

**Assembly Budget Subcommittee #2 on Education Finance
 Assemblymember Mervyn Dymally, Chair
 Monday, May 22, 2006
 State Capitol, Room 447
 2:00 P.M.**

PART I

OPEN ISSUES

6360-COMMISSION ON TEACHER CREDENTIALING (CTC)					
Issue	Issue	Description	Staff Recommendation	BBL/TBL	Vote
1	<p>January 10th Budget: Support Budget</p> <p>OPEN ITEM Assemblymember Goldberg requested item to remain open at the 5/16 hearing.</p>	<p>The Governor's proposed budget provides \$51.1 million for CTC. Of this amount, \$31.8 million is Proposition 98 General Fund to support the Internship and Paraprofessional Teacher Training Programs.</p> <p><u>May 3 Subcommittee Hearing:</u> Members took action to rescind Provisions of SB 63 (Chapter 73, Statutes of 2005). With this action, members reinstated the procedure for certified mailing requirements and the procedure to allow first time applicants a two-tiered review and the right to appear before the Committee of Credentials. However, members did not take action to augment \$25,804 in savings in the current year and the budget year associated with the efficiencies that were never implemented but yet were reduced accordingly in the 2005-06 Budget Act.</p>		TBL Attachment 1	

6610-CALIFORNIA STATE UNIVERSITY (CSU)

Issue	Issue	Description	Budget Chair Recommendation:	BBL/TBL	Vote
2	<p>January 10th Budget: Enrollment Growth</p> <p>April 1st DOF Letter: Includes a \$3.3 increase to provide an additional \$395 per new FTES enrolling at CSU in 2006-07.</p> <p>Re-Open Enrollment Growth Item and April 1st Letter</p>	<p>The Governor's proposed budget provides \$57.7 million for a 2.5% enrollment growth for an additional 8,490 FTES based on a revised marginal cost formula.</p> <p>Last year, the Legislature adopted SRL directing the LAO and DOF to convene a joint working group to review the current marginal cost methodology for funding new enrollments at UC and CSU and provide recommendations to be considered for the 2006-07 budget. The LAO and DOF were not able to reach a compromise on a revised marginal cost formula. DOF independently developed the formula used to calculate the marginal cost to fund new enrollments in the budget year.</p>		BBL Attachment 2	

6440-UNIVERSITY OF CALIFORNIA (UC)

Issue	Issue	Description	Budget Chair Recommendation:	BBL/TBL	Vote
3	January 10th Budget: Support budget	<p>The Governor's proposed budget provides \$20 billion for the UC. Out of this amount, \$3 billion is General Fund.</p> <p>Members would be voting on the following items under this issue:</p> <ul style="list-style-type: none"> *\$80.5 million for a 3% increase to the <u>basic support budget</u> *\$14 million continuation of one-time augmentation for UC Merced *\$75 fee increase "buy out" *33% return-to-aid set aside for institutional financial aid *\$180,000 for a new 12 students cohort for the PRIME-LC program *\$375,000 to complete the system-wide implementation of the Math and Science Initiative. 			

6440-UNIVERSITY OF CALIFORNIA (UC)

Issue	Issue	Description	Budget Chair Recommendation:	BBL/TBL	Vote
4	January 10th Budget: Enrollment Growth	<p>The Governor's proposed budget provides \$52 million for a 2.5% enrollment growth for an additional 5,149 FTES based on a revised marginal cost formula.</p> <p>Last year, the Legislature adopted SRL directing the LAO and DOF to convene a joint working group to review the current marginal cost methodology for funding new enrollments at UC and CSU and provide recommendations to be considered for the 2006-07 budget. The LAO and DOF were not able to reach a compromise on a revised marginal cost formula. DOF independently developed the formula used to calculate the marginal cost to fund new enrollments in the budget year.</p>		BBL Attachment 4	
5	January 10th Budget: Academic preparation programs	<p>The Governor's proposed budget eliminates \$17.3 million in General Fund for academic preparation programs.</p> <p>The subcommittee Chair would like to restore the \$17.3 million and augment that amount by \$5 million. The augmentation is requested to provide more funding for UC/CCC Transfer Programs including counselors and other transfer services.</p>		BBL Attachment 5	

6440-UNIVERSITY OF CALIFORNIA (UC)

Issue	Issue	Description	Staff Recommendation	BBL/TBL	Vote
6	January 10th Budget: *UC Research Programs	The Governor's proposed budget eliminated \$3.8 million in General Fund for labor research. Budget bill language restores the line items for UC research institutes and includes augmentations of \$6 million for labor research and education, \$4 million for Alcohol/Substance Abuse Research and \$1 million for obesity and diabetes research.		BBL Attachment 6	
7	May Revise DOF Letter: Includes \$300,000 to provide additional funding (Proposition 99) for tobacco-related research.				
8	May Revise DOF Letter: Includes a \$3.7 million reduction due to an enrollment target shortfall of 500 FTES in the current year.	The Legislature adopted provisional language as part of the <i>2005-06 Budget Act</i> to ensure that UC uses enrollment funding only for enrollment. If UC does not meet its goal, the Director of the Department of Finance is to revert to the General Fund the total amount of enrollment funding associated with the unmet enrollment.			
9	New Item: Lawrence Berkeley Laboratory Helios Research Project Building from Bond Funds	This is a \$30 million augmentation request from the 2006 bond funds to provide funding for a new energy/nanotechnology research building at the Lawrence Berkeley Lab.		BBL Attachment 7	

6440-UNIVERSITY OF CALIFORNIA (UC)

Issue	Issue	Description	Staff Recommendation	BBL/TBL	Vote
10	New Item: UC-Mexico Research BBL	The language includes an addition of reporting requirement.		BBL Attachment 8	
11	New Item: UC Compensation BBL	Addition of reporting language requirement for UC Compensation practices.		BBL Attachment 9	
12	New Item: UC Office of the President Performance Review and Recruitment Policy	Assemblymember Liu and Chairman Dymally are requesting consideration of BBL. Ms. Liu and staff will bring the language to the subcommittee.			

7980-CALIFORNIA STUDENT AID COMMISSION (CSAC)

Issue	Issue	Description	Staff Recommendation	BBL/TBL	Vote
13	January 10th Budget: Assumption Program of Loans for Education (APLE) warrants set-aside for UC/CSU Math and Science Initiative	The Governor's budget provides 8,000 new APLE warrants for 2006-07. Out these new warrants, 600 are set aside in budget bill language for the UC and CSU systems as an incentive for their students to become math and science teachers. In addition, it establishes new requirements for these 600 warrants in budget bill language.			