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# 4A

## Action

*Fiscal Policy and Planning Committee of the Whole*

### Proposed Budget Change Proposal For the 2007-08 Budget Year

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**Executive Summary:** This agenda item presents a proposed Fiscal Year (FY) 2007-08 Budget Change Proposal (BCP) for approval. If approved, the proposal will be submitted to the Department of Finance on September 13, 2006, as part of the traditional FY 2007-08 budget development process.

**Recommended Action:** Direct staff to submit the BCP to the Department of Finance as part of the traditional FY 2007-08 development process, by the September 13, 2006 deadline.

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

#### Strategic Plan Goal: 2

Continue to refine the coordination between Commissioners and staff in carrying out the Commission's duties, roles and responsibilities.

- Conduct periodic review of the efficiency of the day-to-day operations and financial accountability of the Commission.



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## **Proposed Budget Change Proposal for the 2007-08 Budget Year**

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### **Introduction**

Staff is presenting a proposed 2007-08 Budget Change Proposal (BCP) in the form of a brief two page summary for the Commission approval. Based on the Commission's direction at the July/August 2006 meeting, staff has prepared the full BCP for submittal to the Department of Finance by the September 13, 2006 deadline, pending the Commission's final approval on the concept.

### **Background**

The BCP for Fiscal Year 2007-08 is the Certification, Assignment and Waivers Division (CAW) Zero Based Budget (ZBB). The BCP is requesting that the Administration staff the CAW Division based on the workload data as a result of the findings in the ZBB. The ZBB is based on the current required level of activities within the Division as well as any anticipated technological efficiencies or enhancements. Based on the results of the exercise the CAW will need eight (8) permanent full-time positions in FY 2007-08 in order to maintain the essential functions of the Division which include the 75-working days for processing paper applications, maintaining the call center and responding to emails. In FY 2006-07 four (4) vacant Consultant positions were redirected from the Professional Services Division and bifurcated into seven (7) positions for the CAW Division. The Administration established this transfer for one fiscal year, and as a result the positions will revert back to the Professional Services Division effective July 1, 2007. Once this occurs, the CAW Division will once again experience a reduction in positions. The BCP request presented for your consideration is to request an increase in the Commission's appropriation of approximately \$765,930 and eight (8) positions to continue to address the on-going workload in the CAW Division.

### **Recommendation**

Direct staff to submit the full BCP to the Department of Finance as part of the traditional FY 2007-08 development process, by the September 13, 2006 deadline.

The proposed 2007-08 BCP summary is provided on the next page for your review.

Staff is available to answer any questions the Commission may have.

**BUDGET CHANGE PROPOSAL SUMMARY  
FISCAL YEAR 2007-08  
CALIFORNIA COMMISSION ON TEACHER CREDENTIALING**

**PROPOSED TITLE: Certification, Assignment & Waivers Division Zero Based Budget**

**SUMMARY:**

In the fall of 2005, the Certification, Assignment and Waivers Division (CAW) was asked by the Office of the Secretary for Education and the Department of Finance to prepare a Zero Based Budget (ZBB) to determine the appropriate staffing levels due to the implementation of the Teacher Credential Service Improvement Project (TCSIP). The ZBB audits every activity that CAW engages, accounts for the number of work units the Division processes with the amount of time it takes to process them, and the staffing levels necessary to perform all essential functions. In addition, the ZBB was updated for fiscal year 2007-08 to reflect technological enhancements and efficiencies. The ZBB does not address adding customer service enhancements such as additional phone hours, county and university liaison services or a reduced response time to email. The ZBB exhibits the staffing levels needed to maintain current customer services.

For fiscal year 2006-07, the Administration redirected four (4) vacant Consultant positions from the Professional Services Division (PSD) and converted them into seven (7) positions for CAW to assist in the reduction of the paper application workload. These positions convert back to PSD on July 1, 2007 which will then create further position shortages in the CAW Division.

**Issue Statement:**

In February 2005, the third phase of the TCSIP was implemented. The third phase of the project was a complete redesign of the Commission's outdated and soon to be unsupported credentialing database system. As we continued to employ the available features of the new system and ascertain efficiencies, credential applications (paper) continued to be submitted by teacher candidates and created a backlog of paper applications. As of July 1, 2006, there were 60,000 applications pending processing. It is important to note that this includes all applications and reflects those within the 75-working day processing time and those that exceed the 75-day processing time.

During the implementation of TCSIP, the CAW Division also experienced a significant reduction in staff. Essentially, twenty positions were eliminated from the Division over the past three years as a result of statewide reductions and proposed technological efficiencies anticipated by the Administration. Staff reductions coupled with the implementation of the new database system and the following factors have lead to an increased in the paper application workload:

- The loss of fully trained staff members due to the uncertainty of the future of the Commission;
- Restructuring remaining staff to better utilize their skills and expertise;
- A considerable learning curve due to the complexity of becoming a fully trained credential analyst; and
- Reallocation of experienced staff to conduct enhanced training.

**Justification:**

The CAW Division will lose seven (7) positions in FY 2007-08 that were on loan from the PSD. The CAW Division will be unable to sustain its current essential function of a 75-working day processing timeframe, appropriately staff a call center for four (4) hours each day, and respond to 63,754 email, with reduced staff.

**Benefits:**

The primary benefit of this request is to meet/exceed the 75-working day processing timeframe for candidate credential paper applications, maintain the on-line processes, as well as continue to provide valuable customer service to our stakeholders.

**Budget Assumptions:**

Based on the 2006-07 ZBB, the CAW Division will need eight (8) additional staff in fiscal year 2007-08. This need was met partially by the redirection of positions from PSD in FY 2006-07. In FY 2007-08 those positions will convert back to PSD leaving a need for additional positions in the CAW Division. The estimated cost for eight (8) permanent full-time positions is \$765,930.

