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Information

Fiscal Policy and Planning Committee

Update on the Governor's 2026-27 Budget

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

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Strategic Plan Goal

Continuous Improvement

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

Update on the Governor's 2026-27 Budget

Introduction

On June 29, 2026, Governor Gavin Newsom signed the Budget Act of 2026. This agenda item provides the highlights as it relates to the Commission on Teacher Credentialing (Commission) for the 2026-27 fiscal year (FY).

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 15th of each year.

Summary

Over the last 10 years, the Commission has grown significantly. In 2016-17, the Commission had an operating budget of \$29,583,000 with 139.6 full-time equivalent positions (FTE). For this current fiscal year, the Commission's operating budget is \$48,197,000 and 244.9 FTE, reflecting a 63% and 75% increase, respectively. In addition, the Commission has received over \$2.1 billion to provide competitive grants to local educational agencies to recruit, prepare, and retain credentialed educators.

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

- **State Operations: \$48,197,000**
 - **\$36,202,000 Teacher Credential Fund**
 - **\$435,000 Reimbursement**
 - **\$11,560,000 General Fund**
- **Total Authorized Positions: 244.9**

The 2026-27 Enacted Budget includes funding to address workload related to the items below:

- **Grant Programs Support.** The Commission received \$179,000 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 received \$201,000 and 1.0 position to support workload associated with monitoring and supporting local educational agencies that consistently misassign educators. Of the \$201,000, \$45,000 is for the purchasing of software to provide training to local educational agencies.
- **Information Technology Maintenance.** The Commission received \$180,000 for ongoing IT security workload including the implementation of a disaster recovery solution.
- **Fiscal & Business Services Support.** The Commission received \$156,000 and 1.0 position to support increased accounting workload from grant administration.
- **Division of Licensure Enforcement Staffing.** The Commission received \$2,352,000 and 15.0 positions to support and address workload related to an increase in educator misconduct cases.
- **Safe Learning Environments Act Implementation (SB 848).** The Commission received \$1,561,000 and 11.0 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 received \$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 educational agencies and the development of a preliminary PPS Credential for out-of-state applicants pursuant to Chapter 375, Statutes of 2025.
- **Transcript Review Service.** The Commission received \$2,000,000 and 7.0 positions to develop and administer a statewide subject matter transcript service to reduce the need for subject matter competency examinations for teacher candidates.

The 2026-27 Enacted Budget includes funding for the following grant programs below:

- **Transcript Review Service.** The California Department of Education (CDE) will transfer \$5,000,000 to the Commission to select a county office of education that will develop a teacher candidate transcript review platform pursuant to Education Code section 44259.8. Funding is available for encumbrance through June 30, 2029.
- **Technical Assistance Center.** The CDE will transfer \$30,000,000 to the Commission to support an expanded regional technical assistance center for Teacher Residency and National Board programs. Funding is available through June 30, 2034.
- **Teacher Residency Grant Program.** The Commission received \$250 million to augment the Teacher Residency Grant Program pursuant to Education Code sections 44415.5 and 44415.6 to support teacher and school counselor residency programs. Funding is available for encumbrance through June 30, 2030.
- **Student Teacher Stipend Program.** The Commission received \$408 million to support base stipends provided pursuant to paragraph (1) of subdivision (b) of Education Code

section 44400.02 and the high-need field stipends provided pursuant to paragraph (4) of subdivision (b) in Education Code section 44400.02. Funding is available for encumbrance through June 30, 2032.

- **Pathways to Bilingual Teaching Program.** The Commission received \$10 million to develop and implement a program to award grants of up to \$600,000 to establish or expand pathways to bilingual teaching to increase the number of teachers qualified to teach in bilingual settings.
- **Classified School Employee Teacher Credentialing Program.** The Commission received \$10 million for the Classified School Employee Teacher Credentialing Program pursuant to Education Code section 44393. Funding is available for encumbrance through June 30, 2028.

The 2026-27 Enacted Budget includes the following statutory changes below:

- **Teacher Supply Report Changes.** Reporting will be required to include information on the number and percentage of individuals serving on emergency style permits, waivers of certification, and teaching permits for statutory leave. Also authorizes the Commission to use information obtained from the CDE through the California Pupil Achievement Data System (CALPADS).
- **Educator Credential Renewal Fee.** Increases the fee for a renewal of a teaching credential and a service credential to \$125 for every five years.
- **Computer Science Supplementary Authorization Incentive Grant Program Changes.** Increases the maximum a participant is eligible to receive from \$2,500 to \$6,000. Reduces the local match requirements to be equal to one-third of the grant funding or an in-kind match of administrative and coordination costs or release time or substitute teacher costs for the participating teacher. Extends the encumbrance period to June 30, 2030.
- **Subject Matter Exams.** Recasts provision for the Commission and programs of professional preparation to support candidates to establish subject matter competence through degree major or coursework. The Commission is required to update the degree majors that establish subject matter competence and ensure the subject matter requirements support streamlined transcript review. The Commission is required to make subject matter exams available when a candidate's degree major or completed coursework does not establish their subject matter competence.
- **Subject Matter Competence.** Revises and recasts the type of majors and coursework that count towards the verification of subject matter competence.
 - As applied to a single subject credential candidate: require completion of a major in one of the subject areas closely related to an area in which the Commission credentials candidates.
 - As applied to a multiple subject credential candidate: require a liberal studies major, education major, or other degree major that includes coursework required for the degree major in specified content areas.

- As applied to verifying subject matter competence for a PK-3 Early Childhood Education Specialist credential: require completion of 24 semester units or the equivalent quarter units of nonremedial, degree-applicable coursework at a regionally accredited institution of higher education in early childhood education or child development, and completion of a major in child development, education, or a degree major in a subject area closely related to the credential area.

Other Budget Items

There were many other items in the budget that while not directly related to the Commission could influence the Commission's work and highlight where the State's focus is regarding TK-12 education in California. The Commission may wish to consider the State's priorities reflected in this year's budget when advancing its own agenda, helping to ensure that the Commission's work remains aligned with the State's broader priorities and vision.

- **California Department of Education.** Moves oversight of the California Department of Education (CDE) management and local education agency (LEA) support to the State Board of Education (SBE). Adds two new SBE members, one appointed by each house of the Legislature, replaces a gubernatorial appointment with the Superintendent of Public Instruction, and creates the position of Education Commissioner, appointed by the Governor and confirmed by the Senate, to oversee CDE.
- **Paid Pregnancy Disability Leave.** Requires all TK-14 LEAs to provide to all employees, not only teachers, up to 14 weeks of paid pregnancy disability leave, beginning January 1, 2027.
- **Literacy Coaches and Reading Specialists Grants.** Since 2019 the State has invested heavily in evidence-based literacy instruction and professional learning. Of these investments \$715 million has been invested in Literacy Coaches and Reading Specialists. This budget invests another \$350 million into the grant program and extends it until June 30, 2031.
- **Math Professional Learning Partnership.** This program, created in the 2025 Budget Act, with \$30 million, supports educator training and mathematics coaching across the state, with a prioritization for rural and high-need schools. Invests an additional \$50 million and extends it until June 30, 2029.
- **Student Support & Professional Discretionary Block Grant** – A one-time investment of \$5 billion into this grant program to provide LEAs general cost relief as well as fund statewide priorities such as: Professional Development on the ELA/ELD Framework and Literacy Roadmap; Professional Development on the Math Framework; Professional Development for TK-3 teachers on developmentally appropriate instruction; and teacher recruitment/retention strategies.
- **Golden State Teacher Grant.** \$10 million to support awards for students applying in the 2027-28 year to prepare to teach in high-need fields.

- **Student Reading Screening.** \$40 million for continued implementation of student reading difficulties screenings. This program, created in the 2023 Budget Act, requires LEAs to screen K-2 students for risk of reading difficulties, including dyslexia.
- **Charter School Accountability.** Creates new requirements for charter schools to ensure public funds are properly utilized, address fraud and malfeasance, and improve accountability and oversight.
- **Special Education Equalization.** Raises the special education per-student rate to \$1,340 and allows all LEAs to receive special education funding at the same rate. \$30 million to Supporting Inclusive Practices Project, which provides resources to schools and educators to expand access to the general education environment for students with disabilities.

Next Steps

The Commission is implementing the various proposals outlined in the budget.