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Information

Fiscal Policy and Planning Committee

Update on the Proposed 2011-12 Governor's Budget

Executive Summary: This agenda item provides the salient points of the Commission's portion of the proposed 2011-12 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 2011-12 Governor's Budget

Introduction

As required by the State Constitution, on January 10, 2011, Governor Jerry Brown submitted to the Legislature his proposed budget for Fiscal Year (FY) 2011-12. This agenda item provides the salient points of the Commission on Teacher Credentialings' (Commission) portion of the proposed FY 2011-12 Governor's Budget. Although the State of California General Fund is in fiscal crisis and the Governor is proposing several program reductions, the Commission's budget was sustained. The Commission is referred to as a "special fund" agency, because the operating budget is not supported the General Fund. Any changes to the Commission's budget would not affect the General Fund fiscal crisis. The Commission does receive General Fund Proposition 98 dollars to support the Intern and Paraprofessional Teacher Training Programs, however this is passed to various local entities that have these approved programs. The Commission does not retain any of these dollars for Commission functions.

Background

Annually, departments, including the Commission, must submit a budget for the upcoming FY, in September, to start the budget development process. Each department starts with a base budget year to year, which is adjusted by approved budget change proposals, legislation, employee compensation adjustments, retirement adjustments, expiring programs, etc. In January the Governor releases the proposed budget for the upcoming FY. This starts the discussion with the Legislature and a revised budget is presented to the Governor for final approval. By statute, an approved budget should be signed by June 30th with an effective date of July 1st. Historically, this has not occurred.

Overall the Commission's budget for FY 2011-12 was sustained, with the exception of miscellaneous administrative adjustments (i.e., Employee Compensation, Retirement, Workforce Cap, Removal of One-time Funding, and PRORATA adjustments). During the fall the Commission did not submit any Budget Change Proposals for FY 2011-12.

2011-12 Commission's Base Budget:

- ◆ **Daily Operations: \$20,233,000 (\$15,454,000 Teacher Credentials Fund, \$4,779,000 Test Development and Administration Account)**
- ◆ **Pass-thru Grants to Local Entities \$26,212,000 (General Fund)**
- ◆ **Total Authorized Positions: 165.4**

(The operating budget is defined as what is used to support the salaries, benefits and various activities to accomplish the goals and objectives of the Commission. The pass-through Grants/Dollars are sent to various local entities to support the Intern and Paraprofessional Teacher Training Programs.)

Starting in FY 2010-11, each department is required to achieve an additional 5 percent salary savings commitment. This ongoing adjustment is referred to as the Workforce Cap. The Commission anticipates that it will be able to achieve this savings with vacancies, downgrades and through attrition.

The Governor has also proposed several cost saving measures such as reviewing the number of cell phones issued to state employees and state vehicles issued to departments. Under the direction of the Executive Director, Commission staff is continually evaluating expenditures to find better ways to do business which is aligned with this philosophy.

Over the next several months legislative hearings may occur with both the Assembly and Senate to discuss the budget. There are still opportunities to adjust the either the current year 2010-11 or the proposed 2011-12 budget. As new information becomes available Commission staff will keep members of the Commission apprised.

To view the complete 2011-12 Budget Summary, please visit <http://www.ebudget.ca.gov/BudgetSummary/BSS/BSS.html>. If you would like additional detailed information regarding the proposed 2011-12 Governor's Budget please visit <http://www.ebudget.ca.gov/agencies.html>.