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Information

Fiscal Policy and Planning Committee

Update on Annual and Extraordinary Accreditation Fees

Executive Summary: This agenda item provides an update on the annual and extraordinary accreditation fees collected in 2013-14 and 2014-15.

Recommended Action: For information only

Presenter: Philip Chen, Director, Fiscal and Business Services

Strategic Plan Goal

IV. Operational Effectiveness

- d) Demonstrate professionalism and accountability for high standards of practice in all Commission operations

April 2015

Update on Annual and Extraordinary Accreditation Fees

Introduction

This agenda item provides a brief summary and update of the Commission's Accreditation and Extraordinary Fee revenue to date. This agenda item will cover the status of the permanent regulations authorizing the fees, an estimate of the revenues to date, and a look forward to the proposed timeline for 2015-16.

Background

The Budget Act of 2013 and subsequent trailer bills included authority to charge fees for extraordinary accreditation program reviews (e.g., initial program reviews, re-visits, focused site-visits, etc.). Additionally, the Budget Act of 2014 and associated trailer bills further included additional authority to assess an accreditation fee to partially offset normal operating costs for accreditation workload.

Annual accreditation fees are assessed on program sponsors to offset a portion of the normal costs of doing the accreditation workload. These expenses include travel-related costs, and are typically associated with regularly scheduled site visits and bringing volunteers in for document review. Annual accreditation fees are due from all program sponsors by September 1st of each year.

Extraordinary fees are assessed on a program sponsor when a situation arises where additional accreditation workload is necessary, above and beyond the normal accreditation workload. An example is when the Commission must revisit some program sponsor sites, in order to re-evaluate whether a program sponsor has fully addressed previous stipulations. Another example is when program assessment require more than three reviews. Extraordinary fees are typically due upon receipt by the program sponsor.

Status of Past Year 2013-14 Revenues

The Budget Act of 2013 originally estimated the Commission would earn approximately \$200,000 in Extraordinary Fee revenues, as described in the Governor's Budget for 2013-14. However, delays in implementing the regulatory authority for those fees eroded a significant portion of the year's expected fee revenues. The Governor's Budget in January 2014 revised the revenue estimates downward, estimating a total of \$50,000 in Extraordinary Fee revenue. As the Commission closed its financial statements for 2013-14, the Commission reported receiving \$40,000 in Extraordinary fee revenues for 2013-14.

Status of Regulatory Authority

With regard to the new authority for accreditation fees, the Commission wrote and adopted emergency regulations (Title 5, California Code of Regulations, Division 8, Sections 80693 and 80694) detailing the accreditation fee authority at the June 2014 meeting

(<http://www.ctc.ca.gov/commission/agendas/2014-06/2014-06-3A.pdf>), which were then approved by the Office of Administrative Law (OAL) and became effective in August 2014. Subsequently, the Commission submitted and approved those same regulations (Title 5, California Code of Regulations, Division 8, Sections 80693 and 80694) as permanent at its August 2014 meeting (<http://www.ctc.ca.gov/commission/agendas/2014-10/2014-10-2I.pdf>). The OAL approved those regulations in January 2015, and those regulations became effective as of April 1, 2015, allowing the Commission to assess fees in the 2015-16 fiscal year and beyond.

Status of Current Year 2014-15 Accreditation Activities

The Annual Accreditation and Extraordinary fees fund a number of different and important program review activities for the current year. The fees do not however, cover Commission staffing costs for work performed by Commission employees or volunteers; the costs typically only cover such things as travel, per-diem (daily food allowances), and lodging associated with the activity.

Annual accreditation activities include:

- Reviewing and Evaluating Biennial Reports
- Reviewing and Evaluating Program Assessments
- Conducting regularly scheduled site visits

Extraordinary activities include:

- Reviewing and Evaluating documents associated with initial program approval (new programs)
- Proposing a new program
- Reviewing Program Assessments in excess of three rounds of reviews
- Additional workload given late submittals of Biennial Reports or Program Assessments
- Reviewing or Producing a seventh year report addressing stipulations
- Conducting re-visits
- Conducting focused visits

Given total costs for the 2014-15 year will not be available prior to June 30, 2015, staff notes that it is still unclear whether the fees are sufficient to support the cost of the Commission's accreditation activities. The Commission will continue to closely monitor costs for 2014-15 and the coming 2015-16 budget year, to determine whether any fee adjustments will be necessary.

Status of Current Year 2014-15 Revenues

The Budget Act of 2014 allocated \$850,000 for educator preparation reviews based on a projection in the Governor's Budget that estimated the Commission would earn approximately \$650,000 in Annual Accreditation Fee revenues in the 2014-15 fiscal year and \$200,000 in Extraordinary Fee revenues.

To date, the Commission has earned approximately \$813,000 in Program Sponsor Fees, including \$730,000 in Annual Accreditation Fees and \$83,000 earned in Extraordinary Fees. See Appendix A for more information on Extraordinary Fee activity.

Table 1 – Current Year Program Sponsor Fees

	2014-15 Revenues to Date	2014-15 Projected Revenues	Difference
Annual Accreditation	\$730,000	\$650,000	\$80,000
Extraordinary	\$83,000	\$200,000	-\$117,000
Total	\$813,000	\$850,000	-\$37,000

Current Year Projections

Since the September 1 due date for the Accreditation fees has passed, the Commission does not anticipate receiving additional Accreditation fees in the current year. The Commission does, however, anticipate various activities that would incur Extraordinary fees to continue (e.g. Initial Program Reviews, Document Reviews, etc.). In turn, those fees will continue, but the Commission notes that the Extraordinary fee revenues may be lower than original expectations.

Next Steps

The adoption of permanent regulatory authority clarifies the Commission’s authority to continue assessing this fee on various program sponsors. The Commission will continue monitoring both the Annual Accreditation and Extraordinary fees, and staff will prepare for the calculation of Accreditation fees for the 2015-16 fiscal year, as described in the Commission’s regulatory authority. Program sponsors have until June 8th to submit a request to change program status to the Commission, for the Committee on Accreditation to approve during their June 24-26th meeting. The Commission will subsequently calculate the Annual Accreditation fees based on program sponsor status as of July 1st.

Appendix A

Extraordinary Fees

Activity	Description of the Activity	Fee
Initial Institutional Approval	When an entity (college, university, school district, county office of education) that is not currently approved to sponsor educator preparation in California but would like to sponsor educator preparation, the institution must complete the Initial Institutional Approval process. The review is an iterative process with the institution providing additional information and supporting documentation in response to the BIR readers' questions until all Preconditions and Common Standards are found to be met. The Commission reviews all IIA applications that have completed the review process.	\$2,000
Propose New Program	When a new program is proposed, members of the BIR must review the proposal and supporting documentation. The review process is iterative with the institution providing additional information and supporting documentation in response to the readers' questions until all standards have been met. The COA takes action to approve a program once the readers recommend approval.	\$2,000 \$1,500 \$1,000
Late Submission of Reports	Biennial Reports and Program Assessment have specified due dates. If an institution submits its Biennial Report or Program Assessment after the due date, an extraordinary fee is assessed.	\$500 per program
Program Assessment in Excess of Three Submissions	Program Assessment is an iterative review process. Institutions submit additional information and supporting documentation until the BIR Readers determine that all standards are Preliminarily Aligned. If it takes more than 3 submission-reading rounds, the institution is assessed a fee for the reading of the Program Assessment submission.	\$1,000
7 th Year Report	The COA may require an institution to submit information in a 7 th Year report either addressing stipulations or to provide an update on an area of concern identified by the site visit team.	\$500
Additional Reporting in the 7 th Year	When an institution or a program within an institution has significant areas of concern or numerous standards that were not met at a site visit, the COA may require multiple reports in the 7 th year. Usually the reports are required to be submitted quarterly or every 90 days.	\$1,000
Revisit	The COA may require an institution to host a revisit in the 7 th year so that BIR members travel to the institution and interview specified constituencies.	\$1,000 per person
Focused Site Visit	A focused site visit can be required by the COA if evidence exists that a program is not meeting the Commission's standards. A small team including a staff consultant would complete the site visit within a month of the COA's action.	\$1,000 per person

Impact of Program Fees—Initial Program Proposals

When the Commission took action to implement the Extraordinary Fee structure a concern was raised that the fee for submitting a prospective educator preparation program to the Commission could cause institutions to decide not to sponsor additional educator preparation programs. The table below provides a summary of the number and types of new educator preparation programs that were approved in 2013-14 and the number of program proposals submitted so far in 2014-15. In addition to the 46 programs shown in the table an *Intent to Submit* has been received for additional 12 programs. For these 12 programs neither the fee nor the program proposal has been received as of April 10, 2015.

New Educator Preparation Program	Programs Approved in 2013-14 *	Program Proposals 2014-15
Preliminary Multiple or Single Subject	2	0
General Education (MS/SS) Clear	0	1
General Education (MS/SS) Induction	1	5
Bilingual Authorization	1	0
Mathematics Instructional Added Authorization	1	0
Reading and Literacy Added Authorization	0	1
Preliminary Education Specialist MM or MS	2	0
Preliminary Education Specialist LAD	2	0
Early Childhood Special Education	0	1
Education Specialist Added Authorizations	8	5
Clear Education Specialist Induction	21	12
Adapted Physical Education Added Authorization	1	0
Preliminary Administrative Services	0	2
Professional Administrative Services	3	13
Teacher Librarian Services Credential Digital Literacy	0	1
Pupil Personnel Services: School Counseling	1	0
Adult Education	0	1
Subject Matter Program	0	3
Subject Matter Program World Language – ELD	0	1
Totals	43	46

* Extraordinary fees were put in place on October 30, 2013 and the majority of the 2013-14 programs were not charged a fee to propose a new educator preparation program

Provided in the table on the next page is a summary of the Extraordinary Fees and how many instances and which institutions have been charged an Extraordinary Fee in 2013-14 and 2014-15. As the table shows, the Initial Institutional Approvals have not decreased since the Extraordinary fee was put in place. Also the number of new educator preparation programs does not seem to have decreased since the Extraordinary fee began but the number of late submissions of both Biennial Reports and Program Assessment have dropped significantly.

Extraordinary Fee Activities-2013-2015

Type of Activity	2013-14*	2014-15 to date
Initial Institutional Approval	2 Fortune School of Education-Charter School, Education for Change Cox Academy	10 Celerity Troika Charter School, Ceres USD, Fremont Union High School District, Kaplan University, LA Alliance, Renaissance Arts Academy, So. San Francisco USD, Summit Public Schools, Turlock USD, Woodland Joint USD
Propose New Program	43 Programs Approved by the COA	46 Program Proposals submitted
Late Submission of Biennial Report	7 Association of California School Administrators (ACSA), Butte COE, Grossmont UHSD, Hayward USD, Saugus USD, Humphreys College, St. Mary's College of California	6 Orange County DOE, Santa Clara COE, Pasadena USD, San Jose USD, CSU Northridge, Pepperdine University
Late Submission of Program Assessment	12 California State Polytechnic University, Pomona, Escondido Union School District, Fresno USD, Metropolitan Education District, Mt. Diablo USD, Oak Grove SD, San Joaquin COE, Tustin USD, Wiseburn SD, Alliant International University, Holy Names University, Teachers College of San Joaquin	5 San Diego State University, San Jose State University, San Diego COE, San Bernardino City USD, Patten University
Program Assessment in Excess of Three Submissions	0	0
7 th Year Report ^{\1}	0	5 Antioch University, Compton USD, Claremont Graduate University, Los Banos USD, UC Irvine
Additional (Quarterly) Reporting in the 7 th Year ^{\1}	0	3 Pacific Oaks College, Hebrew Union College, La Sierra University
Revisit ^{\1}	1 Bard College	3 CSU Monterey Bay, National University, Pacific Oaks College
Focused Site Visit	0	0

*Extraordinary Fees became effective October 30, 2013 so not all Initial Institutional Approvals or new program proposals were charged a fee.

^{\1} Site visits were on hiatus in 2012-13 so there very limited 7th year reporting, quarterly reports or revisits were required in 2013-14