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## Information

### *Fiscal Policy and Planning Committee*

### **Update on the Governor's Proposed 2020-21 Budget**

**Executive Summary:** This agenda item provides an update on the sections of the Governor's proposed 2020-21 budget that relate to the Commission.

**Recommended Action:** For information only

**Presenters:** Michele Perrault, Director, Administrative Services Division and Vivian Su, Manager, Fiscal and Business Services Section

#### **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.

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## Update on the Governor's Proposed 2020-21 Budget

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### Introduction

On January 10, 2020, Governor Gavin Newsom submitted his proposed spending plan for the 2020-21 fiscal year to the Legislature. This agenda item provides an overview of the budget proposed for the Commission on Teacher Credentialing (Commission) for the 2020-21 fiscal year. Further details on the budget process and the Commission's funding revenues can be found in the [appendix](#).

### Proposed 2020-21 Budget

The Governor has placed a high priority on education funding since taking office and this year provided an additional \$915 million in one-time funds to help support further growth – both as incentives to increase individuals going into high needs teaching areas and to support professional growth of existing educators. Of the overall investment of \$915 million, the Commission will be overseeing \$354.1 million over the next five years through multiple grant programs. Additionally, the Governor has put a high priority on addressing needs in Early Childhood Education.

### Commission Administered Grants

Governor Newsom is proposing the Commission, as part of the 2020-21 state budget, administer the following funding. If included in the final budget, the Commission will have five years to expend the funds to the identified grantees.

- **Teacher Residency Programs** – A proposed \$175 million in one-time Proposition 98 General Fund to expand the Teacher Residency Program, which supports locally sponsored, one-year intensive, mentored, clinical teacher preparation programs dedicated to preparing and retaining teachers in high-need subject areas in high-need communities.
- **California Teacher Credential Award Program** – A proposed \$100 million one-time Proposition 98 General Fund to establish the California Teacher Credential Award Program for \$20,000 stipends for fully credentialed teachers who complete four years of teaching service in a high-need subject at a high-need school.
- **California Classified School Employees Credentialing Program** – A proposed \$64.1 million one-time Proposition 98 General Fund to expand the California Classified School Employees Credentialing Program, which provides grants to K-12 local educational agencies to recruit non-certificated school employees to become certificated classroom teachers.
- **Computer Science Supplementary Authorizations Grant** – A proposed \$15 million one-time Proposition 98 General Fund for grants to local educational agencies to support the preparation of approximately 10,000 K-12 teachers to earn a supplementary authorization on their credential to teach computer science.

In addition, the Governor is proposing \$5 million be provided to support the creation of a Master Plan for Early Learning and Care to provide a roadmap to universal preschool and a comprehensive, quality, and affordable childcare system. The Master Plan will be administered by the Secretary of the Health and Human Services Agency with final recommendations and findings from the Master Plan submitted by October 1, 2020. While the Commission will not administer this funding, given the Agency's role with this issue it is possible the Commission will be asked to participate in the process and provide input as part of the established Early Childhood Policy Council.

### **Commission Operational Budget**

The Administration has proposed the following for the Commission's 2020-21 budget:

- A total operating budget of \$384,231,000. The proposed operating budget for FY 2020-21 represents a net increase in expenditure authority of \$353,614,000 over the Commission's 2019-20 budget.
- This increase is as a result of one-time allocations (\$354.1 million) that were included in this year's budget for the teacher education grant funding noted above.
- A continued expenditure authority of \$5.539 million to help support the Attorney General's discipline workload.
- A second year of funding of \$710,000 to support the development and implementation of a Special Education Teaching Performance Assessment.
- An increase of two permanent positions in the Professional Services Division to support the Accreditation workload and \$221,000 to support the salaries of those positions.

In addition, the Governor is proposing a one-year suspension of accreditation fees for institutions of higher education and local educational agencies that administer a teacher preparation program or induction program. The Commission collects approximately \$800,000 in these fees each year. This funding will not be an expenditure authority decrease but will be provided out of the Commission's reserve as one-time funding.

The Commission's ongoing operational budget, less the additional allocations for the teacher education grants, is proposed to remain largely the same with a slight increase to account for the additional two positions.

Detail on the Commission's proposed 2020-21 budget is provided here:

[2020-21 Governor's Budget-Commission on Teacher Credentialing](#)

### **Next Steps**

The Governor's Budget provides the framework for the 2020-21 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.

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## Appendix

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### **State Budget Process Overview**

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.