
6A

Information

Fiscal Policy and Planning Committee

Update on the Proposed 2008-09 Governor's Budget

Executive Summary: This agenda item provides an update of the salient points for the Commission's portion of the proposed 2008-09 budget.

Recommended Action: For information only

Presenter: Crista Hill, Director, Administrative Services Division - Fiscal and Business Services Section

Strategic Plan Goal: 6

Maximize the effectiveness of the agency and its staff through the optimal use of technology, ongoing staff development and maintenance of a positive work environment

- ◆ Communicate effectively to share information and increase productivity
- ◆ Conduct periodic review of the efficiency of the day-to-day operation and financial accountability of the Commission
- ◆ Implement, monitor and report on the outcomes of new program initiatives

Update on the Proposed 2008-09 Governor's Budget

Introduction

On January 10, 2008, Governor Arnold Schwarzenegger submitted to the Legislature his proposed budget for Fiscal Year (FY) 2008-09. Then on May 14, 2008 the Governor submitted to the Legislature what is known as the "May Revise." The May Revise addressed updates from the January 10 release of the Governor's Budget that impact the current year or budget year activities. This agenda item provides the salient points of the Commission on Teacher Credentialings' (Commission) portion of the Proposed FY 2008-09 Budget.

Background

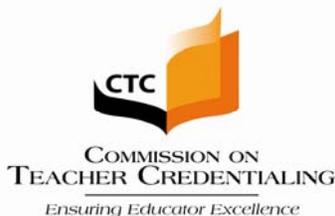
The Commission's overall budget was sustained as part of the proposed FY 2008-09 Governor's Budget proposal with adjustments for approved Budget Change Proposals submitted by the Commission and proposed General Fund reductions.

It was reported that all state agencies must take an across-the-board 10 percent General Fund reduction, however for the Commission there were no proposed reductions in staffing or the daily operations funding. The proposed General Fund reductions were targeted in the Local Assistance (pass-thru grants) programs (Alternative Certification, Paraprofessional Teacher Training Program, and Teacher Assignment Monitoring) currently administered by the Commission.

Spring Process Update

During the spring, Commission staff attended various legislative subcommittee hearings with outstanding results, given the fiscal climate for the State of California. Most of the Commission's Budget Changes Proposals were approved by the Administration and the Legislature applauded the Commission on its efforts to address the workload issues in a timely manner. To date the Legislative budget subcommittees have each heard all of the Commission's open issues. At the time the agenda went to print, only the Senate had taken action to approve-as-budgeted the Commission's budget items reflected on the page FPPC 6A-2.

After the release of the May Revise on May 14, the Legislature will meet in their respective committees and subcommittees to address any "open" issues from the spring hearings and discuss those proposals included in the May Revise. Once both houses have approved their respective versions of the 2008-09 Budget, then the budget will move to what is known as "Conference Committee." During Conference Committee only those issues that have a difference between the two houses (Senate and Assembly) will be discussed. Once the Conference Committee has taken action on each issue, sometimes hundred's of issues, the Legislature submits their version of the 2008-09 Budget to the Governor for final decisions or what is known as the "Veto" process. All of this is supposed to occur prior to June 30 of each year, so the new Fiscal Year can start effective July 1. Given the current fiscal climate it may be difficult for the Legislature and Governor to meet this deadline. After July 1 all State departments will find it difficult to operate. State departments have the authority to pay staff for time worked; however, payments with external vendors must be put on hold until the budget is signed by the Governor. The Commission staff has already started planning for the impact of this delay.



2008-09 Proposed Budget Changes Summary

2008-09 Commission's Base Budget

- State Operations: \$20,855,000 (\$15,764,000 Teacher Credentials Fund, \$5,091,000 Test Development and Administration Account)
- Local Assistance P98 \$33,979,000 (General Fund) (Includes GF Reductions)
- Total Authorized Positions: 167.9

2008-09 Approved Budget Change Proposals

Governor's Budget

1. CALTIDES - 2.5 positions \$398,000 (Reimbursements From CDE)
 - a. Continue the 2.5 positions and \$248,000 2nd year costs.
 - b. \$150,000 in one-time funding for the conversion project
2. California Formative Assessment And Support System For Teachers (CFASST) – Continued Development, Research, And Revalidation - \$500,000 (0408 - Test Development and Administration Account)

April 1

3. Funding for Validity Studies and Examination Development - \$350,000 (0408 - Test Development and Administration Account)

General Fund Reductions

May Revise

During the spring hearings process, the Commission staff suggested an alternative to the Administration's across-the-board reductions for the Local Assistance programs administered by the Commission. The proposal identified by staff ensures the Commission has the necessary resources to meet the needs of the Local Assistance programs administered by the Commission for FY 2008-09 and allows for some growth in the Alternative Certification and Paraprofessional Teacher Training Program. In addition, identifies an additional savings of \$1.6 million in General Fund dollars that could be used for other program needs. As of the May Revise the Senate and the Administration have adopted the Commission's revised plan.

- **No reduction for Teacher Assignment Monitoring** – \$308,000
- **Alternative Certification** – Program Projections 2008-09 Intern 8,300 participants \$20,750,000, Enhanced 5,000 participants \$5,000,000, Regional Grants 8 - \$760,000 Total \$26,510,000 (Difference from 2007-08 Appropriation (\$31,723,000) \$5,213,000)
- **Paraprofessional Teacher Training Program** – Program Projections 2008-09 - 2,046 participants - \$7,161,000 (Difference from 2007-08 Appropriation (\$7,850,000) \$689,000)