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Information

Fiscal Policy and Planning Committee

Update on the Proposed 2013-14 Governor's Budget

Executive Summary: This agenda item provides the salient points of the Commission's portion of the proposed 2013-14 Governor's budget.

Recommended Action: For information only

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

Strategic Plan Goal

IV. Operational Effectiveness

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

Update on the Proposed 2013-14 Governor's Budget

Introduction

On January 10, 2013, Governor Jerry Brown submitted to the Legislature his proposed budget for Fiscal Year (FY) 2013-14. This agenda item provides a brief overview of the state budget process and provides the salient points of the budget proposed for the Commission on Teacher Credentialing (Commission).

Background

In September of each year, departments, including the Commission, must submit a budget to the Department of Finance for the upcoming FY to start the budget development process. Each department starts with a base budget, adjusted by proposed Governor's initiatives, approved budget change proposals, legislation, employee compensation adjustments, retirement adjustments, expiring programs, etc. The California 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 budget is accompanied by a budget bill that itemizes the recommended expenditures for each agency. The Legislature must then pass the budget bill by midnight of June 15th of each year.

For the 2013-14 fiscal year, the Governor proposes the following adjustments:

- To increase the Commission's overall spending authority by \$653,000 along with no reductions in positions. A significant portion of the increase in the agency's budget reflects increased personnel costs (i.e. ending furloughs, increased retirement contributions, etc.).
- Of the \$653,000 increase, the budget proposes an increase of \$200,000 to support the review of educator preparation program documents which includes a cost recovery plan to support these activities. In addition, trailer bill language will be introduced to correspond with this proposal.
- A reduction of \$26.1 million from the General Fund Proposition 98 to support Alternative Certification and the Paraprofessional Teacher Training Programs. These funds are proposed for elimination in the Commission's budget and redirected for inclusion in a new weighted student formula that is part of the Governor's proposal for school finance reform.

Based on these proposed policy changes, the base budget for the Commission is as follows:

2013-14 Commission's Base Budget:

- ◆ **Daily Operations: \$19,544,000 (\$15,375,000 Teacher Credentials Fund, \$4,169,000 Test Development and Administration Account)**
- ◆ **Total Authorized Positions: 152.4**

(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.)

Additional Areas of Interest Included in the Governor's Budget

- Categorical funds in the California Department of Education budget that have been supporting Beginning Teacher Support Assessment (BTSA) are also proposed to be included in the weighted student formula similar to the Alternative Certification and Paraprofessional Teacher Training Programs administered by the Commission.
- Overall, the Governor's Budget proposes to increase funding for K-12 and community colleges by \$2.7 billion next year, and \$19 billion by 2016-17, and funding for UC and CSU by an additional \$250 million (5 percent). It proposes a multi-year stable funding plan to strengthen the state's higher education system, ensure affordability and reduce student indebtedness. As reported on the Governor's website, "Higher education costs have risen rapidly and middle class students have paid the price. By shortening the time it takes a student to successfully complete a degree and calling on UC and CSU to deploy their instructional resources more effectively, the system can be made more affordable—both for the students and the state."
- Currently, both K-12 school districts and community colleges are authorized to provide adult education instruction. The Budget proposes \$315.7 million Proposition 98 General Fund to fund an adult education service delivery system in the community colleges. The proposal eliminates the current bifurcated system. Funding will be allocated from a new adult education block grant based on the number of students served, and the colleges will be encouraged to leverage the capacity and expertise currently available at the K-12 district adult schools.

Next Steps

The Legislature's budget committees will begin discussing the budget over the next few months, and in May, the Governor is expected to release updated revenue and expenditure projections for the Legislature to consider as it concludes its hearing and deliberation process. Staff will continue to provide updates as they occur and provide a final update following enactment of the State Budget.

To view the complete 2013-14 Budget Summary, please visit <http://www.ebudget.ca.gov/BudgetSummary/BSS/BSS.html>. If you would like additional detailed information regarding the proposed 2013-14 Governor's Budget please visit <http://www.ebudget.ca.gov/agencies.html> and click on the link for K-12 education.