

## Background:

On Friday, December 6, 2002, Governor Gray Davis presented a proposed 2002-03 mid-year reduction plan to the Legislature. Governor Davis stated, "that the \$10 billion reduction package includes cuts, recaptures, and other budget adjustments in the current fiscal year (2002-03) and budget year (2003-04) to address the revenue shortfall." The Legislature convened a special session on Monday, December 9, 2002 to discuss the package presented by Governor Davis but adjourned without taking any action on the Governor's proposal. The Legislature is scheduled to reconvene on January 6, 2003.

## Summary:

**The following information provides the specific impact of the Governor's proposed reductions to the Commission's Budget for FY 2002-03 and potentially for FY 2003-04:**

- **Math Initiative Program:** The Administration proposes to eliminate the program.  
**Reduction:** -\$500,000 P98 General Fund (CY and Proposed BY) should we include something like: Commission staff has notified the Department of Finance that these funds have already been allocated. The Department of Finance has indicated that they will work with the Commission to resolve this issue.
- **Reversion of Prior Year Savings:** The Administration proposes to revert \$16,400,000 from the funded programs (\$13.5 million from 2000-01, and \$2.9 million from 2001-02).  
**Reversion:** -\$16,400,000 P98 General Fund (Prior years)
- **Funded Programs Reductions:** The Administration proposes a reduction of 3.66 percent reduction across the board for all education programs. The following details the reduction to the funded programs administered by the Commission.  
**Reduction:** P98 General Fund (CY and Proposed BY)  
**Intern:** -\$937,000  
**Pre-Intern:** -\$432,000  
**Paraprofessional:** -\$274,000  
**Assignment Monitoring:** -\$13,000 Commission staff has notified the Department of Finance that these funds have already been allocated. The Department of Finance has indicated that they will work with the Commission to resolve this issue.  
**Total Programs:** -\$1,656,000  
  
**Beginning Teacher Support Assessment:** - \$3,227,000 (Reduction to CDE's budget)
- **Support for the Paraprofessional Program:** The Administration proposes to revert the General Fund dollars in the current year and backfill with Teacher Credentials Fund in the budget year.  
**Reduction:** - \$51,000 (CY) General Fund

\$51,000 (BY) Teacher Credentials Fund

**The Commission's Total Reduction/Reversion:**

PYs (2000-01 & 2001-02): - \$16,400,000

CY (2002-03): - \$2,207,000

BY (2003-04): - \$2,156,000

As new information or decisions are available staff will update the Commission at the meeting.

Staff is available to answer any questions you may have.