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Information

Fiscal Policy and Planning Committee

Update on the Governor's Proposed 2021-22 Budget

Executive Summary: This agenda item provides an update on the sections of the Governor's proposed 2021-22 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

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 2021-22 Budget

Introduction

On January 8, 2021, Governor Gavin Newsom submitted his proposed spending plan for the 2021-22 fiscal year to the Legislature. This agenda item provides an overview of the budget proposed for the Commission on Teacher Credentialing (Commission) for the 2021-22 fiscal year. Further details on the budget process and the Commission's funding revenues can be found in the [Appendix](#).

Proposed 2021-22 Budget

The Governor has placed a high priority on education funding since taking office and this year proposes an additional \$125 million in one-time funds to help support teacher recruitment with proposed expansion of the Teacher Residency and the Classified School Employee Credentialing program. The Governor continued to support the growth of existing educators by proposing over \$315 million in funds to support educator professional development and also proposed \$100 million in additional funding to the Golden State Teacher grant administered by the California Student Aid Commission. Additionally, the Governor has continued to put a high priority on addressing needs in early learning as well as in education data.

Commission Administered Grants:

Governor Newsom is proposing the Commission, as part of the 2021-22 state budget, administer the following funding:

- ***Teacher Residency Programs*** – \$100 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 Classified School Employees Credentialing Program*** – \$25 million in 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.

The Governor continued his priority in early learning by moving forward elements of the Master Plan for Early Learning and Care that was released on December 1, 2020. While the funds proposed in the Governor's budget this year are not directly tied to the Commission, the agency continues to partner in implementing several large elements of the Plan. In addition, the Governor proposed an additional \$15 million for the Cradle-to-Career Data System that is managed within the Government Operations Agency and which the Commission has been involved in the workgroup that created the system. The Commission will continue to work with the Cradle-to-Career Data System workgroup through 2021-22.

Commission Operational Budget:

The Administration has proposed the following for the Commission's 2021-22 budget:

- A total operating budget of \$31,059,000
- A reduced expenditure authority to \$3.389 million to align costs to support the Attorney General's discipline workload
- An increase of \$2 million one-time funding from the Test Development and Administration Account to support updates to educator testing
- An increase of \$1.3 million one-time reimbursement authority to support activities outlined in the Federal Preschool Development Grant Renewal award, including development of a teacher performance assessment for candidates seeking a teacher level child development permit

Details on the Commission's proposed 2021-22 budget is provided here:

<http://www.ebudget.ca.gov/2021-22/pdf/GovernorsBudget/6000/6360.pdf>

Next Steps

The Governor's Budget provides the framework for the 2021-22 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.

Appendix

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.