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## Information

### *Fiscal Policy and Planning Committee*

### Update on the Governor's 2026-27 Budget

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**Executive Summary:** This agenda item provides an update on the salient points of the Commission's portion of the 2026-27 Governor's budget.

**Recommended Action:** For information only

**Presenter:** Jonathon Howard, Manager, Government Relations Office

#### Strategic Plan Goal

#### *Continuous Improvement*

- **Goal 8.** California's policies impacting the education workforce are coherent and effective.

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## Update on the Governor's Proposed 2026-27 Budget

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### Introduction

On January 9, 2026, Governor Gavin Newsom submitted his updated proposed budget for fiscal year (FY) 2026-27 to the Legislature. This agenda item provides the highlights as it relates to the Commission on Teacher Credentialing (Commission).

### Background

In September of each year, departments including the Commission, must submit a series of budget drills to the Department of Finance for the upcoming FY, which starts the budget development process. Each department starts with a baseline budget, adjusted by proposed Governor's initiatives, budget change proposals – known as BCPs, legislation, employee compensation adjustments, retirement adjustments, expiring programs, etc. The California 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 budget is accompanied by a budget bill that itemizes the recommended expenditures for each agency. The Governor submits to the Legislature an updated proposal in May, which includes an updated revenue picture. This is also known as the "May Revise." The Legislature must then pass the budget bill by midnight of June 15<sup>th</sup> of each year.

The 2026-27 Budget proposes the following for the Commission:

- **State Operations: \$44,783,000**
  - **\$34,202,000 Teacher Credential Fund**
    - **\$435,000 Reimbursement**
  - **\$10,581,000 General Fund**
- **Total Authorized Positions: 232.9**

For the 2026-27 fiscal year, the following proposals are included in the Governor's proposed budget to address increased workload:

- **Grant Programs Support.** The Commission requested \$132,000 and 1.0 position to support increased grant administration activities within the Division of Standards, Accreditation, and Workforce Investment (DSAWI).
- **Assignment Monitoring Program Unit Staffing.** The Commission requested \$201,000 and 1.0 position to support workload associated with monitoring and supporting local education agencies that consistently misassign educators.
- **Information Technology System Maintenance & Operations.** The Commission requested \$180,000 to address ongoing IT security workload, including the implementation of a disaster recovery solution.

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- **Fiscal and Business Services Support.** The Commission requested \$156,000 and 1.0 position to support increased accounting workload from grant administration.
- **Division of Licensure Enforcement Staffing.** The Commission requested \$1,545,000 and 11.0 positions to support and address workload related to an increase in educator misconduct cases.
- **Safe Learning Environments Act Implementation (SB 848).** The Commission requested \$1,436,000 and 10.0 positions to support workload related to implementing the Safe Learning Environments Act, including the development of a statewide data system that includes information relating to investigations of allegations of egregious misconduct of individuals serving in a noncertificated position, pursuant to Chapter 460, Statutes of 2025.
- **Pupil Personnel Services Credentials for Out-of-State Applicants (AB 606).** The Commission requested \$298,000 and 2.0 positions to support workload related to the accreditation of Pupil Personnel Services (PPS) programs of professional preparation offered by local education agencies and the development of a preliminary PPS Credential for out-of-state applicants pursuant to Chap. 375, Stats. 2025.
- **Teacher Residency Grant Program.** The Governor’s proposed Budget includes \$250 million one-time, Proposition 98 General Fund to continue supporting the Teacher Residency Grant Program.

Category	2025 Approved Budget	2026 Proposed Budget	Net Difference
Teacher Credential Fund	\$33,346,000	\$34,202,000	+\$856,000
General Fund	\$7,102,000	\$10,581,000	+\$3,479,000
Reimbursement	\$308,000	\$435,000	+\$127,000
<b>Total State Operations</b>	<b>\$40,448,000</b>	<b>\$44,783,000</b>	<b>+\$4,335,000</b>
<b>Total Authorized Positions</b>	<b>206.9</b>	<b>232.9</b>	<b>+26</b>

## Next Steps

The Governor’s Budget provides the framework for the 2026-27 fiscal year. The Legislature, through its budget committees and subcommittees, and the Legislative Analyst’s Office will examine the proposals. The Commission will provide an update again following the May Revise and budget enactment.