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# 7A

## Information

### *Fiscal Policy and Planning Committee of the Whole*

#### **Update on the Proposed 2005-06 Governor's Budget as of the May Revision**

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**Executive Summary:** This agenda item is intended to inform the Members of the Commission on the salient points of the Commission's portion of the Proposed 2005-06 Governor's Budget as of May Revision.

**Recommended Action:** None

**Presenter:** Commissioner Maytte Bustillos

**Strategic Plan Goal:**

**Continue effective and appropriate involvement of the Commission with policymaker's on key education issues.**

- ◆ Respond to policymaker's information inquiries.
- ◆ Collaborate with and advise appropriate agencies.



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## **Update on the Proposed 2005-06 Governor's Budget as of the May Revision**

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### **Introduction**

On Friday, May 13, 2005, Governor Arnold Schwarzenegger released the May Revision for the Proposed 2005-06 Governor's Budget. This item is intended to inform the Members of the Commission on the salient points of the Commission's portion of the May Revision.

### **Background**

Attached for your reference is the Spring Finance Letter that outlines the proposed adjustments to the Commission's portion of the 2005-06 Governor's Budget.

Starting May 16, 2005, Commission staff will attend both Assembly and Senate Budget Subcommittee hearings to answer questions and provide feedback regarding the May Revision Proposal. Subcommittees will finalize decisions by Friday, May 20, 2005 to get ready for Conference Committee which generally starts the first week in June.

Include Actual Letter











MAY 13 2005

Honorable Wesley Chesbro, Chair  
Senate Budget and Fiscal Review Committee

Attention: Mr. Danny Alvarez, Staff Director (2)

Honorable John Laird, Chair  
Assembly Budget Committee

Attention: Mr. Christopher W. Woods, Chief Consultant (2)

**Amendment to Various Budget Bill Items for Support, Commission on Teacher Credentialing**

**6360-001-0001, General Fund Augmentation to Address the Commission on Teacher Credentialing's (CTC) Budget Shortfall (Issue 715)**

It is requested that this item be added in the amount of \$2.7 million to the CTC. The CTC has a one-time structural imbalance between expenditures and revenues in both its Teacher Credentials and Test Development and Administration Account Fund. This augmentation will allow the CTC to continue to work on a more comprehensive solution to its budget imbalance.

**6360-001-0407, Federal Title II Reimbursement Carryover for the Cross Cultural Competency Study (Issue 672)**

It is requested that this item be amended by adding Reimbursements of \$76,000 to provide carryover authority to complete the Cross Cultural Competency Study pursuant to Chapter 817, Statutes of 2003 (AB 53).

**6360-001-0407, Expenditure Reductions in the Teacher Credentials Fund (Issue 712)**

It is requested that this item be decreased by \$580,000 and 1.0 CEA I position to reflect the CTC's proposed reductions to partially address its budget shortfall. These reductions do not require statutory change and largely include reductions in printing and other operations and equipment reductions. These reductions do not impact the CTC's ability to meet their statutory duties.

**6360-001-0408, Expenditure Reductions in the Test Development Administration Account, (Issue 710)**

It is requested that this item be decreased by \$5,835,000. This includes a reduction of \$5.74 million from Operating Expenses and Equipment and the transfer of one Consultant position and \$74,000 from the Professional Services Administration Unit to the Professional Services Exams Unit. The CTC requests this adjustment due to the transition in fiscal year 2004-05 to "Revenue Only" contracts with their exam administrators. CTC will now collect only

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its portion of the revenue, whereas in the past, it collected both the CTC's and the contractor's portion of exam revenues. Further, this request also includes \$165,000 of other minor operations reductions the Commission adopted to partially address their budget shortfall. These reductions should not impact their ability to meet their statutory duties.

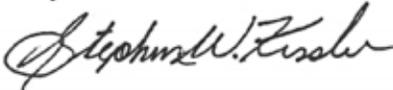
The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Barbara Taylor, Principal Program Budget Analyst, at (916) 445-0328.

TOM CAMPBELL

Director

By:



STEPHEN W. KESSLER

Chief Deputy Director

Attachment.

cc: Honorable Carole Migden, Chair, Senate Appropriations Committee  
Attention: Mr. Bob Franzosa, Staff Director  
Honorable Dennis Hollingsworth, Vice Chair, Senate Budget and Fiscal Review  
Committee  
Attention: Mr. Jeff Bell, Staff Director  
Honorable Judy Chu, Chair, Assembly Appropriations Committee  
Attention: Mr. Geoff Long, Chief Consultant  
Honorable Rick Keene, Vice Chair, Assembly Budget Committee  
Attention: Mr. Peter Schaafsma, Staff Director  
Honorable Jack Scott, Chair, Senate Budget and Fiscal Review Subcommittee No. 1  
Honorable Mervyn Dymally, Chair, Assembly Budget Subcommittee No. 2  
Ms. Elizabeth Hill, Legislative Analyst (4)  
Ms. Diane Cummins, Senate President pro Tempore's Office  
Mr. Craig Cornett, Assembly Speaker's Office (2)  
Mr. David Harper, Deputy Chief of Staff, Assembly Republican Leader's Office  
Mr. Sam Swofford, Executive Director, Commission on Teacher Credentialing  
Ms. Crista Hill, Budget Manager, Commission on Teacher Credentialing

ICC: TAMMINEN, COSTIGAN, OROPEZA, PODESTO, TAYLOR, UTRAPIROMSUK, C/F,  
SUSPENSE, FILE

FPPC 7A - 3

DEPT: Commission on Teacher Credentialing  
STATE OPERATIONS

\*\*\*\*\*NEW ITEM\*\*\*\*\*  
6360-001-0001 05 05 G  
\*\*\*ORG-REF-FUND YOA YOB\*\*

ITEM TITLE:  
001 Budget Act appropriation

ISSUE: 715 P98: N  
P98 ISSUE:

DATE SIGNED: MAY 13 2005

ISSUE: 715 Augment from the General Fund to the  
Commission on Teacher Credentialing

---DETAIL CHANGES---

POS/PY TYPE/LANG

Provide a General Fund augmentation of  
\$2,700,000 to the Commission on Teacher  
Credentialing to address its budget  
shortfall. This will allow the  
Commission the opportunity to work on a  
more comprehensive solution to its  
budget imbalance.

Operating Expenses and Equipment

TOTAL FINANCE LETTER CHANGES

TOTAL DETAIL CHANGES

0.0

0.0

2,700,000

2,700,000

2,700,000

---SCHEDULE CHANGES---

10.00.000.000 Standards for Preparation & Licensing  
of Teachers

NET IMPACT TO 6360-001-0001

TOTAL NET IMPACT TO 6360-001-0001

2,700,000

2,700,000

2,700,000

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POSITION CHANGES FOR ISSUE NUMBER      AMOUNT | ASM CONSULTANT: CHM  
REG/ON-GOING POS      0.0      0 | SEN CONSULTANT: KIC  
PART YR ADJ PY      0.0      0 | DOF ANALYST: Pear Utrapiromsuk  
TEMP HELP PY      0.0      0 | LAO DIRECTOR: R. MANWARING  
OVERTIME      0.0      0 |  
SALARY SAVINGS PY      0.0      0 | RUN DATE: 05/10/05 16:31:46  
-TOTAL-      0.0      0 | UPDT TIME: 05/10/05 16:23:47  
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\* DEPT OF FINANCE LETTER

HOUSE=F1 YOB=2005 DOF=332 ORG=6360  
AGENDA= MR

CBS313R  
UNIT DATABASE  
( BUFF )

DEPARTMENT OF FINANCE  
2005-06 CHANGE BOOK  
WORKSHEET - Finance Letters

PAGE: 1  
DATE: 05/10/05  
TIME: 16:42:26

DEPT: Commission on Teacher Credentialing  
STATE OPERATIONS

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6360-001-0407 05 05 S  
\*\*\*ORG-REF-FUND YOA YOB\*\*

ITEM TITLE:  
001 Budget Act appropriation

ISSUE: 672 P98: N  
P98 ISSUE:

DATE SIGNED: MAY 13 2005

ISSUE: 672 Increase Reimbursements for the Cross  
Cultural Competency Study Carryover

---DETAIL CHANGES---

	POS/PY	TYPE/LANG	
Reappropriate \$76,000 of Title II federal funds to complete the Cross Cultural Competency Study pursuant to AB 53 (Ch. 817, Statutes of 2003).			* * * * *
Operating Expenses and Equipment			* 76,000 *
TOTAL FINANCE LETTER CHANGES	0.0		76,000 *
TOTAL DETAIL CHANGES	0.0		76,000

---SCHEDULE CHANGES---

10.00.000.000 Standards for Preparation & Licensing of Teachers			76,000 *
00.00.900.000 Reimbursements			-76,000 *
NET IMPACT TO 6360-001-0407			0 *
TOTAL NET IMPACT TO 6360-001-0407			0

---IMPACT TO SUBSIDIARIES---

6360-501-0995 R			76,000 *
TOTAL FINANCE LETTER CHANGES			76,000 *
TOTAL NET IMPACT TO SUBSIDIARIES			76,000

POSITION CHANGES FOR ISSUE NUMBER	AMOUNT	ASST CONSULTANT:	CHM
REG/ON-GOING POS 0.0	0	SEN CONSULTANT:	KIC
PART YR ADJ PY 0.0	0	DOF ANALYST:	Pear Utrapiromsuk
TEMP HELP PY 0.0	0	LAO DIRECTOR:	R. MANWARING
OVERTIME 0.0	0		
SALARY SAVINGS PY 0.0	0	RUN DATE:	05/10/05 16:42:26
-TOTAL- 0.0	0	UPDT TIME:	05/10/05 16:41:55

\* DEPT OF FINANCE LETTER

HOUSE=F1 YOB=2005 ITEM=636000104070505  
ISSUE= 672  
ISSUE-STATUS=L  
MULTI-DOF=





May Revise Summary of CTC's Cost Savings

OPTION NUMBER	OPTION TITLE	COSTS	TCF FUND	TDAF FUND	STATUTE CHANGE	POSITIONS	COMMENTS
CAW OPTION - 2	Eliminate Printing Of The Application For Character And Identification Clearance (41-CIC), Include Questions On Credential Application	\$11,000	\$10,450	\$550	N	--	* Eliminate additional printing costs associated with the additional form and maximize state resources.
CAW OPTION - 3	Eliminate The Printing Of The Professional Growth Manuals	\$9,000	\$8,550	\$450	N	--	* A printed copy of the Professional Growth Manual is provided to candidates at the time the initial professional clear credential is issued. * This manual outlines the requirements to renew the professional clear credential. * An electronic version of the manual is available on the Commission's web site. * Candidates could be directed to the Commission's web site to download the manual.
CAW OPTION - 4	Eliminate The Printing Certificates Of Clearance	\$8,000	\$7,600	\$400	N	--	* The information contained on these certificates is available on the Commission's web site. * The certificate does not authorize any service, it only verifies that the holder has met the professional conduct requirements of the Commission.
PSD OPTION - 1	Eliminate Program Review Following The Adoption Of New Credential Program Standards	\$115,000	\$80,500	\$34,500	N	-1.0	*Historically, when adopting new standards it was required that institutions operating programs under the former standards to submit a response to the new standards. * The Commission could achieve efficiencies by eliminating the initial program review following the adoption of new standards. * Following the adoption of new standards, the Commission would notify the field that institutions are expected to transition to the new program standards by a specific date. * Programs would be reviewed against the new standards at the subsequent accreditation review. All institutions would be reviewed against the new standards within 1-7 years following the adoption of new standards.
PSD OPTION - 6	Eliminate Production Of Annual Report, Newsletter	\$20,000	\$14,000	\$6,000	N	--	* Annually organizes the production of the Commission's Annual Report and Quarterly Newsletter. * Provides Management with electronic copies of various articles pertaining to teacher credentialing and education.
DPP OPTION - 1	Eliminate Full Administrative Hearing Process For Lower Levels Of Discipline (Private Admonitions And Public Repraval)	\$20,000 - \$100,000 per case	\$96,000	\$4,000	N	--	* Current statutes do not require a hearing pursuant to the Administrative Procedure Act for low level adverse action. * Commission practice and regulations have been to provide full due process to all levels of appeal. * Adoption of a regulation delineating a separate in-house appeals process in lieu of a formal hearing could provide savings by eliminating administrative appeal costs.
DPP OPTION - 3	Eliminate All Certified Mailing Requirements	\$11,000	\$10,560	\$440	Y	--	* The Commission recently adopted regulations that eliminated all but the statutorily required certified mailing requirements. The statute could be amended to eliminate all certified mail requirements.

May Revise Summary of CTC's Cost Savings

OPTION NUMBER	OPTION TITLE	COSTS	TCF FUND	TDAA FUND	STATUTE CHANGE	POSITIONS	COMMENTS
DPP OPTION - 4	Eliminate Paper Copies of the All Points Bulletin	\$20,000 - \$25,000	\$24,000	\$1,000	N	--	<p>* Following each Commission Meeting, as required by statute, the Commission must notify all public and private school employers and other educational employers of adverse action taken against credential holders and documents.</p> <p>* To accomplish this requirement the Commission prints and mails both paper and electronic copies of the All Points Bulletin (APB) to school districts and education employers throughout the state.</p> <p>* The Commission's statutory responsibility could be met by the electronic transmission, as well as, development of a secure website for use by the employers. In addition, the Commission public website maintains information regarding credential status.</p>
DPP OPTION - 6	Streamline Investigative Process For First Time Applicants	14804	\$14,212	\$592	Y	--	<p>* Existing statutes and regulations provide applicants with a two-tiered review and a right to appear personally before the Committee of Credentials, the same process is available to credential holders.</p> <p>* If first time applicants were limited to one paper review, the result would be a faster processing of applicants and cost savings by eliminating one review and personal appearances.</p> <p>* Currently, the Committee of Credentials reviews approximately 4,400 applications a year at an average cost of \$800 per application. Not all of the upfront costs can be eliminated with this proposal, but some savings could be realized. The majority of the savings would be in workload which would allow staff to be redirected to address the discipline backlog.</p>
ADMIN OPTION - 1	Reduction In Number Of Commission Meetings Per Year	\$8,000 - \$16,000	\$11,293	\$4,707	Y	--	<p>* Education Code Section 44219 requires that the Commission meet at least once each month in no fewer than ten months each year.</p> <p>Change the Number of Meetings To:</p> <ul style="list-style-type: none"> <li>• Four (4) two-day meetings = Reduction in cost of \$18,000, or</li> <li>• Five (5) two-day meetings = Reduction in cost of \$8,000, or</li> <li>• Six (6) one-day meetings = Reduction in cost of \$16,000</li> </ul> <p>* The reduction to four (4) or five (5) meetings raises the possibility that staff would not be provided with the frequency of direction needed at various times in the year from the Commission to effectively meet its obligations or deadlines. The six (6) one-day meetings proposed alleviates that concern to some degree.</p>
ADMIN OPTION - 2	Eliminate Reimbursement To Ex-Officio Members	\$14,000	\$9,881	\$4,119	N	--	<p>* Historically, the Commission covered the travel and reimbursement costs for all members of the Commission.</p> <p>* The Education Code does not require that the Commission reimburse the costs for the ex-officio members.</p> <p>* This proposal would save the department approximately \$1,476 for each one-day meeting and \$2,096 for each two-day meeting.</p>
ADMIN OPTION - 3	Consolidate Two Career Executive Assignment Positions	\$113,000	\$79,754	\$33,246	N	-1.0	<p>* Currently, there is a Division Director position over the Office of Governmental Relations and the Information Technology and Support Management Division. Recently, both positions were vacated by the incumbent, and, as a result, in order to better meet the needs of the Department it was determined that the two functions should be combined.</p>

May Revise Summary of CTC's Cost Savings

OPTION NUMBER	OPTION TITLE	COSTS	TCF FUND	TDAA FUND	STATUTE CHANGE	POSITIONS	COMMENTS
ADMIN OPTION - 4	Authority Reduction for the Facility Lease Payment Reduction	\$180,000	\$127,041	\$52,959	N	--	* The Commission moved to the current location in 1999. During lease negotiations the Commission wrote into the agreement the amortization of certain alterations and improvements. As of mid – Current Year 2004-05, payment for the alterations and improvements is complete. The reduction in authority will align the appropriation in the Administration Divisions Budget with the actual expenditure.
ADMIN OPTION - 5	No Longer Offer Technical Project Management Support And Mandatory Documentation For Government Agencies	\$95,000	\$67,050	\$27,950	N	-1.0	* One (1) full-time position is devoted to completing the following tasks: * Preparing ad-hoc reports and all yearly reports that are mandatory for government agencies and Commission management. * Providing project management support for the Enterprise Technology projects. * Providing administrative technical support to all units as needed.  * If this service were no longer completed by this individual the workload would be distributed to other staff. The Commission could choose to redirect this position to other core mission functions.
<b>Total Expenditure Savings</b>		<b>\$1,658,804</b>	<b>\$560,891</b>	<b>\$170,913</b>	--	<b>-3.0</b>	