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Information

Fiscal Policy and Planning Committee

Update on the Governor's Proposed 2025-26 Budget

Executive Summary: This agenda item provides an update on the salient points of the Commission's portion of the 2025-26 Governor's budget.

Recommended Action: For information only

Presenter: Sara Saelee, Manager, Fiscal and Business Services

Strategic Plan Goal

Continuous Improvement

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

Update on the Governor's Proposed 2025-26 Budget

Introduction

On May 14, 2025, Governor Gavin Newsom submitted his updated proposed budget for Fiscal Year (FY) 2025-26 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 15th of each year.

The May Revision proposes the following for the Commission:

- **State Operations: \$40,448,000**
 - **\$33,346,000 Teacher Credential Fund**
 - **\$7,102,000 General Fund (This amount includes a \$614,000 reduction as a result of the SEC. 4.05 State Operations drill.)**
 - **\$308,000 Reimbursement**
- **Total Authorized Positions: 207.9**

The following proposals were presented as part of the May Revise and are included to address increased workload, resulting in an increased appropriation authority of \$2,345,000 from the Teacher Credentials Fund (incorporated above):

- **State Operational Costs.** \$200,000 in FY 2025-26 and ongoing to align state operational costs with the current staffing levels.
- **Administrative Services Credentials (Legislative Implementation).** \$455,000 in FY 2025-26 and 2.0 positions to support the Professional Services Division with workload associated with updating and adding a non-teaching pathway to the Administrative Services Credential as outlined in Governor's veto message to Assembly Bill 2725. Of the \$455,000, \$133,000 is available on a one-time basis to convene a temporary workgroup to inform this work. Beginning in FY 2026-27 and ongoing, \$322,000 will support the 2.0 positions and continued workload.

- Office of Attorney General/Office of Administrative Hearing Costs. \$800,000 ongoing to support increased legal services costs, including court reporter fees.
- Information Technology Workload Staffing. \$890,000 in FY 2025-26 and \$880,000 ongoing and 5.0 positions to support the Information Technology Section with various workload issues.

Next Steps

Upon the Governor's signing of the budget bill, the Commission will implement items as outlined.