UNIVERSITY OF CALIFORNIA

James B. Milliken
President

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March 31, 2026

The Honorable John Laird
Chair, Joint Legislative Budget Committee
1020 N Street, Room 502
Sacramento, California 95814

Dear Senator Laird:

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, Associate Vice President 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,

James B. Milliken
President

Enclosure

cc: Senate Budget and Fiscal Review
The Honorable Lena Gonzalez, Chair
Senate Budget and Fiscal Review Subcommittee #1
(Attn: Mr. Diego Lopez)
(Attn: Mr. Kirk Feely)
The Honorable David A. Alvarez, Chair
Assembly Budget Subcommittee #3
(Attn: Mr. Christian Griffith)
(Attn: Mr. Tobias Wolken)
Mr. Hans Hemann, Joint Legislative Budget Committee
Ms. Jessica Holmes, Department of Finance
Ms. Jessica Deitchman, Department of Finance
Ms. Gabriela Chavez, Department of Finance
Mr. Gabriel Petek, Legislative Analyst Office
Ms. Jennifer Pacella, Legislative Analyst Office
Ms. Florence Bouvet, Legislative Analyst's Office
Provost and Executive Vice President Katherine S. Newman
Executive Vice President and Chief Operating Officer Rachael Nava
Executive Vice President and Chief Financial Officer Nathan Brostrom

Senior Vice President Meredith Turner
Vice President Pamela Brown
Associate Vice President 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.)

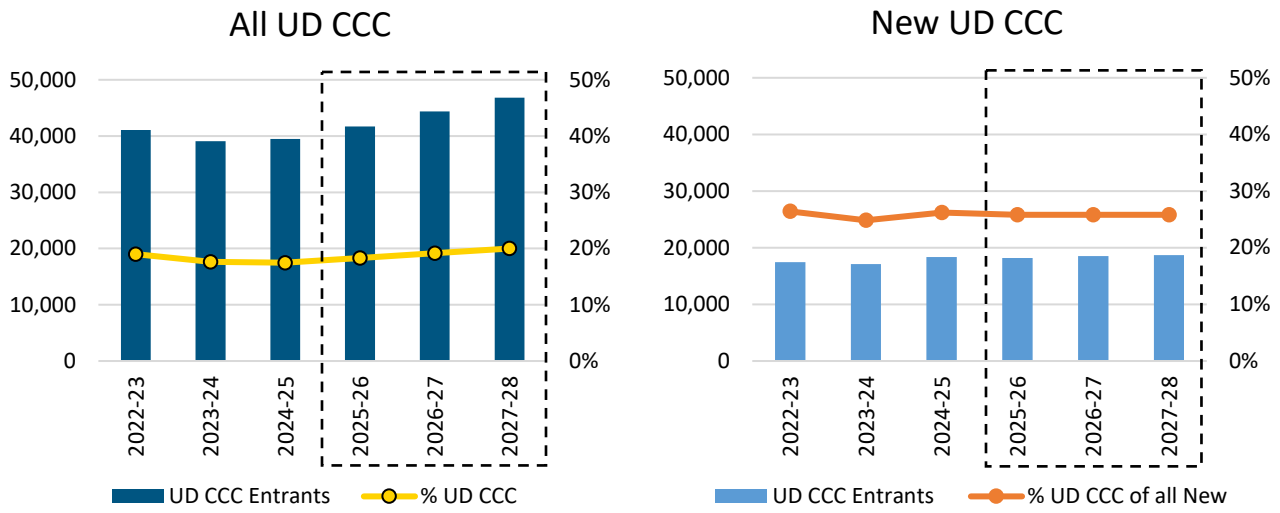
This report responds to the above language. Pursuant to subsection (c), for the first time, this report includes three yearly goals for each performance measure listed in subsection (b). University goals are indicated by dashed box. All years indicate the fall of the academic year (e.g. 2019 indicates the 2019-20 academic year.)

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



	Actual Data			Goal Data (subsection (c))		
	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Upper Division CCC Entrants	41,089	39,069	39,479	41,700	44,400	46,800
% upper division CCC	19.0%	17.6%	17.5%	18.3%	19.2%	20.0%
New Upper Division CCC Entrants	17,471	17,133	18,374	18,200	18,500	18,700
% upper division CCC of all new entrants	8.1%	7.7%	8.1%	8.0%	8.0%	8.0%

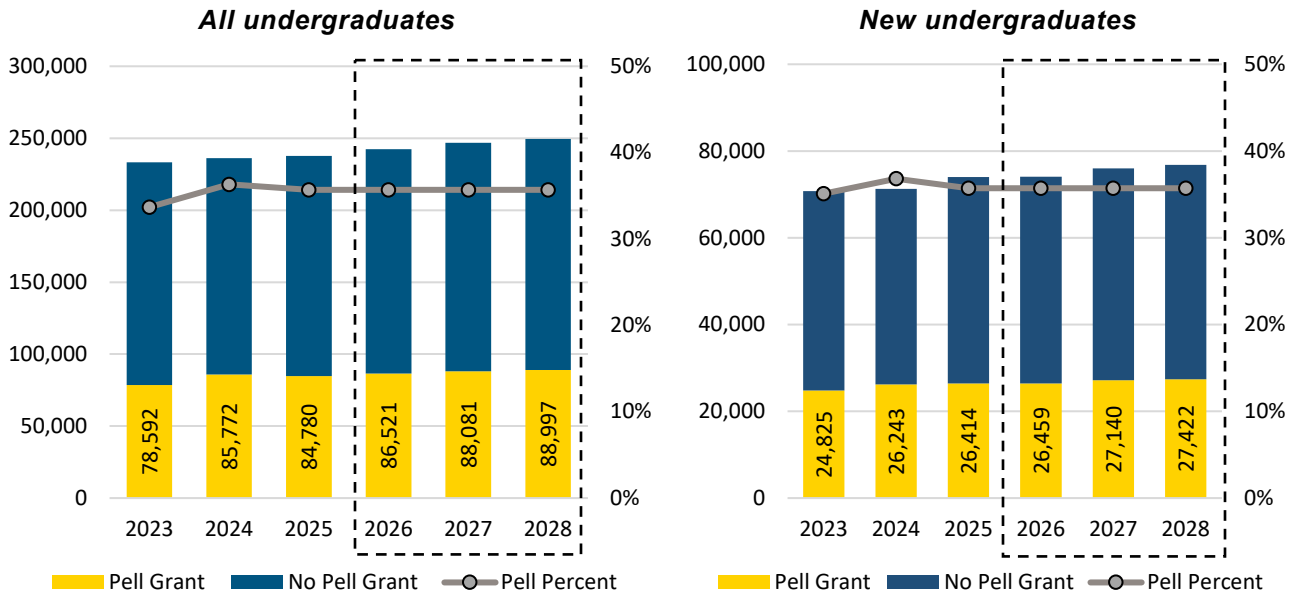
Source: UC Data Warehouse and Budget Analysis and Planning General Campus FTE enrollment estimates. Excludes summer FTE.

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



		Actual Data			Goal Data (subsection (c))		
	Fall Term	2023	2024	2025	2026	2027	2028
All Students	Pell Grant	78,592	85,772	84,780	86,521	88,081	88,997
	No Pell Grant	154,680	150,298	152,836	155,974	158,787	160,439
	Total	233,272	236,070	237,616	242,495	246,868	249,436
	Pell Percent	33.7%	36.3%	35.7%	35.7%	35.7%	35.7%
New Students	Pell Grant	24,825	26,243	26,414	26,459	27,140	27,422
	No Pell Grant	45,928	45,059	47,563	47,643	48,870	49,379
	Total	70,753	71,302	73,977	74,102	76,010	76,801
	Pell Percent	35.1%	36.8%	35.7%	35.7%	35.7%	35.7%

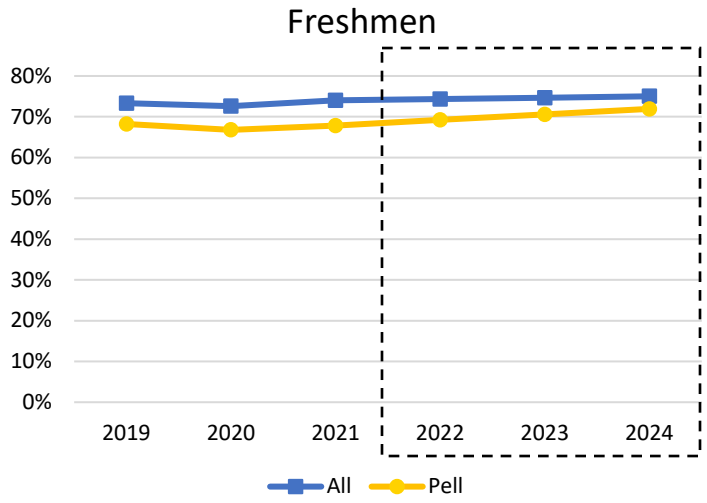
Source: UC Information Center, fall enrollment headcount. Pell status is for the particular fall term.

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).

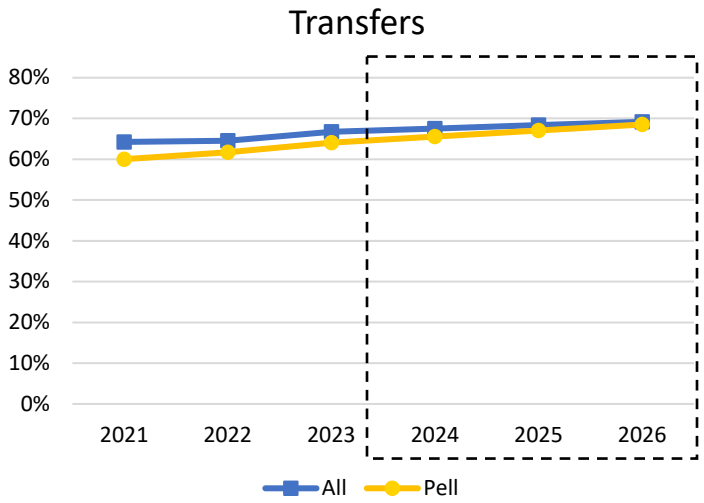
Figure 3: Freshmen four-year graduation rate by fall cohort entry year



		4 Year Freshman Grad Rate	
	Entry year	All	Pell recipient
Actual Data	2019	73%	68%
	2020	73%	67%
	2021	74%	68%
Goal Data	2022	74%	69%
	2023	75%	71%
	2024	75%	72%

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

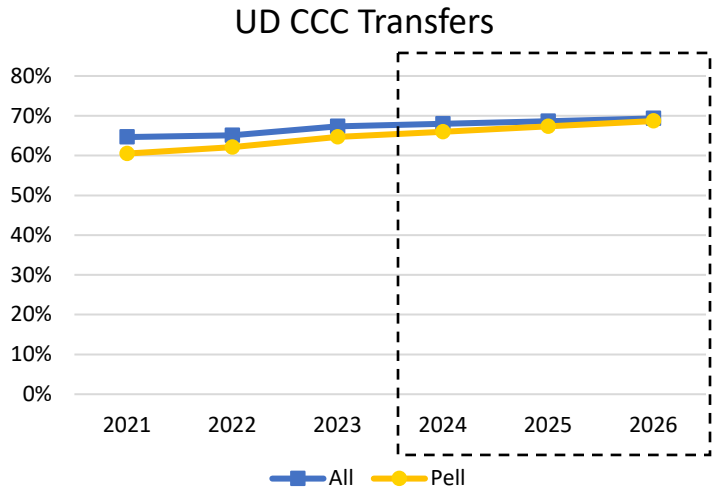
Figure 4: All transfer student two-year graduation rate by fall cohort entry year



		2 Year All Transfer Grad Rate	
	Entry year	All	Pell recipient
Actual Data	2021	64%	60%
	2022	65%	62%
	2023	67%	64%
Goal Data	2024	68%	66%
	2025	68%	67%
	2026	69%	69%

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

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



		2 Year Upper Division CCC Transfer Grad Rate	
	Entry year	All	Pell recipient
Actual Data	2021	65%	60%
	2022	65%	62%
	2023	67%	65%
Goal Data	2024	68%	66%
	2025	69%	67%
	2026	69%	69%

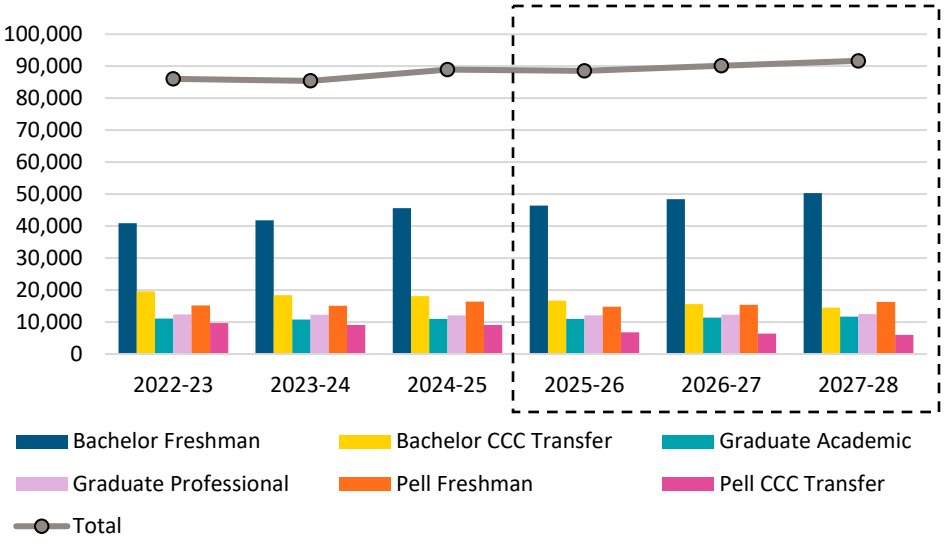
Source: UC Data Warehouse. Pell students are those who received a Pell grant at any time during enrollment.

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



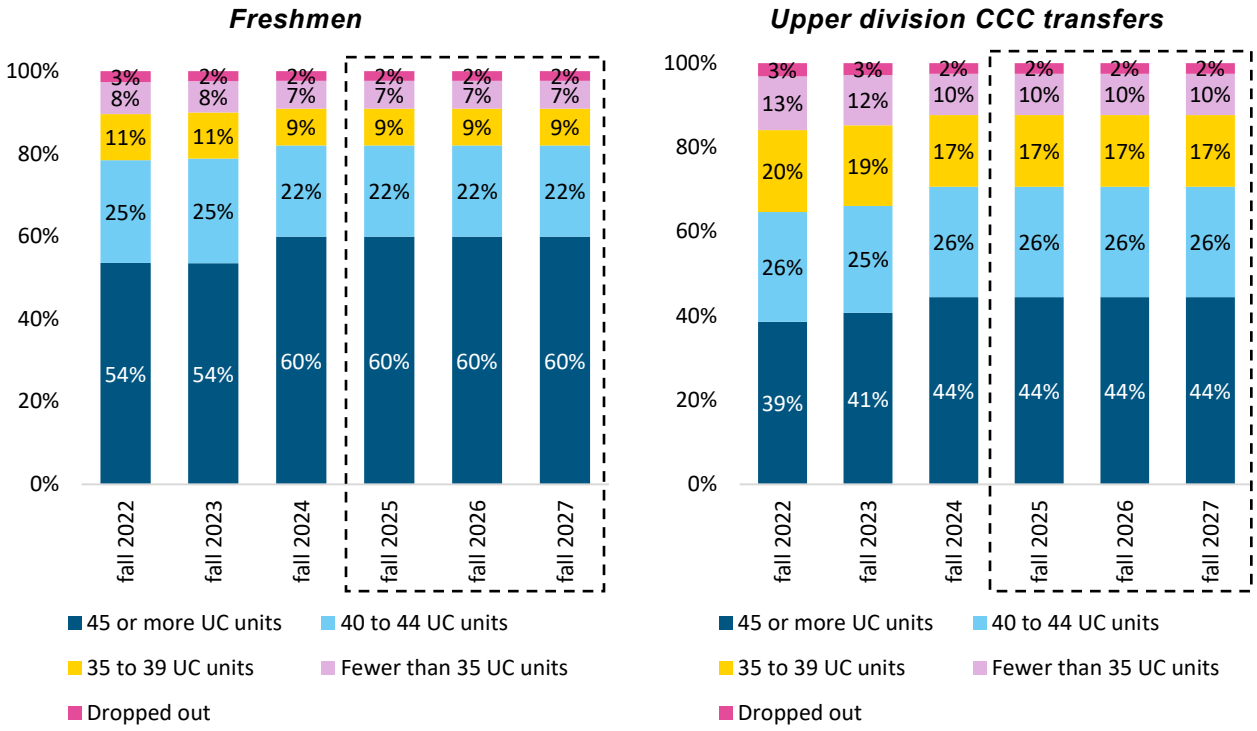
			Bachelor		Graduate		Pell	
		Total	Freshman	UD CCC Transfer	Academic	Professional	Freshman	UD CCC Transfer
Actual	2022-23	86,049	40,920	19,580	11,317	12,432	15,218	9,668
	2023-24	85,406	41,842	18,415	10,821	12,333	15,056	9,075
	2024-25	88,944	45,572	18,057	10,975	12,068	16,388	9,071
Goals	2025-26	88,496	46,404	16,680	10,985	12,103	14,800	6,754
	2026-27	90,098	48,392	15,557	11,394	12,264	15,443	6,362
	2027-28	91,685	50,363	14,472	11,708	12,521	16,313	5,986

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. Total degree completion includes non-UD CCC transfer students.

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 transfer[1]. The dashed boxes detail University goals required by subsection (c).

Figure 7: First-year course credits earned by entry type, by entry year



		Actual Data			Goal Data		
		fall 2022	fall 2023	fall 2024	fall 2025	fall 2026	fall 2027
Freshmen	45 or more UC units	54%	54%	60%	60%	60%	60%
	40 to 44 UC units	25%	25%	22%	22%	22%	22%
	35 to 39 UC units	11%	11%	9%	9%	9%	9%
	Fewer than 35 UC units	8%	8%	7%	7%	7%	7%
	Dropped out	3%	2%	2%	2%	2%	2%
UD CCC	45 or more units	39%	41%	44%	44%	44%	44%
	40 to 44 units	26%	25%	26%	26%	26%	26%
	35 to 39 UC units	20%	19%	17%	17%	17%	17%
	Fewer than 35 units	13%	12%	10%	10%	10%	10%
	Dropped out	3%	3%	2%	2%	2%	2%

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
	2024-25	2025-26	2026-27	2027-28	
State General Fund	$4,864,580,000	$4,941,820,000	$5,233,332,000	$5,390,332,000	Includes over $300 million for debt service not available for the operating budget.
Systemwide tuition and fees	$4,483,605,000	$4,634,500,000	$4,860,800,000	$5,006,624,000	Excludes UNEX, summer session, and "other" fees
Nonresident tuition and fees and other student fees	$1,288,436,000	$1,314,205,000	$1,353,631,000	$1,394,240,000	Other student fees include admission application fees and other fees
University of California General Funds	$537,389,000	$539,000,000	$539,000,000	$555,170,000	Includes interest on General Fund balances and the portion of indirect cost recovery and patent royalty income used for core educational purposes
Total	**$11,174,010,000**	**$11,429,525,000**	**$11,986,763,000**	**$12,346,366,000**	

Degrees Awarded, 2024-25 **88,944**

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

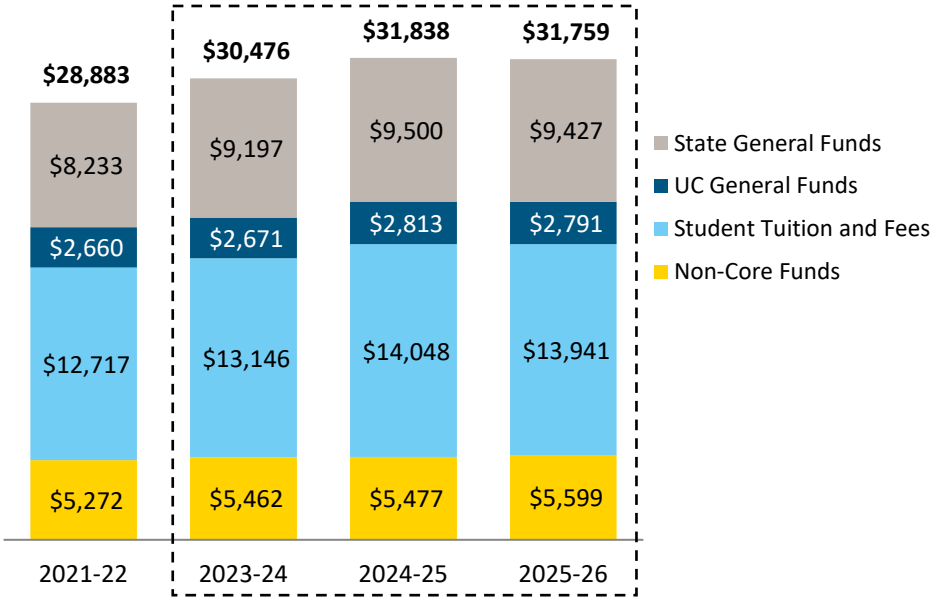
The University does not believe dividing these two numbers produces a meaningful statistic. Dividing total funding by degrees awarded does not convey the true cost of a degree because not all of the funding included in the calculation is associated with instruction. Core funds support the tripartite mission of the University, and include significant funding for non-instructional uses, specifically research and public service. In addition, about $517 million of core funds were used to cover debt service on capital financed from State lease revenue bonds, general obligation bonds, and the University's own capital program in 2024-25 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 $29,480 in 2000-01 (adjusted for inflation) and by 2024-25, had dropped to $22,770 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 demonstrated that undergraduates paid 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). That trend continues today.

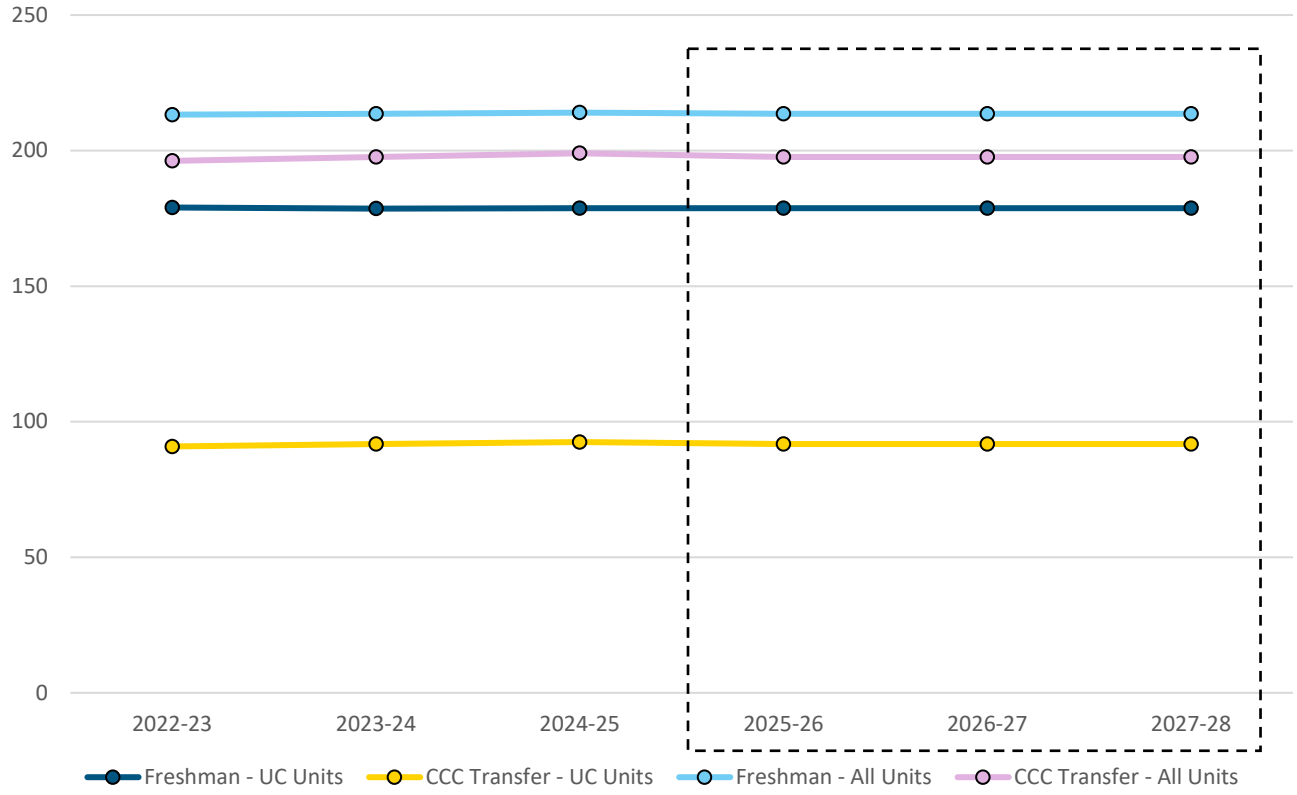
The EFI report can inform policy discussions, but UC doesn't believe it is a management tool. It also reflects expenditures on instruction but does not represent the cost of instruction because it does not account for underfunded areas such as faculty salaries, degraded student-faculty ratios, and deferred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



	Actual Data			Goal Data		
	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Freshman - UC Units	179	179	179	179	179	179
UD CCC Transfer - UC Units	91	92	93	92	92	92
Freshman - All Units	213	214	214	214	214	214
UD CCC Transfer - All Units	196	198	199	198	198	198

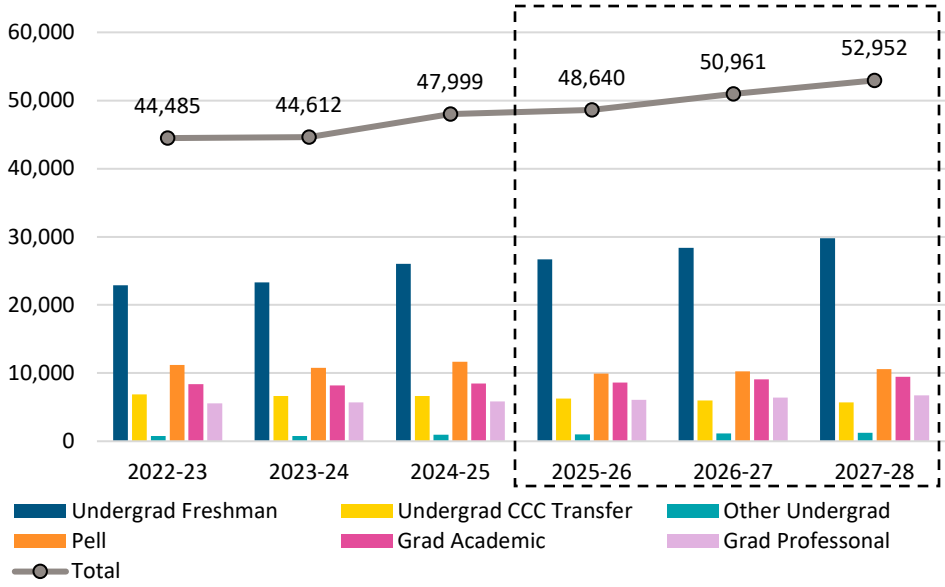
Source: UC Data Warehouse

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

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

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

Figure 11: STEM degrees awarded by type



		Bachelor				Grad		Total
		Freshman	UD CCC Transfer	Other	Pell	Academic	Professional	
Actual	2022-23	22,890	6,891	781	11,175	8,361	5,562	44,485
	2023-24	23,302	6,643	786	10,750	8,186	5,695	44,612
	2024-25	26,055	6,650	964	11,650	8,491	5,839	47,999
Goals	2025-26	26,683	6,283	1,009	9,942	8,604	6,061	48,640
	2026-27	28,358	5,981	1,140	10,253	9,091	6,391	50,961
	2027-28	29,808	5,683	1,237	10,572	9,473	6,752	52,952

Source: UC Data Warehouse. **Starting with the 2024 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). Credentials and certificates are excluded.**

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