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Information

Fiscal Policy and Planning Committee

Update on the Governor's Proposed 2017-18 Budget

Executive Summary: This agenda item provides an update on the sections of the Governor's proposed 2017-18 budget that relate to the Commission.

Recommended Action: For information only

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Strategic Plan Goal

IV. Operational Effectiveness

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

Update on the Governor's Proposed 2017-18 Budget

Introduction

On May 11, 2017, Governor Brown submitted his May Revision of his proposed spending plan for the 2017-18 fiscal year to the Legislature. This agenda item provides an updated overview of the budget proposed for the Commission on Teacher Credentialing (Commission) for the 2017-18 fiscal year.

Background

The 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 Administration updates its revenue estimates and makes final adjustments to its proposals in the released May Revision. The Legislature then has until June 15 to pass the budget. When passed by the Legislature and signed by the Governor, the Budget Act provides the fiscal details needed to manage the appropriation.

The Commission is a special-fund agency supported entirely by fees from two primary sources: credential application fees, which are the primary source of revenue for the Teacher Credential Fund (TCF) and educator exam fees, which fund the Teacher Development and Assessment Account (TDAA). The Budget Act of 2013 allowed the Commission to recover costs for the approval of new programs and extraordinary accreditation activities, and the Budget Act of 2014 included additional authority to assess an annual accreditation fee to offset normal operating costs for the Commission's accreditation workload.

Proposed 2017-18 May Revise Budget

The Commission's proposed 2017-18 May Revise budget is provided here:

<http://www.ebudget.ca.gov/budget/2017-18MR/#/Department/6360>.

The Administration made two changes to the originally proposed 2017-18 budget for the Commission in their May Revision. The current proposed total operating budget for the Commission is \$42,305,000, which reflects an increase of nearly \$16 million over the January proposed budget.

The increase is a reflection of the new proposed changes listed below:

- Using the flexibility provided under the federal *Every Student Succeeds Act*, the May Revision directs \$11.327 million in additional federal resources to enhance the state's efforts to address teacher recruitment and retention issues throughout the state, with

particular focus on critical shortage areas and high need fields. This funding will be appropriated to the Commission, in conjunction with the new California Center on Teaching Careers, to develop a competitive grant program that assists local education agencies with attracting and supporting the preparation and continued learning of teachers, principals and other schools leaders.

- The reappropriation of \$4.5 million in one-time TCF carryover for the cost of representation by the Office of the Attorney General in educator discipline cases. In addition to the ongoing expenditure authority for legal services provided to the Attorney General's office for the 2017-18 fiscal year, there remains \$4.5 million in unexpended funds appropriated for the 2016-17 fiscal year. These funds remain unspent due to the time needed for the Attorney General's office to fully implement their plan to increase staffing dedicated to the Commission's workload. Therefore, the Governor's May Revision proposes reappropriating these funds to the 2017-18 fiscal year, still allocated to funding the increased workload at the Attorney General's Office.

Also included in the final Administration's 2017-18 proposed budget for the Commission is:

- An ongoing additional expenditure authority of \$310,000 for continued support of the Commission's data dashboard project. The two-year General Fund allocation for this project will be completed at the end of FY 2016-17 and this ongoing authority will cover continued maintenance and improvement to the system.
- Ongoing additional expenditure authority of \$509,000 and two permanent staff positions were also appropriated to support ongoing investigators at the Commission. These positions will help to support and provide case preparation to the higher standard needed by the Attorney General to take cases to trial.
- Additional expenditure authority of \$56,000 to address an increase in rent with the signing of a new building lease and to address ongoing increases in costs charged to the Commission from Department of General Services, Contracted Fiscal Services (CFS).

The Commission's ongoing operational budget continues to see some positive changes, including ongoing cost adjustments for needed Commission work. As a reminder the Commission submitted three Budget Change Proposal (BCP) requests in the fall and all three requests were funded. This, in addition to the one-time funding to help address the ongoing state teacher shortage, has provided the Commission an opportunity to positively support the state's ongoing needs as well as the internal needs of the agency.

Next Steps

The Governor's May Revision provides the framework for the 2017-18 fiscal year. Through the initial work of the Budget subcommittees in both houses of the Legislature, and the ongoing negotiations between the Governor and legislative leaders, a compromise budget must be reached. Legislation must be proposed and passed by the Legislature by June 15, in order to meet their Constitutional deadline. Commission staff will continue to monitor these negotiations and provide input and advice where appropriate.