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Information

Fiscal Policy and Planning Committee

Update on the Governor's Proposed 2019-20 Budget

Executive Summary: This agenda item provides an update on the sections of the Governor's proposed 2019-20 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.

Update on the Governor's Proposed 2019-20 Budget

Introduction

On January 10, 2019, Governor Gavin Newsom submitted his proposed spending plan for the 2019-20 fiscal year to the Legislature. This agenda item provides an overview of the budget proposed for the Commission on Teacher Credentialing for the 2019-20 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 2019-20 Budget

The Commission's proposed 2019-20 budget is provided here:

<http://www.ebudget.ca.gov/budget/2019-20/#/Department/6360>

The Administration has proposed the following for the Commission's 2019-20 budget:

- A total operating budget of \$29,615,000. The proposed operating budget for FY 2019-20 represents a net decrease in expenditure authority of \$126,844,000 over the Commission's 2018-19 budget. This decrease is as a result of one-time allocations that were included in last year's budget to address certain one-time Commission projects. Specifically, the 2018-19 budget included
 - \$125 million for grants aimed at addressing the state's need for credentialed special education teachers;
 - \$1.5 million to support digitizing the Commission teacher credentialing records; and
 - \$380,000 to create an updated Assignment Monitoring system which will eliminate the current paper-driven process.
- A continued expenditure authority of \$5,591,000 to help support the Attorney General's discipline workload.
- An increase of \$1.235 million in one-time TDAA expenditure authority in order to support the development of a Special Education Teaching Performance Assessment.
- Total authorized permanent positions of 144.6, which is an increase of 1.0 position.

The Commission's ongoing operational budget, less the additional allocations for the special projects currently being undertaken by the Commission, is proposed to remain largely the same with a minor one-time cost adjustment for the Commission work related to the Special Education Teaching Performance Assessment. Commission staff will be working with the Legislature, new Administration and the Department of Finance throughout the spring to discuss additional solutions to address staffing needs in the Division of Professional Practices and the Certification Division as the Agency has continued to experience an increased workload due to rising levels of applications submitted for licensing.

Governor Newsom made it clear in his remarks regarding the overall state budget that he strongly supports education and made some significant adjustments in higher education as well as in early childhood education supporting several of his goals he committed to during his campaign. The Commission staff will be reaching out to and hopefully working with the new Administration over the next several months to provide them an overview of current issues in front of the Commission and be a resource for larger statewide issues that the Administration and the Legislature will be addressing.

Next Steps

The Governor's Budget provides the framework for the 2019-20 fiscal year. The Legislature through its budget committees and subcommittees and the Legislative Analyst's Office will examine the various proposals and will offer recommendations for changes. Commission staff will provide additional updated information as necessary during the spring budget hearings.