

# Cradle-to-Career Governing Board Staff Report

Date Report Issued: October 25, 2023  
Attention: Members of Cradle-to-Career Governing Board  
Subject: **Fiscal Year 2022-2023 Budget**  
Staff Contact: Lesley Taylor, Director of Operations

At this meeting, the Governing Board (Board) will have the opportunity to be informed about how the Office of Cradle-to-Career Data (Office) used its fiscal resources in the prior year, within a larger context of State investments.

## Requested Action:

There is no requested action for this item. This is an informational item only.

## Background:

### Summary:

This staff report covers three things:

1. A high-level overview of the State's investments in Cradle-to-Career efforts, including those beyond the Office;
2. An overview of the resources the Office had available in Fiscal Year (FY) 2022-23; and
3. An overview of how the Office allocated resources in FY 2022-23.

There are two attachments:

- Attachment A is a list of agency acronyms; and
- Attachment B is a glossary of budget terms.

## 1. How has the State invested in Cradle-to-Career efforts?

### One-time resources allocated for the 2019-2020 planning process

In 2019, the state invested one-time funds in an 18-month planning process to ensure C2C would be built on a consensus of priorities from data providers and end users of the data. That investment included approximately \$2.5M via the Governor's Office of Planning and Research to contract with planning process facilitators, lead planning process workgroups, and perform other administrative duties. Additionally, entities participating in the planning process received resources to enable participating in the effort. This included \$100,000 each to CCC, CSU, UC, CDE, SBE, CSIS, CTC, CSAC, LWDA, EDD, CalHHS, DSS, CDT, BPPE,

and AICCU.<sup>1</sup> This is a high-level overview, and there were a number of complexities about funds that were appropriated for specific purposes, but were not expended and instead reverted back. The Office can provide additional details if needed.

**Ongoing resources to enable Cradle-to-Career efforts**

The State continues to invest resources both for the operation of the C2C Data System (via the Office, housed within the Government Operations Agency) and for the collaboration and efforts of C2C’s partners.<sup>2</sup> The table below summarizes a high-level overview of ongoing funding. In some cases, entities received resources for data, IT, or analysis work that are relevant to their ability to provide data to C2C, but were not specifically designated as for the C2C effort. This table does not fully capture all of those nuances, but it aims to communicate that the State’s investments in the Cradle-to-Career effort are not limited to the line item for the C2C Office’s budget. This funding structure reflects the nature of the Cradle-to-Career effort overall and the collaboration it requires.

| Recipient Entity | Resources Provided   |
|------------------|--|
| C2C              | \$15.26 million ongoing funding (including 26.0 positions)   |
| CDT (via C2C)    | Approximately \$259,000 from C2C in oversight and technical assistance costs in FY 2022-23   |
| CCCCO            | <a href="#">CCC Roadmap</a> funding for core operations beginning July 1, 2022 includes full participation in the implementation of the C2C Data System as one of the conditions of Roadmap support<br>\$150,000 ongoing funding (including 2.0 positions) |
| UCOP             | 5% base increase from the <a href="#">UC Compact</a> beginning July 1, 2022 is conditioned, in part, on full participation in the implementation of the C2C Data System<br>\$150,000 ongoing funding   |

<sup>1</sup> The Office is available to answer more detailed questions, as this document provides only a high-level overview. The resources for the planning process were provided by the 2019 Budget package ([SB 75](#), Committee on Budget and Fiscal Review, Chapter 51). Refer to Attachment A for a list of agency acronyms.

<sup>2</sup> Please see the Budget Act of 2021 ([AB 128](#), Ting, Statutes of 2021, Chapter 21) and the other resources linked within the table.

| Recipient Entity         | Resources Provided   |
|--------------------------|--|
| CSU                      | 5% base increase from the <a href="#">CSU Compact</a> beginning July 1, 2022 is conditioned, in part, on full participation in the implementation of the C2C Data System<br>\$150,000 ongoing funding  |
| CDE                      | \$1.7 million <a href="#">ongoing funding</a> (including 9.0 positions) beginning July 1, 2022 to fund CDE's role in the C2C Data System   |
| CCGI                     | \$18.6 million Proposition 98 General Fund ongoing funding for operation and scaling of californiacolleges.edu and associated services; funding is allocated via CDE with Riverside County Office of Education and the nonprofit Foundation for California Community Colleges acting as intermediaries |
| CTC                      | \$453,000 ongoing funding for C2C work among other data, analysis, and reporting functions   |
| CSAC                     | \$150,000 ongoing funding  |
| DHCS                     | No current ongoing funding   |
| DSS                      | No current ongoing funding   |
| EDD (via C2C)            | Approximately \$97,000 over three years from C2C for data matching services beginning September 1, 2023  |
| EDD                      | \$150,000 ongoing funding  |
| DIR                      | No current ongoing funding   |
| BPPE                     | No current ongoing funding   |
| Independent universities | No current ongoing funding   |

## 2. What resources did C2C have from July 1, 2022 to June 30, 2023?

The Office's budget appropriation for FY 2022-23 was \$23.56M, comprised of \$10.26M ongoing funding and \$13.3M reappropriated from FY 2021-22 by Budget Request [0511-030-BCP-2022-MR](#).

| Funding Reference<br>FY 2022-23                             | Expenditure<br>Authority | Budgetary<br>Expenditures | Utilization Rate |
|---|--------------------------|---------------------------|------------------|
| 001 - Ongoing   | \$10,260,000             | \$7,279,740               | 71%              |
| 011 - Start-up Funding<br>Reappropriated from<br>FY 2021-22 | \$13,300,000             | \$13,226,835              | 99%              |
| Total   | \$23,560,000             | \$20,956,575              | 89%              |

### Why did C2C request reappropriation of start-up funds from 2021-22 to 2022-23?

The resources provided in the 2021-22 budget were targeted as the start-up costs of establishing a new state entity and procuring the technology needed to build an integrated data system and related public-facing services and tools. Start-up spending in FY 2021-22 took longer than anticipated because of delays in Board appointments and the hiring of the Executive Director. Board members were seated in November 2021 and the Executive Director began in their role in February 2022. Reappropriation extended the encumbrance deadline for the start-up funding from June 30, 2022 to June 30, 2023, giving the Office one additional year to complete important procurements.

### 3. How did C2C allocate resources in 2022-23?

In FY 2022-23, the Office was able to successfully encumber nearly all of the reappropriated start-up funding, as shown above. Approximately 99 percent of the start-up funding encumbered was for consulting and professional services contracts with external vendors, with the remaining one percent for other operating expenditures.

Over the same period, the Office also encumbered approximately 71 percent of its ongoing funding, as shown above. Approximately one-quarter of the ongoing funding was for personal services (Office staff) and approximately three-quarters was for operating expenditures. The most significant operating

expenditures of ongoing funding were for consulting and professional services and capital asset purchases.

| Budget Category                                   | Budgetary Expenditures FY 2022-23 |
|---|-----------------------------------|
| Consulting & Professional Services                | \$16,529,194                      |
| Personal Services (Office Staff)                  | \$1,874,922                       |
| Capital Asset Purchases (Future C2C Office Space) | \$1,735,000                       |
| Facilities Operation                              | \$260,530                         |
| All Other Operating Expenditures                  | \$556,929                         |
| <b>Total</b>                                      | <b>\$20,956,575</b>               |

**How did C2C’s spending map to its programmatic areas?**

The table in the previous section aligns to State budget and accounting practices. The table below highlights a few large budgetary expenditures aligned to C2C’s programmatic areas.

| Budgetary Expenditure  | Amount       | C2C Program Area           |
|--|--------------|----------------------------|
| Data System build  | \$14,782,449 | Data Infrastructure        |
| Student Experience Audit services, user-centered design, analytics and design for dashboards/query builder | \$1,027,423  | Data Programs & Engagement |
| Interpretation and translation services  | \$124,280    | Engagement                 |
| C2C website redesign   | \$198,000    | Engagement                 |
| Board governance and system strategy, and legal resources  | \$586,073    | Legal & Governance         |

More information about C2C’s procurements is available on [Cal eProcure](#).

## List of Agency Acronyms

|        |   |
|--------|---|
| AICCU  | Association of Independent Colleges and Universities  |
| BPPE   | Bureau for Private Postsecondary Education  |
| C2C    | Cradle-to-Career  |
| CalHHS | California Health and Human Services Agency   |
| CCC    | California Community Colleges   |
| CCGI   | California College Guidance Initiative ( <a href="http://californiacolleges.edu">californiacolleges.edu</a> ) |
| CDE    | California Department of Education  |
| CDT    | California Department of Technology   |
| CSAC   | California Student Aid Commission   |
| CSIS   | California School Information Services  |
| CSU    | California State University   |
| CTC    | Commission on Teacher Credentialing   |
| DIR    | Department of Industrial Relations  |
| DHCS   | Department of Health Care Services  |
| DSS    | Department of Social Services   |
| EDD    | Employment Development Department   |
| GovOps | Government Operations Agency  |
| LWDA   | Labor and Workforce Development Agency  |
| SBE    | State Board of Education  |
| UC     | University of California  |

## Glossary of Budget Terms

The following terms are among those defined in the [Finance Glossary of Accounting and Budgeting Terms](#).

### Appropriation

Authorization for a specific agency to make expenditures or create obligations from a specific fund for a specific purpose. Appropriations are usually limited in amount and period of time during which the expenditure is to be recognized. For example, appropriations made by the Budget Act are available for encumbrance for one year, unless otherwise specified. Appropriations made by other legislation are available for encumbrance for three years, unless otherwise specified, and appropriations stating “without regard to fiscal year” shall be available from year-to-year until fully expended. Legislation or the California Constitution can provide continuous appropriations, and voters can also make appropriations by approving ballot measures. An appropriation shall be available for encumbrance during the period specified therein, or if not specified, for a period of three years after the date upon which it first became available for encumbrance. Except for federal funds, liquidation of encumbrances must be within two years of the expiration date of the period of availability for encumbrance, at which time the undisbursed (i.e., unliquidated) balance of the appropriation is reverted into the fund. Federal funds have four years to liquidate. (GC 16304, 16304.1, SAM 8325, 8326.)

### Budget Request

A term used in the FI\$Cal (Hyperion) System reflecting any change to the currently enacted budget or proposed budget. This may be a Budget Change Proposal, revenue estimate change, or legislative action. A budget request is a way for each department to submit incremental requests for, or to make adjustments to, funding.

### Encumbrance

The commitment of all or part of an appropriation. Encumbrances represent valid obligations related to unfilled purchase orders or unfulfilled contracts. Outstanding encumbrances are recognized as budgetary expenditures in the

individual department's budget documents and their individual annual financial reports. For the General Fund budgetary purposes, the Department of Finance makes a statewide adjustment to remove the total outstanding encumbrances from overall General Fund expenditures and show the amount as a reserve in the fund balance, in accordance with Government Code section 13307. For other funds, such encumbrance adjustments are not made in the budget totals, and encumbrances are treated as budgetary expenditures that decrease the fund balance of these funds. (SAM 8340.)

### **Expenditure**

Expenditures reported on a department's year-end financial reports and "past year" budget documents consist of amounts paid and accruals (including outstanding encumbrances and payables) for obligations created for the last fiscal year. "Current year" and "budget year" expenditures in budget documents are estimates for the respective fiscal year. (See "Encumbrance," also referred to as "budgetary expenditures. "). (SAM 8360.)

### **Expenditure Authority**

The authorization to make an expenditure (usually by a budget act appropriation, provisional language, or other legislation).

### **FI\$Cal**

The acronym for the Financial Information System for California, the state's integrated financial and administrative IT system that supports accounting, budgeting, cash management, and procurement functions.

### **Fiscal Year (FY)**

A 12-month period during which revenue is earned and received, obligations are incurred, encumbrances are made, appropriations are expended, and for which other fiscal transactions are recognized. In California state government, the fiscal year begins July 1 and ends the following June 30. If reference is made to the state's FY 2019-20, this is the time period beginning July 1, 2019 and ending June 30, 2020. (GC 13290.)

### **Operating Expenses and Equipment (OE&E)**

A category of a support appropriation that includes objects of expenditure/accounts such as general expenses, printing, communication,



travel, data processing, equipment, and accessories for the equipment. (SAM 6451.)

### **Personal Services**

A category of expenditure that includes such objects of expenditures as the payment of salaries and wages of state employees and employee benefits, including the state's contribution to the Public Employees' Retirement Fund, insurance premiums for workers' compensation, and the state's share of employees' health insurance. (See also "Object of Expenditure.") (SAM 6403.)

### **Reappropriation**

The extension of an appropriation's availability for encumbrance and/or expenditure beyond its set termination date and/or for a new purpose. Reappropriations are typically authorized by statute for one year at a time, but may be for some greater or lesser period.

### **Reference Code**

A three-digit code identifying whether the item is from the Budget Act or some other source (e.g., legislation), and its character (e.g., state operations). This is the middle segment of the budget item/appropriation number. (UCM, Fund Source/Appropriation Coding.)