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Information

Fiscal Policy and Planning Committee

Update on the Governor's Proposed 2023-24 Budget

Executive Summary: This agenda item provides an update on the sections of the Governor's proposed 2023-24 budget that relate to the Commission.

Recommended Action: For information only

Presenter: Sara Saelee, Fiscal and Business Services Manager, Administrative Services Division

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 2023-24 Budget

Introduction

The Governor and Legislature have placed a high priority on education funding with the recent investments from the 2021 and 2022 Budget Acts to support the preparation, training, recruitment, and retention of educators. These investments remain of critical importance to grow and maintain a diverse and expert workforce consisting of administrative, credentialed, and classified staff to work in public K-12 schools.

On January 10, 2023, the Governor released his proposed budget for 2023-24. This agenda item provides an overview of the enacted budget for the Commission on Teacher Credentialing (Commission) for the 2023-24 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 and expenditures for the preceding fiscal year. Beginning each fall, agencies work with the Department of Finance (DOF) to determine a baseline 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 baseline 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 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, historically 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 2014 authorized the Commission to charge fees of institutions offering educator preparation programs to support the accreditation system, which established a third source of revenue for the agency.

Governor's Budget for 2023-24

The Governor's Budget for fiscal year 2023-24 does not include new monies for positions to the Commission. The Commission will continue to implement funding received and fill positions received in the 2022 Budget Act.

Since the pandemic, teacher credential fee revenues and teacher examination fee revenues have continued to decline each year. With the long-term effects of the pandemic still unknown, revenue levels remain volatile. Therefore, the Governor's budget includes up to \$6 million as a backfill from the General Fund to maintain current operations and staffing levels.

Additional details on the [Governor's 2023-24 Budget](#) can be found on the Department of Finance Website.

Next Steps

The Governor's Budget provides the framework for the 2023-24 fiscal year. The Legislature, through its budget committees and subcommittees, and the Legislative Analyst's Office will examine the proposals and will offer recommendations for changes. The May Revision will provide a more detailed insight of how the budget will continue and Commission staff will provide additional updated information as necessary at that time.