

## **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 <sup>1</sup>
- -\$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 lose 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)
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<sup>1</sup> Department of Finance is aware that funds for the current year (2002-03) have already been allocated **and** is receptive to the Commission using the savings in the Alternative Certification program to meet the need.

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.