## AGENDA - Part II ASSEMBLY BUDGET SUBCOMMITTEE NO. 2 ON EDUCATION FINANCE

#### **Assemblymember Mervyn Dymally, Chair**

WEDNESDAY, MAY 19, 2005 STATE CAPITOL, ROOM 437

# OPEN ISSUES (VOTE ONLY) 7980 COMMISSION ON TEACHER CREDENTIALING (CTC) ISSUE 1 MAY 13<sup>TH</sup> DOF LETTER—AMENDMENTS TO VARIOUS BUDGET BILL ITEMS 2 6610 CALIFORNIA STATE UNIVERSITY (CSU) ISSUE 1 CAPITAL FELLOWS PROGRAM BUDGET BILL LANGUAGE (VOTE ONLY)

ATTACHMENTS 1- 10 (MEMBERS WILL VOTE ON EACH ATTACHMENT)

#### **OPEN ISSUES (VOTE ONLY)**

#### ITEM 7980 COMMISSION ON TEACHER CREDENTIALING (CTC)

### ISSUE 1: MAY 13<sup>TH</sup> DOF LETTER—AMENDMENTS TO VARIOUS BUDGET BILL ITEMS FOR SUPPORT

In a May 13<sup>th</sup> letter, DOF proposes the following changes to the January 10<sup>th</sup> budget:

#### **Amendment to Various Budget Bill Items for Support**

1. 6360-001-0001, General Fund Augmentation to Address the Commission on Teacher Credentialing's (CTC) Budget Shortfall (Issue 715)

It is requested that this item be added in the amount of \$2.7 million to the CTC. The CTC has a one-time structural imbalance between expenditures and revenues in both its Teacher Credentials and Test Development and Administration Account Fund. This augmentation will allow the CTC to continue to work on a more comprehensive solution to its budget imbalance.

2. 6360-001-0407, Federal Title II Reimbursement Carryover for the Cross Cultural Competency Study (Issue 672)

It is requested that this item be amended by adding Reimbursements of \$76,000 to provide carryover authority to complete the Cross Cultural Competency Study pursuant to Chapter 817, Statues of 2003 (AB 53).

3. 6360-001-0407, Expenditure Reductions in the Teacher Credentials Fund (Issue 712)

It is requested that this item be decreased by \$580,000 and 1.0 CEA I position to reflect the CTC's proposed reductions to partially address its budget shortfall. These reductions do not require statutory change and largely include reductions in printing and other operations and equipment reductions. These reductions do not impact the CTC's ability to meet their statutory duties.

4. 6360-001-0408, Expenditure Reductions in the Test Development Administration Account, (Issue 710)

It is requested that this item be decreased by \$5,835,000. This includes a reduction of \$5.74 million from Operating Expenses and Equipment and the transfer of one Consultant position and \$74,000 from the Professional Services Administration Unit to the Professional Services Exams Unit. The CTC requests this adjustment due to the transition in fiscal year 2004-05 to "Revenue Only" contracts with their exam administrators. CTC will now collect only its portion of the revenue, whereas in the past, it collected both the CTC's and the contractor's portion of exam revenues. Further, this request also includes \$165,000 of other minor operations reductions the Commission adopted to partially address their budget shortfall. These reductions should not impact their ability to meet their statutory duties.

#### ITEM 6610 CALIFORNIA STATE UNIVERSITY (CSU)

#### **ISSUE 1: CAPITAL FELLOWS PROGRAM**

On May 17<sup>th</sup>, the subcommittee approved a \$309,000 augmentation for the Center for California Studies' budget to fund the new costs due to a change in federal regulations, health cost increases and graduate student fees.

In the January 10<sup>th</sup> budget, the Department of Finance included the appropriation for the Center for California Studies in its calculation of the 3 percent General Fund increase.

The subcommittee needs to take an action to reduce the CSU's support item (6610-001-0001) by \$81,750 to capture the funding already provided as a 3 percent cost-of-living adjustment (COLA) for the Fellows program.