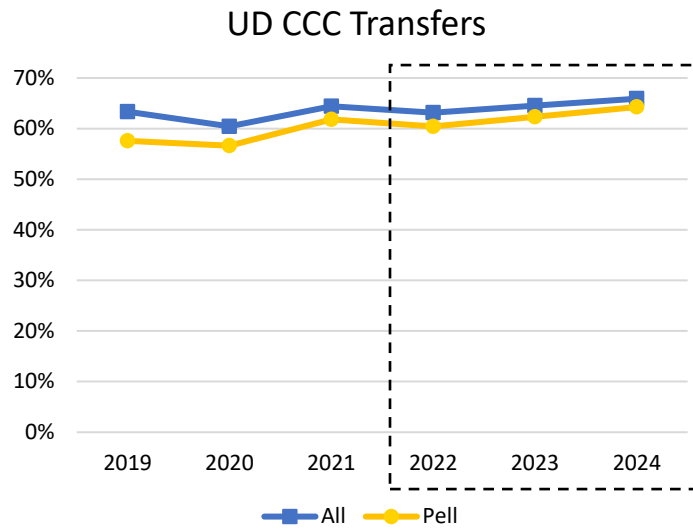


Figure 5: Upper-division CCC transfer student two-year graduation rate by fall cohort entry year



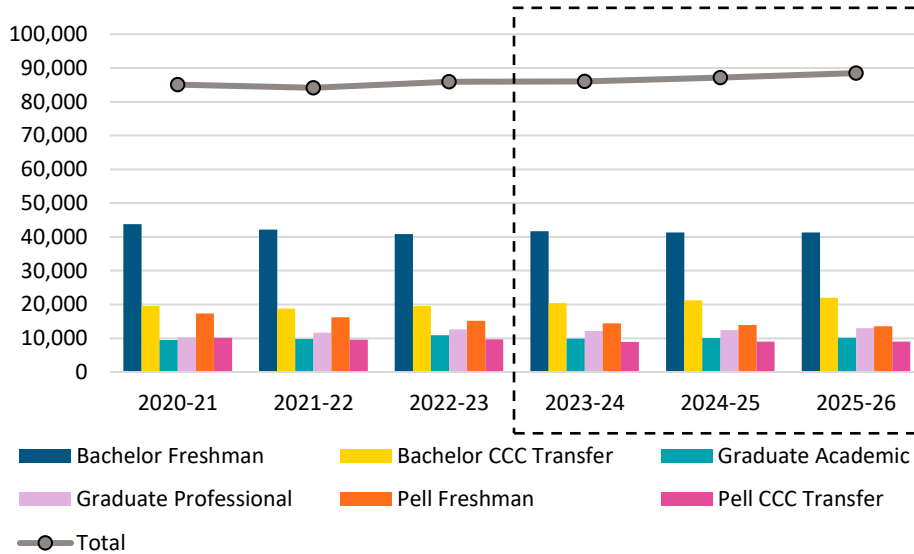
Source: UC Data Warehouse. Pell students are those who received a Pell grant at any time during enrollment.

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



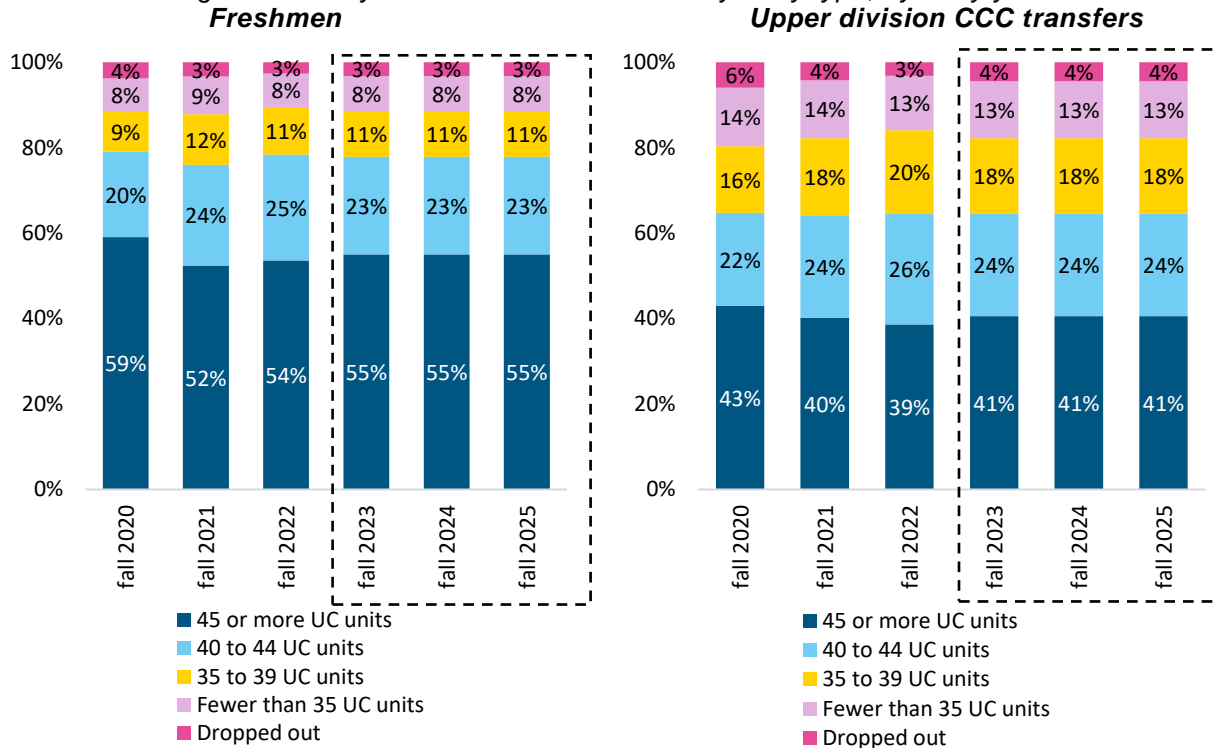
Source: UC Data Warehouse. Freshman and CCC transfer are at the time of entry. Other bachelor's degree entrants are not shown, but included in the total. Pell recipients are those who receive a Pell Grant at any point during their enrollment.

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



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
	2022-23	2023-24	2024-25	2025-26	
State General Fund	\$4,909,539,000	\$4,870,210,000	\$4,740,395,000	\$4,882,607,000	Includes over \$300 million for debt service not available for the operating budget.
Systemwide tuition and fees	\$4,095,977,000	\$4,283,456,000	\$4,487,856,000	\$4,622,492,000	Excludes UNEX, summer session, and “other” fees
Nonresident tuition and fees and other student fees	\$1,078,075,000	\$1,106,579,000	\$1,115,279,000	\$1,148,737,000	Other student fees include admission application fees and other fees
University of California General Funds	\$243,356,000	\$242,000,000	\$242,000,000	\$249,260,000	Includes interest on General Fund balances and the portion of indirect cost recovery and patent royalty income used for core educational purposes
Total	\$10,326,947,000	\$10,502,245,000	\$10,585,530,000	\$10,903,096,000	

Degrees Awarded, 2022-23 **85,885**

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 \$280 million

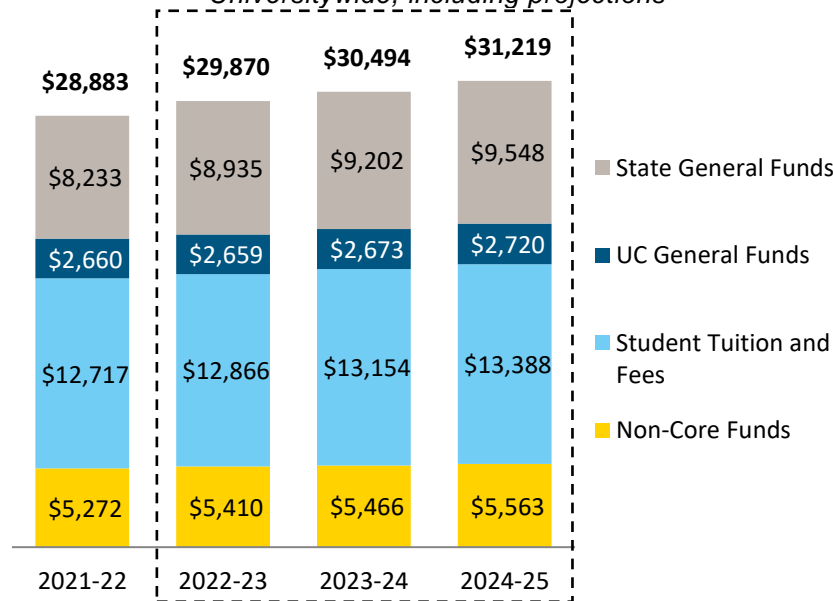
of core funds were used to cover lease revenue and General Obligation bond debt service in 2022-23 and were not available for the operating budget.

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). 2021-22 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 \$27,730 in 2000-01 (adjusted for inflation) and by 2022-23, had dropped to \$22,730 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, based on 2021-22 data).

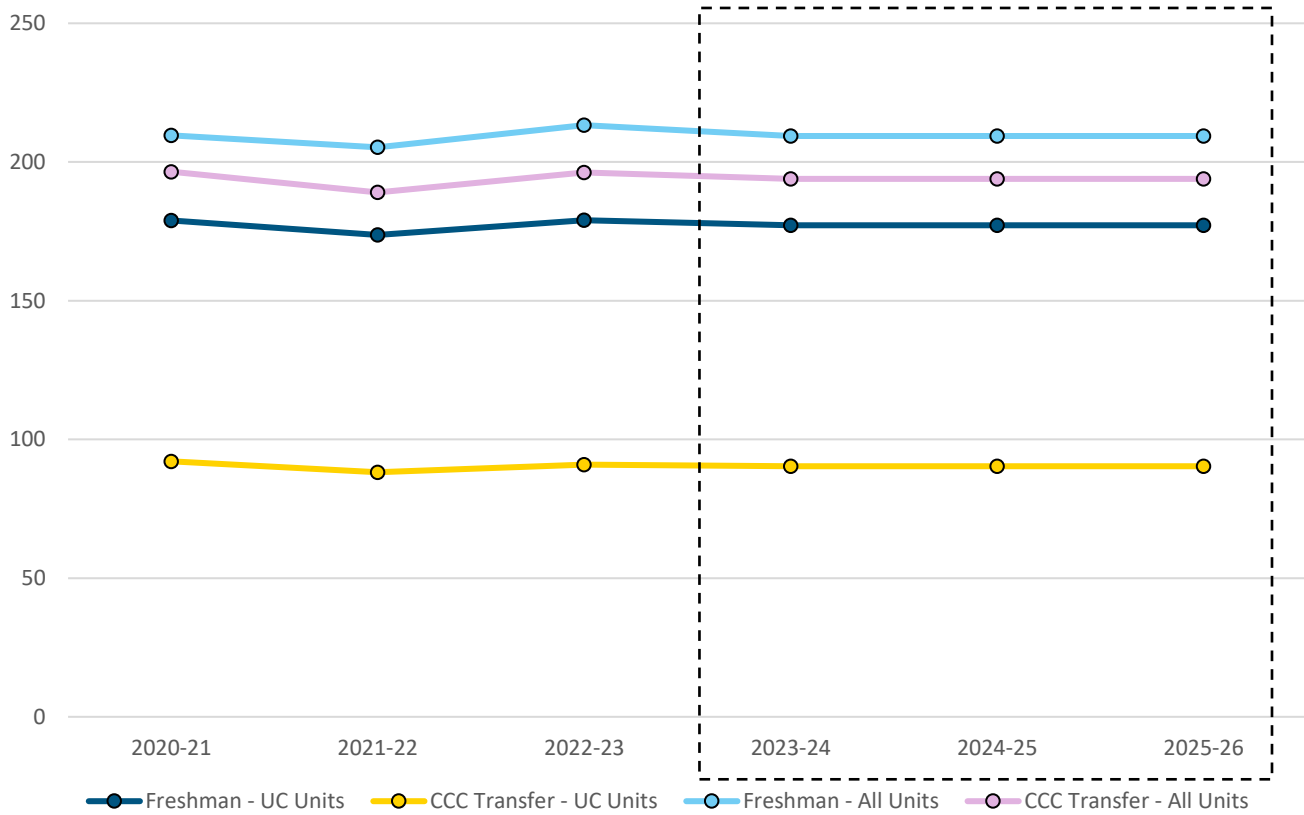
The EFI report can inform policy discussions, but UC doesn't believe it is a management tool. It also reflects expenditures on instruction but does not represent the cost of instruction because it does not account for underfunded areas such as faculty salaries, degraded student-faculty ratios, and deferred 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

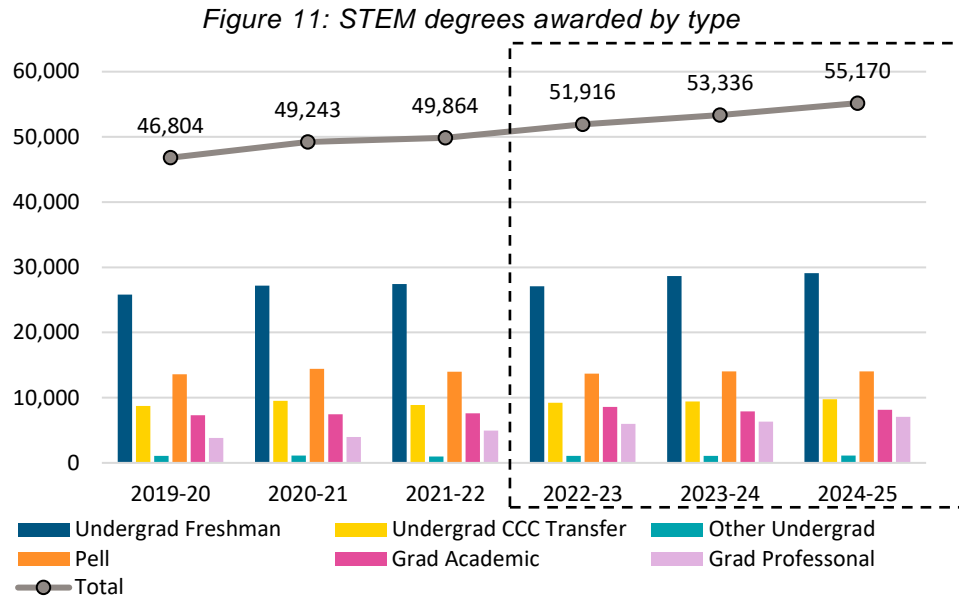


Source: UC Data Warehouse

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. **Starting with this year's report, we are defining STEM the same way as in the University of California 2023 Multi-Year Compact Annual Report Goal E1: architecture, engineering, life sciences, physical sciences, and other health sciences, along with interdisciplinary degrees defined by the Department of Homeland Security as STEM (e.g., data science).**

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))		
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Upper Division CCC Entrants	42,547	42,176	40,710	44,000	44,700	44,900
% upper division CCC	20.0%	19.6%	18.8%	20.0%	20.0%	20.0%
New Upper Division CCC Entrants	19,553	19,180	17,093	19,100	19,400	19,500
% upper division CCC of all new entrants	29.3%	27.2%	25.8%	27.5%	27.5%	27.5%

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))		
		2021	2022	2023	2024	2025	2026
All Students	Pell Grant	78,539	76,645	77,487	79,055	80,379	80,747
	No Pell Grant	151,990	153,762	155,785	158,937	161,599	162,338
	Total	230,529	230,407	233,272	237,992	241,977	243,085
	Pell Percent	34.1%	33.3%	33.2%	33.2%	33.2%	33.2%
New Students	Pell Grant	24,907	23,658	24,430	24,912	25,329	25,445
	No Pell Grant	48,658	44,888	46,323	47,236	48,027	48,247
	Total	73,565	68,546	70,753	72,148	73,356	73,691
	Pell Percent	33.9%	34.5%	34.5%	34.5%	34.5%	34.5%

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	2017	73%	67%
	2018	73%	68%
	2019	73%	68%
Goal Data	2020	73%	69%
	2021	74%	70%
	2022	74%	71%

		2 Year All Transfer Grad Rate	
	Entry year	All	Pell recipient
Actual Data	2019	63%	57%
	2020	60%	56%
	2021	64%	61%
Goal Data	2022	65%	63%
	2023	66%	64%
	2024	67%	66%

		2 Year Upper Division CCC Transfer Grad Rate	
	Entry year	All	Pell recipient
Actual Data	2019	63%	58%
	2020	60%	57%
	2021	64%	62%
Goal Data	2022	63%	60%
	2023	65%	62%
	2024	66%	64%

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.

		Total	Bachelor		Graduate		Pell
			Freshman	UD CCC Transfer	Academic	Professional	
Actual	2020-21	85,115	43,812	19,564	9,457	10,206	17,341
	2021-22	84,158	42,189	18,731	9,803	11,622	16,245
	2022-23	85,885	40,864	19,522	10,882	12,645	15,193
Goals	2023-24	85,995	41,733	20,344	9,849	12,106	14,418
	2024-25	87,194	41,328	21,270	10,071	12,446	13,909
	2025-26	88,496	41,360	21,955	10,102	12,986	13,549

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 2020	fall 2021	fall 2022	fall 2023	fall 2024	fall 2025
Freshmen	45 or more UC units	59%	52%	54%	55%	55%	55%
	40 to 44 UC units	20%	24%	25%	23%	23%	23%
	35 to 39 UC units	9%	12%	11%	11%	11%	11%
	Fewer than 35 UC units	8%	9%	8%	8%	8%	8%
	Dropped out	4%	3%	3%	3%	3%	3%
UD CCC	45 or more units	43%	40%	39%	41%	41%	41%
	40 to 44 units	22%	24%	26%	24%	24%	24%
	35 to 39 UC units	16%	18%	20%	18%	18%	18%
	Fewer than 35 units	14%	14%	13%	13%	13%	13%
	Dropped out	6%	4%	3%	4%	4%	4%

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		
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Freshman - UC Units	179	174	179.0	177	177	177
UD CCC Transfer - UC Units	92	88	90.9	90	90	90
Freshman - All Units	210	205	213.3	209	209	209
UD CCC Transfer - All Units	197	189	196.2	194	194	194

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	2020-21	24,009	7,361	832	12,679	7,271	5,638	45,111
	2021-22	23,873	6,951	734	11,986	7,482	5,648	44,688
	2022-23	23,382	7,041	786	11,569	8,510	6,531	46,250
Goals	2023-24	24,843	7,481	835	12,292	9,042	6,939	49,141
	2024-25	26,305	7,921	884	13,015	9,574	7,347	52,031
	2025-26	27,766	8,361	933	13,738	10,106	7,756	54,922

Source: UC Data Warehouse. Starting with this year’s report, we are defining STEM the same way as in the University of California 2023 Multi-Year Compact Annual Report Goal E1: architecture, engineering, life sciences, physical sciences, and other health sciences, along with interdisciplinary degrees defined by the Department of Homeland Security as STEM (e.g., data science).

Contact Information:
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