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Information

Fiscal Policy and Planning Committee

Update on the Governor's Proposed 2023-24 Budget

AGENDA INSERT

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

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Update on the Governor's Proposed 2023-24 Budget

Introduction

On May 12, 2023, Governor Newsom submitted the May Revision of his proposed spending plan to the Legislature for the 2023-24 fiscal year. This agenda item provides an overview of the revised budget proposed 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.

Proposed 2023-24 May Revise Budget Highlights

The May Revision has proposed the following statutory changes:

- Utilize current resources to provide transcript review to assess basic skills requirements and subject matter competence for educator credential candidates.
- Abolish the Test Development and Administrative Account (Fund 0408) and consolidate into the Teacher Credentials Fund (Fund 0407). The current expenditure authority and

positions will shift to the Teacher Credentials Fund (Fund 0407) and exam fee revenues collected will also be deposited into the Teacher Credential Fund (Fund 0407).

- Authorize the Commission to provide a comparable California credential to any United States military servicemember or their spouse that possess a valid out-of-state teaching or services credential to provide instruction or services in public schools of the state of issuance when the candidate is relocated to California on military orders.
- Codify current practices stemming from updates to teacher assignment monitoring outcomes reporting requirements related to the federal Every Student Succeeds Act. This will also clarify the roles of the Commission and the Department of Education around data reporting on educator credentialing and assignment.
- Waive the Teaching Performance Assessment requirement for educators who were unable to meet the requirement during the COVID-19 pandemic and who completed a Commission-approved induction program or completed two years of satisfactory teacher evaluations.
- Teacher and School Counselor Residency Grant Program
 - Increase the per-candidate allocation to grantee local education agencies from \$25,000 to \$40,000.
 - Require a minimum stipend or salary to residents of no less than \$20,000 per candidate.
 - Allow residency candidates additional flexibilities to complete their credentialing and service requirements.

The May Revision includes funding for the items below:

- \$3.4 million one-time General Fund to backfill a shortfall in the Teacher Credentials Fee revenues. This reflects a decrease of \$2.6 million one-time General Fund from the Governor's January 10 budget release.
- \$690,000 one-time General Fund to support the procurement of networking equipment and laptops for the Commission's relocation to the Richards Boulevard Office Complex in 2024.
- \$612,000 one-time Teacher Credentials Fund to support an external contract associated with the development of a Teacher Performance Assessment for candidates seeking a credential in special education. The expenditure authority is provided to support the final payment of a multi-year contract, which was originally authorized in the 2019 Budget Act

Additional details on the [Governor's 2023-24 May Revise Budget](https://www.ebudget.ca.gov/) can be found on the Department of Finance Website.

Next Steps

The Legislature is required to pass the Budget Bill by June 15. The Governor will have until June 30 to sign the budget. Commission staff will provide updated information on the Enacted Budget.