



September 21, 2022

Honorable Nancy Skinner, Chair  
Joint Legislative Budget Committee  
Senate Budget and Fiscal Review  
Committee

Honorable Phil Ting, Chair  
Assembly Budget Committee

Honorable Anthony Portantino, Chair  
Senate Appropriations Committee

Honorable Chris R. Holden, Chair  
Assembly Appropriations Committee

**Notification of Receipt and Approval of an Unanticipated Cost Funding Request from the Commission on Teacher Credentialing**

Pursuant to provisions 3 and 6 of Items 9840, we are transmitting to you within 15 days of receipt, the attached unanticipated cost funding request from the Commission on Teacher Credentialing (Commission).

On August 10, 2022, the Commission reached a settlement in the case or *Carroll v. State of California*. The settlement agreement requires the Commission to make four (4) payments totaling \$3,300,000 according to the following schedule.

- \$350,000 during calendar year 2022 to Kathleen Carroll
- \$500,000 during calendar year 2022 to Metropolitan Tower Life Insurance Company
- \$2,100,000 during calendar year 2022 to the Siegel, Yee, Brunner, and Mehta Trust Account
- \$350,000 during calendar year 2023 to Kathleen Carroll

We have completed our review of the proposal and concur with the request. Funding for this unanticipated cost request will be provided from the 9840-001-0001, Augmentations for Contingencies or Emergencies, in the amount of \$3,300,000. Due to the constrained timeline of the settlement payments, we are requesting an expedited review from the Legislature.

If you have any questions or need additional information regarding this matter, please call Amber Alexander, Assistant Program Budget Manager, at (916) 445-0328.

JOE STEPENSHAW

Director

By:

ERIKA LI

Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Kevin McCarty, Chair, Assembly Budget Subcommittee No. 2  
Honorable John Laird, Chair, Senate Budget and Fiscal Review Subcommittee No. 1  
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee  
Honorable Vince Fong, Vice Chair, Assembly Budget Committee  
Gabriel Petek, Legislative Analyst (3)  
Joe Stephenshaw, Staff Director, Senate Budget and Fiscal Review Committee  
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office  
Christopher W. Woods, Senate President pro Tempore's Office (2)  
Christian Griffith, Chief Consultant, Assembly Budget Committee  
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy  
and Budget  
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office  
Luigi Luciano, Legislative Director, Assembly Republican Leader's Office  
Jason Sisney, Assembly Speaker's Office (2)  
Mark McKenzie, Staff Director, Senate Appropriations Committee  
Jay Dickenson, Chief Consultant, Assembly Appropriations Committee  
Dr. Mary Vixie Sandy, Executive Director, California Commission on Teacher  
Credentialing

**I. APPROPRIATION/FUND TO BE ADJUSTED**

DEPARTMENT: Commission on Teacher Credentialing	ITEM NUMBER: 6360-001-0001	
FUND: General Fund	AMOUNT OF FUNDING REQUESTED: \$3,300,000	FISCAL YEAR: 2022-23

**II. JUSTIFICATION FOR REQUEST (Please provide the following information: reason for expense and basis of determination that the expense is needed.)** DOF may not approve requests for: (a) capital outlay funding, (b) prior year expenses, (c) expenses related to legislation enacted without an appropriation, (d) startup costs of programs not yet authorized by the Legislature, (e) costs that could have been included in May Revision, and (f) costs that the Administration has the discretion to incur or not incur. (Use attachments if additional space is needed.)

The Commission on Teacher Credentialing (CTC) has reached a legal settlement in the case of Carroll v. CTC. The settlement requires CTC to pay a total of \$3,300,000, which is broken down as follows: \$350,000 to Kathleen Carroll in calendar year 2022, \$350,000 to Kathleen Carroll in the first quarter of calendar year 2023, \$2,100,000 to Siegel, Yee, Brunner, and Mehta Trust Account in calendar year 2022, and \$500,000 to Metropolitan Tower Life Insurance Company in calendar year 2022. The timing, payees, and amounts of each payment are material terms of the settlement that CTC must meet. While this has been a lengthy settlement, the settlement amount was not previously known and therefore, an unforeseen cost for CTC.

**III. EMERGENCY NOTIFICATION**

Is this an emergency request for funding unanticipated costs? (An emergency request is for expenses incurred in response to conditions of disaster or extreme peril that threaten the immediate health or safety of persons or property in this state.)

NO

YES (If yes, please provide reason for expense and basis for determining this an emergency. Use attachments if additional space is needed.)

**IV. PROVIDE A DETAILED EXPLANATION OF ALL LEGALLY PERMISSIBLE STEPS THAT HAVE BEEN TAKEN TO AVOID ADDITIONAL COSTS, (e.g., reduce spending, etc.) (Add attachments if additional space is needed.)**

This is the result of a legal settlement, and therefore, this cost is unavoidable.

**V. WAS THIS NEED FOR FUNDING PREVIOUSLY DENIED IN A LEGISLATIVE BUDGET COMMITTEE ACTION? (Use attachments if additional space is needed.)**

NO

YES (when and why?)

**VI. MONTH AND YEAR WHEN SPENDING AUTHORITY TO OBLIGATE FUNDS (not make cash payment) WILL BE NEEDED.**

Month: October Year: 2022

**VII. REQUESTING DEPARTMENT**

Approved By: Mary Sandy Title: Executive Director Date: 9/13/22

**VIII. AGENCY SECRETARY (IF APPROPRIATE)**

Approved By: Mary Sandy Date: 9/13/22

**IX. DEPARTMENT OF FINANCE**

Date Received: 9/13/2022 Date of Notice to Legislature: \_\_\_\_\_