Background:

On January 10, 2003, Governor Gray Davis submitted to the Legislature his proposed budget for Fiscal Year (FY) 2003-04. This agenda item is intended to inform Commissioners on the salient points of the Commission’s portion of the Governor’s proposed budget.

Summary:

Adjustments Proposed for Both FY 2002-03 (CY) and 2003-04 (BY)

Augmentations:

- $322,000 pursuant to Control Section 31.70 (Recovery of OE&E pursuant to C.S. 31.60)
- $309,000 Retirement Rate Adjustments Pursuant to Control Section 3.60
- $216,000 Employee Compensation Adjustments

Reductions:

- -$644,000 TCF Vacant Positions Reduction pursuant to Control Section 31.60
- -$500,000 P98 General Fund Math Initiative Program
- -$1,656,000 Funded Programs (December 2002 3.66% reduction across the board for all education programs) (Intern -$937,000, Pre-Intern -$432,000, Paraprofessional - $274,000 and Assignment Monitoring -$13,000)
- -$3,242,000 Additional reductions to categorical programs beyond that proposed in the December Revision (Intern -$1,835,000, Pre-Intern -$846,000, Paraprofessional - $536,000 and Assignment Monitoring -$25,000)
- -$51,000 P98 General Fund for Support for the Paraprofessional Program

Additional BY 2003-04 Decisions

Augmentations:

- $870,000 BCP #1 Approved for the final phase of the Teacher Credentialing Service Improvement Project. (Currently, the Commission has $1,498,000 in expenditure authority. Full funding for the FY 2003-04 is $2,368,000.)
- $51,000 TCF for support for the Paraprofessional Program

Reductions:

- -$75,000 for support of the Math Initiative Program
- -$84,000 and 1.0 PY for support of BTSA (The Administration proposes to move the BSTA program to a categorical block grant as a result the Commission will loose monies associated with administration of the program.)
- -$516,000 Funded Programs (Additional reductions to categorical programs of 1.3 percent beyond that proposed in the December Revision (Intern -$292,000, Pre-Intern - $135,000, Paraprofessional -$85,000 and Assignment Monitoring -$4,000)
Other major 2003-04 Budget Decisions:
- Denial of BCP #2 Transition To Teach
- Denial of BCP #3 Reappropriation of Local Assistance Funding resulting in the reversion of prior year savings. As part of the Mid-year reduction plan the Administration proposes to revert $16.4 million from the funded programs ($13.5 million from 2000-01, and $2.9 million from 2001-02).

As new information is available staff will provide an update at the meeting.

Staff is available to answer any questions you may have.