
4B

Information

Fiscal Policy and Planning Committee

Update on the Governor's Proposed 2016-17 Budget

Executive Summary: This agenda item provides an update on the sections of the Governor's proposed 2016-17 budget that relate to the Commission.

Recommended Action: For information only

Presenter: Joshua Speaks, Legislative Representative, Office of Governmental Relations and Elizabeth Hambridge, Manager, Fiscal and Business Services

Strategic Plan Goal

IV. Operational Effectiveness

- b) Align human and financial resources with Commission priorities and offer staff opportunities for development to maximize professional engagement and performance.
- c) Demonstrate professionalism and accountability for high standards of practice in all Commission operations.

Update on the Governor's Proposed 2016-17 Budget

Introduction

On January 7, 2016, Governor Jerry Brown submitted his proposed spending plan for the 2016-17 fiscal year to the Legislature. This agenda item provides an overview of the budget proposed for the Commission on Teacher Credentialing for the 2016-17 fiscal year.

Background

The Constitution requires the Governor, within the first 10 days of each calendar year, to submit to the Legislature a budget for the ensuing fiscal year that contains itemized statements for recommended state expenditures and estimated state revenues. The Governor's Budget must be accompanied by a budget bill that is introduced immediately in each house of the Legislature that itemizes recommended expenditures. The process of developing what becomes the Governor's Budget typically begins after agencies have reported their final year end revenues/expenditures for the preceding fiscal year. Beginning each fall, agencies work with the Department of Finance (DOF) to determine a base budget and to identify, through Budget Change Proposals (BCPs), any programmatic changes proposed for the ensuing fiscal year. The Governor's Budget that is introduced each January is a reflection of each department's base budget, adjusted by proposed Governor's initiatives, budget change proposals, or legislation.

After the Governor's Budget is introduced, the Legislative Analyst's Office (LAO), the Legislature's nonpartisan fiscal advisor, publishes an extensive review of the governor's budget proposal in February that helps inform the budget discussions in both houses of the Legislature. Changes in statute that are needed to implement the Budget Act are included in separate legislation colloquially known as Trailer Bills. The Administration updates its revenue estimates and makes final adjustments to its proposals in mid-May in the May Revision. The Legislature then has until June 15 to pass the budget. When passed by the Legislature and signed by the Governor, the Budget Act provides the fiscal details needed to manage the appropriation.

The Commission is a special-fund agency supported entirely by fees. Prior to the Budget Act of 2013, the Commission's revenue came from two primary sources: credential application fees, which are the primary source of revenue for the Teacher Credential Fund (TCF) and educator exam fees, which fund the Teacher Development and Assessment Account (TDAA). The Budget Act of 2013 allowed the Commission to recover costs for the approval of new programs and extraordinary accreditation activities, and the Budget Act of 2014 included additional authority to assess an annual accreditation fee to offset normal operating costs for the Commission's accreditation workload.

Proposed 2016-17 Budget

The Commission's budget, including both the current year budget and the proposed 2016-17 budget is provided here: <http://www.ebudget.ca.gov/2016-17/StateAgencyBudgets/6010/6360/department.html>.

The Governor's Budget proposals for the 2016 Budget Act have been introduced as legislative bills in AB 1598 (Skinner) and SB 825 (Leno). The Administration has proposed the following for the Commission's 2016-17 budget:

- A total operating budget of \$29,583,000. The proposed operating budget for FY 2016-17 represents a net decrease in General Fund expenditure authority of \$4,238,000 over the Commission's 2015-16 budget as a result of one-time allocations of funds in the 15-16 budget year for certain Commission projects.
- An expenditure authority of \$6,100,000 for legal services provided by the Attorney General's office. This represents an increase of approximately \$1,000,000 from the 15-16 allocation of \$5,100,000 for this purpose.
- An expenditure authority of \$1,533,000 for continued work on the Commission's Strengthening and Streamlining Accreditation Project (SSAP). This represents a decrease of \$1,934,000 from last year's allocation of \$3,467,000 for this purpose. This decrease is reflective of the reduced need for funding as SSAP continues on the schedule created by the Commission and approved by the California Department of Technology.
- \$1,000,000 for continued work on revised educator performance assessments. This represents a decrease from the \$4,000,000 allocated last year reflective of the needs of those efforts.
- Total authorized positions of 150.9, which is identical to last year's budget.

The Commission's ongoing operational budget, less the additional allocations for the special projects currently being undertaken by the Commission, will see no changes, other than minor adjustments to accommodate salary increases and other inflationary pressures. The Governor made clear in his remarks about the overall state budget that he believes undertaking new ongoing expenses should be done cautiously, despite the state's surpluses. Unlike prior years, for the 2016-17 budget year the Commission will have four distinct accounts, allowing for greater transparency and specificity in the allocation of expenditure authority. A line by line comparison between this year's budget and those of previous years reflects this change in structure, as illustrated in Table 1.

Table 1

3 Year Expenditures				
		2014-15	2015-16	2016-17
5380	Standards for Preparation & Licensing of Teachers	\$20,875,000	\$33,821,000	-
5381	Preparation & Licensing of Teachers	-	-	20,950,000
5382	Attorney General Legal Services	-	-	6,100,000
5383	Accreditation Streamline Project	-	-	1,533,000
5384	Educator Performance Assessments	-	-	1,000,000
Totals		\$20,875,000	\$33,821,000	29,583,000

Next steps

As the Governor's Budget provides the framework for the 2016-17 fiscal year, the Legislature through its budget committees and subcommittees and the Legislative Analyst's Office will examine the various proposals contained therein. Commission staff will provide additional information as necessary during the Spring budget hearings.