
3D

Information/Action

Professional Services Committee

Proposed Cost Recovery Plan for Accreditation Activities

Executive Summary: This agenda item proposes a cost recovery plan for specified accreditation activities consistent with the 2013-14 State Budget for the Commission.

Policy Question: Does the proposed cost recovery plan for accreditation meet the intent of the 2013-14 State Budget Act provisions and enable the Commission to continue to support and promote a high quality accreditation system?

Recommended Action: That the Commission adopt the proposed cost recovery plan and direct staff to return with proposed regulatory language at a future meeting.

Presenters: Cheryl Hickey, Administrator, and Catherine Kearney, Consultant, Professional Services Division

Strategic Plan Goal

II. Program Quality and Accountability

- ◆ Establish and maintain educator preparation, development, and career pathways as a shared responsibility among institutions of higher education, local education agencies and state agencies.

August 2013

Proposed Cost Recovery Plan for Accreditation Activities

Introduction

This agenda item presents for discussion a proposed plan to implement a cost recovery plan for selected accreditation activities

Background

The Commission's accreditation activities have historically been supported through credential fees paid by candidates. However, as a result of revenue reductions associated with declines in the number of credential candidates, increases in the number of programs that require accreditation, and increased expenses related to airfare, lodging, and per diem compensation for staff and volunteers, credential fees no longer fully support the Commission's accreditation system. The result of these significant decreases to the Commission's budget necessitated the temporary suspension of accreditation site visits and some document review activities for 2012-13.

Accreditation of educator preparation programs is a core activity and statutorily mandated responsibility of the Commission. Suspension of these activities severely hampers the ability of the agency to carry out its oversight responsibilities and to ensure that all programs are meeting Commission adopted standards. To help support the long term sustainability of California's comprehensive accreditation system, the Governor's Budget proposed to authorize the Commission to recover costs associated with certain types of accreditation activities.

In anticipation of the Governor's proposed budget, the Commission discussed at its April 2013 meeting, potential cost recovery options for accreditation activities (<http://www.ctc.ca.gov/commission/agendas/2013-04/2013-04-3D.pdf>). Commissioners asked staff to provide more information pertaining to actual costs for accreditation activities including costs incurred by the Commission. Commissioners expressed general support for the adoption of a cost recovery plan, but had specific concerns regarding potential fees to new programs, especially when the submission of a program is triggered by new requirements from the Commission, and requested that the possibility of an in-kind contribution from institutions be explored in lieu of a fee.

The Committee on Accreditation (COA) also discussed this topic at two of its meetings (February and June 2013). They shared many of the same concerns as the Commission relative to the conditions in which there would be fees for new programs, in particular how new programs were defined. The COA requested the exploration of an in-kind option, which is further discussed below.

The 2013-14 Budget Act includes a provision that authorizes the Commission to charge a fee to recover the costs of reviewing initial or new educator preparation programs. The Budget Act specifies that at least \$200,000 of the Commission's regular appropriation must be spent on educator preparation program reviews, and gave the Commission authority to seek

reimbursement for extraordinary accreditation activities. AB 86 (Chap. 8, Stats. 2013), the education omnibus trailer bill enacted as part of the 2013-14 Budget Act, provides the statutory authority for the Commission to recover costs associated with activities in excess of the regularly scheduled reviews. Specifically, AB 86 adds section 44374.5 of the Education Code as follows:

(a) The Commission may charge a fee to recover the costs of reviewing initial or new educator preparation programs. Applicable local educational agencies and institutions of higher education shall submit the established fee to the Commission when submitting a proposal for an initial or new program. The Commission may review the established fee on a periodic basis and adjust the fee as necessary. The Commission shall notify the chairpersons of the committees and subcommittees in each house of the Legislature that consider the State Budget and the Department of Finance at least 30 days prior to implementing the fee and at least 30 days prior to making any subsequent fee adjustments.

(b) The Commission may charge Commission-approved entities a fee to recover the costs of accreditation activities in excess of the regularly scheduled data reports, program assessments, and accreditation site visits. This includes, but is not limited to, accreditation re-visits, addressing stipulations, or program assessment reviews beyond the standard. Institutions shall submit the established fee to the Commission in the year that the extraordinary activities are performed. The Commission may review the established fee on a periodic basis and adjust the fee as necessary. The Commission shall notify the chairpersons of the committees and subcommittees in each house of the Legislature that consider the State Budget and the Department of Finance at least 30 days prior to implementing the fee and at least 30 days prior to making any subsequent fee adjustments.

Overview of Accreditation Expenses

The Commission implements a 7 year accreditation cycle that includes three major components: 1) program assessment, 2) biennial reports, 3) site visits. In addition, Initial Institutional Approval and Initial Program Approval are accreditation functions associated with new programs and new institutions. Costs are primarily incurred for components of the accreditation system that require the use of experts from the field to determine if the documentation provided by institutions regarding the quality of their program's operations, faculty, and services for candidates are aligned to the requirements of the Commission's adopted standards. Expenses include reimbursement for the travel of volunteers and staff who review documents and participate in approximately 40 on-site visits to educator preparation programs and institutions. This results in a projected outlay of \$415,000 for site visits, including pre-visits and revisits, in 2013-14 and \$271,000 for document review activities. The Budget Act authorizes the Commission to recover up to \$200,000 of these overall costs for activities other than regularly scheduled reviews.

In addition, to support the accreditation system, the Commission also sustains costs related to Committee on Accreditation member travel, Board of Institutional Reviewer (BIR) training, technical assistance, and miscellaneous travel related to ongoing accreditation activities.

Costs associated with accreditation activities vary depending on the scope of review required and the number of reviewers needed to accomplish the activity. Below is a description of each type of accreditation activity, its associated costs, and any cost-recovery fee proposed. The Budget Act does not provide the Commission with authority to charge for regularly scheduled data reports (such as biennial reports), program assessments, or accreditation site visits.

Regularly Scheduled Site Visits

The Commission currently covers the cost of accreditation site visits and pre-visits. These costs include travel and meals for all site visit team members. Further, the Commission reimburses the institution for the cost of lodging for review team members, meeting room costs, and any ancillary costs (internet charges or copies, for example) within the state's allowable limits. The Commission also covers the cost of substitutes for K-12 practitioners where necessary, although over the past few years there have been no substitute costs. Costs associated with preparing documents and evidence for review and preparing for site visits are the responsibility of the institution hosting the visit.

Site visits vary in cost based on location, transportation, and size of the team needed for the review of multiple programs. Commission site visit expenses range from \$6,400-14,500 with the average visit costing approximately \$9,000. Six months prior to the site visit, an accreditation pre-visit occurs. Commission expenses for pre-visits include the cost of travel, lodging, and meal per diem for state consultant and accreditation team lead and range between \$1,500 and \$2,400.

Proposed cost recovery:

No authority to charge for regularly scheduled site visits.

While the budget provides no authority for cost recovery of site visits, the Commission may wish to consider discontinuing the practice of reimbursing institutions for costs associated with the normal business of a team conducting a site review, including photocopies, internet, and meeting space on or off campus.

Revisits and Activities Associated with Stipulations

Revisits generally require a two-day focused visit of a smaller team within one year of the original site visit to determine whether the institution has sufficiently addressed all stipulations. The revisit team always includes a team lead, which in most cases is the same team lead as the original visit, and a Commission consultant. The number of reviewers depends upon the number and complexity of issues identified, but generally includes at least one reviewer in addition to the team lead. Furthermore, staff time to prepare and work with the institution can be considerable and is generally proportional to the level of stipulations assigned. Between 2009 and 2012, there was a total of 82 site visits, resulting in 23 institutions needing to address stipulations. Of those 23 institutions, 15 required a revisit. The cost of revisit activities averages between \$3,000-\$5,000.

Proposed cost recovery:

Institution bears all costs associated with revisit.

\$1,000 flat fee for institutions requiring quarterly reports addressing stipulations (in addition to revisit).

\$500 flat fee for institutions requiring reports addressing stipulations (without revisit).

Focused Site Visit

The Commission's accreditation system allows the COA to call for a focused accreditation site visit when the institution is not complying with the accreditation system activities (e.g., not submitting biennial reports or program assessment documents) or if there are concerns expressed about a program or institution. Travel expenses are projected at approximately \$1,000 per reviewer. No focused visits outside of the accreditation cycle have taken place in recent years.

Proposed Cost Recovery:

Institution bears all costs associated with Focused Site Visit.

Initial Institutional Approval, Initial Program Review, and Program Assessment

The Commission has also covered the cost for reviewers to review documents within the accreditation system. Documents are reviewed during: 1) initial institutional approval, 2) initial program review, and 3) program assessment. The most efficient manner to review documents includes bringing reviewers to the Commission offices for dedicated time in assigned pairs to review documents in their expertise area, ideally for a period of two days. The Commission has historically paid for travel, lodging, and meal costs for the reviewers. The face-to-face document review in which the two readers are able to review the submission in a protected environment with Commission facilitation of the process provides the most reliable and calibrated review for all program sponsors.

Although every attempt has been made to reduce expenses, in the past, the cost of Program Assessment and Initial Program Review has averaged between \$9,000 for a 1-day Initial Program Review Meeting to as much as \$19,000 for a 2-day Program Assessment Meeting with reviewers traveling from more remote locations. It is expected that there will be 12 Program Assessment Review sessions, and 6 Initial Institutional/Program Review sessions in 2013-14 for a Commission cost of \$271,000.

Initial Institutional Approval

Initial Institutional Approval is the process that institutions that have not previously been authorized by the Commission to offer educator preparation programs in California must complete prior to offering an educator preparation program. This is a much more lengthy process than program approval in that it requires not only the review of preconditions, and program standards but also a thorough review of the Common Standards. Additionally, because the institution is new to the process, this often requires multiple reviews and resubmissions. These approvals are less frequent in occurrence than other document reviews; however they require considerable time for reviewers.

Proposed Cost Recovery:

\$2,000 Initial Institutional Approval to cover the costs of two reviewers at \$1,000 each (this does not include the initial program review that follow the Commission's initial institutional approval).

Program Assessment

Program Assessment occurs in Year Four of the accreditation cycle. This is a review of all programs offered by an institution and is used to assist the institution in preparing for the site

visit in Year Six as well as providing information to the Site Visit team. Two BIR trained reviewers review the Program Assessment documents in a protected environment facilitated by Commission staff to determine if the programs are Preliminarily Aligned with Program Standards. If the reviewers cannot determine that the response is aligned to the standards, the institution resubmits documents with additional information. Generally, institutions are required to do at least one resubmission, which requires an additional review. This Program Assessment review and resubmission are part of regular accreditation activities. Each year one full cohort of institutions begins program assessment, while another cohort is completing its revisions and resubmissions to complete the process. As a result, a total number of approximately 120 program assessment documents are received annually and in need of review.

Proposed Cost Recovery:

No authority to charge for normative review of program documents during program assessment.

Program Assessment Beyond the Standard

As mentioned previously, it is not unusual for a Program Assessment document to require resubmission for a second review. When a Program Assessment document requires more than 3 reviews this is considered extraordinary and is beyond normal accreditation activities. Program Assessment documents that require numerous reviews require redirection of staff time as well as travel costs related to reconvening reviewers.

Proposed Cost Recovery:

\$1,000 per submission.

Initial Program Review

Initial Program Reviews (IPRs) are initiated in two ways. In one case the approved institution intends to offer a new program and submits it for review. In the second, the Commission revises standards to such a significant degree that institutions are required to rewrite the program and submit it for Initial Program Review. There was considerable discussion at both the June Commission meeting and the COA regarding what constitutes a new program. It is anticipated that staff will include a discussion of costs when presenting proposed program revisions to the Commission for approval and that the Commission will determine whether programs will be required to submit the new program for IPR and bear the associated costs or if submission of a transition plan will suffice. For the purposes of this discussion, no differentiation is made regarding the catalyst for the Initial Program Review. Although the IPR is generated under different circumstances, the cost of the Initial Program Review remains the same.

Teams of two BIR trained readers review program documents in a protected environment with Commission staff facilitation to determine if a program is aligned with the standards or in need of more information. The program documents are resubmitted until all standards are aligned. This process often takes multiple submissions and reviews. An Initial Program Review meeting costs between \$9,000 and \$13,000 per event depending on duration of meeting, location and travel distance for reviewers. Each full review (12 standards) requires two readers who incur travel expenses of approximately \$2,000.

The time and expense of Initial Program Review is largely dependent upon the type of program being reviewed. There are three categories that programs fall under. The first, and most comprehensive are preliminary programs, which have 12 or more standards. Second tier programs have 6-11 standards and require less time for review. Added authorization programs are much less complex with 5 or few standards to review. Cost recovery is reflective of this difference and does not include staff time/travel.

Proposed Cost Recovery:

\$2,000 per Preliminary Program (12 or more standards)

\$1,500 per Second Tier Program (6-11 standards)

\$1,000 per Added Authorization or other program with fewer than 6 standards

No fee to programs that provide BIR-trained reviewers (equal to the number of programs submitted annually) and assume all travel costs related to the review (See below).

Option of In-Kind Contribution

Commissioners voiced concern about fees associated with Initial Program Review and suggested the option of institutions providing an in-kind contribution of reviewers, including assuming their travel costs and per diem. This possibility could provide an option for institutions that prefer this option and potentially help increase the efficiency with which documents are read by alleviating the shortage of reviewers that are currently available to the Commission. One possible unintended consequence could be that this would create a disincentive for institutions that have historically sent significant numbers of reviewers. Previously, many institutions have provided volunteers as part of their professional responsibility. Some institutions have provided many more reviewers than the actual number of programs they have. If volunteer reviewers are re-defined as an in-kind contribution, programs that have historically sent large numbers of reviewers may limit this to the number of programs from their institution that are in need of review. The option of in-kind contribution is noted in the proposed cost recovery below. This is not proposed as an option for those institutions going through Initial Institutional Approval.

Late Reviews

Approximately 45 Program Assessment and/or Biennial Reports come in late each year, with some institutions submitting documents six months past the due date. The Commission incurs additional expenses when reviewing documents that are submitted past an established due date including costs associated with rescheduling reviews and recruiting additional reviewers and holding additional review events. In line with the cost recovery principles, a fee of \$500 is proposed to recover costs associated with reviewer travel and meeting space.

Table 1: Summary of accreditation expenses and proposed cost recovery:

Accreditation Activity	Commission Expense	Proposed Cost Recovery
Regularly Scheduled Site Visits	\$6,400-\$14,500 per institution	none
Regularly Scheduled Pre-visits	\$1,500 – \$2,400 per institution	none
Revisit	\$3,000-\$5,000 per revisit	\$1,000 per reviewer
Quarterly Reports Addressing Stipulations	Undetermined cost resulting from the redirection of staff time; varies widely depending on number of stipulations and number of programs.	\$1,000 flat fee in addition to costs associated with revisit
Reports Addressing Stipulations (no revisit required)	Undetermined cost resulting from the redirection of staff time; varies widely depending on number of stipulations and number of programs.	\$500 flat fee
Program Assessment/Biennial Reports	\$12,500-\$19,000 per PA event	none
Program Assessment Beyond the Standard (as defined by more than 3 reviews for the same program)	Varies widely depending on number of issues and resubmissions	\$1,000 per submission
Initial Program Review	\$9,000-\$13,000 per IPR event	\$1,000-2,000 per new program; in-kind option available
Initial Institutional Approval*	\$9,000-\$13,000 h per IIA event	\$2,000 per institution
Focused Site Visit	\$6,400-\$14,500	\$1,000 per reviewer
Late Reviews (Program Assessment, Biennial Reports)	Approximately \$30,000	\$500 per document
<i>In-kind is equal to two times the number of programs submitted in a given year.</i>		

*Not eligible for in-kind contribution.

Under this proposed plan, over the course of the 7-year accreditation cycle, a program that submitted all documents on time and provided volunteers to BIR (equal at minimum to two reviewers times the number of new programs they submitted during that time) would incur no additional fees. On the other hand, an institution that chose not to contribute reviewers and had multiple stipulations requiring one or more revisits could incur fees of approximately \$5,000-\$7,000, assuming they also submitted 1 new program

Fiscal Year 2013-14

At the April 2013 Commission meeting staff was requested to provide additional information about the costs associated with accreditation activities. Those were described in the previous section. The Commission budget assumes recovery of \$200,000. The charts below present an illustration of how this cost recovery plan affects that budget assumption.

Because Fiscal Year 2013-14 is unusual, the first illustration provides information regarding costs and resulting recovery for a more typical year. Figures were derived by averaging the number of accreditation activities across three recent years (2009-2012).

Budget Illustration for Year with Typical Accreditation Activities*

Accreditation Activity (current number/typical number)	Justification	Typical* Year Projected Total Expense	Total Potential Typical* Recovery
Revisits	5 institutions bearing full cost of revisit	0**	0**
Quarterly Reports addressing Stipulations	1 institution @ \$1,000 each	\$1,000	1,000
Reports addressing Stipulations	4 institutions @ \$500 each	2,000	2,000
Program Assessment beyond the Norm	15 programs @ \$2,000 per program	30,000	30,000
Initial Institutional Approval	6 institutions @ \$2,000 per institution	12,000	12,000
Initial Program Review	40 programs @ \$2,000 each 15 programs @ \$1,500 each 20 programs @ \$1,000	122,500	122,500
Focused Site Visit (0/0)	0 institutions bearing full cost of visit	0	0
Late Reviews	45 institutions	22,500	22,500
Total		\$190,000**	\$190,000

* Typical was determined by averaging the number of accreditation activities in 2009-2012

** If institutions are required to bear the cost of revisit/focused site visit, there will be no actual cost to Commission for revisits and/or Focused Site Visits creating an additional potential cost recovery of \$25,000 not captured in totals.

The illustration below provides anticipated costs and resulting recovery for 2013-14. It is important to note that because site visits were suspended during 2012-13, revisits and programs addressing stipulations are at a minimum.

Table 3: Budget Illustration for Fiscal Year 2013-14

Accreditation Activity (current number/typical number)	Justification	2013-14 Projected Total Expense	2013-14 Potential Recovery
Revisits	2 institutions bearing full cost of revisit	0*	0*
Quarterly Reports addressing Stipulations	0 institutions @ \$1000 each	0	0
Reports addressing Stipulations *	2 institutions @ \$500 each	\$1,000	\$1,000
Program Assessment beyond the Norm	15 programs @ \$2,000 per program	30,000	30,000
Initial Institutional Approval	3 institutions @ \$2,000 per institution	6,000	6,000
Initial Program Review	27 programs @ \$2,000 each 13 programs @ \$1,500 each	88,500	88,500
Focused Site Visit (0/0)	15 programs @ \$1,000 0 institutions bearing full cost of visit	0	0
Late Reviews	45 programs @ \$500 per program	22,500	22,500
Total		\$148,000*	\$148,000*

* If institutions are required to bear the cost of revisit/focused site visit, there will be no actual cost to Commission for revisits and/or Focused Site Visits creating an additional potential cost recovery of \$10,000 not captured in totals.

Possible Question for Discussion

Does the proposed cost recovery plan for accreditation meet the intent of the 2013-14 State Budget Act provisions and enable the Commission to continue to support and promote a high quality accreditation system?

Recommended Action

Staff recommends that the Commission adopt the proposed accreditation cost recovery plan for accreditation as specified in Table 1 on page 3D-7 and direct staff to return with proposed regulatory language at a future meeting.

Next Steps

If the Commission adopts some or all aspects of the proposed cost recovery plan for accreditation, staff will develop an implementation plan.