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## Information

### *Fiscal Policy and Planning Committee*

#### Update on the Governor's Proposed 2018-19 Budget

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**Executive Summary:** This agenda item provides an update on the sections of the Governor's proposed 2018-19 budget that relate to the Commission.

**Recommended Action:** For information only

**Presenters:** Michele Perrault, Director, Administrative Services Division and Elizabeth Hambridge, Manager, Fiscal and Business Services

#### 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.

February 2018

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## Update on the Governor's Proposed 2018-19 Budget

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### Introduction

On January 10, 2018, Governor Jerry Brown submitted his proposed spending plan for the 2018-19 fiscal year to the Legislature. This agenda item provides an overview of the budget proposed for the Commission on Teacher Credentialing (Commission) for the 2018-19 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 Governor's Budget must be accompanied by a budget bill that is introduced immediately in each house of the Legislature that itemizes recommended expenditures. The process of developing what becomes the Governor's Budget typically begins after agencies have reported their final year end revenues/expenditures for the preceding fiscal year. Beginning each fall, agencies work with the Department of Finance (DOF) to determine a base budget and to identify, through Budget Change Proposals (BCPs), any programmatic changes proposed for the ensuing fiscal year. The Governor's Budget that is introduced each January is a reflection of each department's base budget, adjusted by proposed Governor's initiatives, budget change proposals, or legislation.

Changes in statute that are needed to implement the Budget Act are included in separate legislation colloquially known as Trailer Bills. 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. Prior to the Budget Act of 2013, the Commission's revenue came 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 2018-19 Budget

The Commission's proposed 2018-19 budget is provided here:

<http://www.ebudget.ca.gov/budget/2018-19/#/Department/6360>

The Administration has proposed the following for the Commission's 2018-19 budget:

- A total operating budget of \$130,770,000. The proposed operating budget for FY 2018-19 represents a net increase in expenditure authority of \$103,513,000 over the Commission's 2018-19 budget as a result of one-time allocations of funds for certain Commission projects including \$100 million for grants aimed at addressing the state's need for credentialed special education teachers.
- The Commission continues to receive expenditure authority of \$6,100,000 to help support the Attorney General's workload.
- Additional expenditure authority of \$50 million in one-time Proposition 98 funds to establish and administer a new Teacher Residency Grant Program to provide one-time competitive grants to local educational agencies to develop new, or expand existing, teacher residency programs that recruit and support the preparation of special education teachers.
- Additional expenditure authority of \$50 million in one-time Proposition 98 funds to establish and administer a new Local Solutions Grant Program to provide one-time competitive grants to local educational agencies to develop new, or expand existing, locally identified solutions that address the need for special education teachers.
- An increase of \$1.5 million in one-time Teacher Credentials Fund expenditure authority to digitize teacher credential records.
- An increase of \$1.275 million in one-time Test Development and Administration Account expenditure authority to support a field trial of the Administrator Performance Assessment.
- An increase of \$380,000 in one-time Teacher Credentials Fund expenditure authority to automate teacher assignment monitoring activities.
- Total authorized positions of 143.6, which is an increase of 2.0 positions.

The Commission's ongoing operational budget, less the additional allocations for the special projects currently being undertaken by the Commission, will see some positive changes, including ongoing cost adjustments for needed Commission work. The Commission submitted three BCP requests in the fall and all three requests were funded. The Governor made it clear in his remarks about the total state budget that he believes the overall demand for funding to support worthwhile ideas is greater than the state's resources. However, the budget made increased investments across the K-12 and early childhood education spectrum.

### **Next Steps**

The Governor's Budget provides the framework for the 2018-19 fiscal year. The Legislature through its budget committees and subcommittees and the Legislative Analyst's Office will examine the various proposals contained therein and will offer recommendations for changes. Commission staff will provide additional updated information as necessary during the spring budget hearings.