
3C

Information/Action

Educator Preparation Committee

Update on Annual Accreditation Fees and Cost Recovery Fees

Executive Summary: This agenda item (a) provides an update on the Annual Accreditation fees collected in 2014-15 and 2015-16 and Cost Recovery fees collected in 2013-14, 2014-15 and 2015-16, and (b) begins a discussion of the implications for accreditation fees once the revised accreditation system is implemented in 2017-18.

Policy Question: Will the Commission's accreditation fee structure need to be modified as the revised accreditation system is implemented?

Recommended Action: That the Commission direct staff to continue to monitor the accreditation fees and bring an agenda item back to the Commission at a future date.

Presenters: Lynette Roby, Consultant, and Teri Clark, Director, Professional Services Division

Strategic Plan Goal:

II. Program Quality and Accountability

- b) Effectively and efficiently monitor program implementation and outcomes, hold all approved educator preparation programs to high standards and require continuous improvement through the accreditation process.

February 2016

Update on Annual Accreditation Fees and Cost Recovery Fees

Introduction

This agenda item provides a summary and update of the Commission's Annual Accreditation Fees and Cost Recovery Fees collected to date and begins a discussion on the implications for accreditation fees once the revised accreditation system is implemented in 2017-18.

Background

Cost Recovery Fees

The 2013-14 Budget Act and trailer bill language authorized the Commission to charge Cost Recovery fees for the approval of new programs and for activities beyond the normal accreditation activities for ongoing, previously approved institutions/programs. On September 27, 2013, the Commission approved emergency regulations implementing a cost recovery plan for selected accreditation activities including initial institutional approval (IIA), new program proposals (Initial Program Reviews, or IPR), late document submissions, revisits and other specified accreditation activities. Regularly-scheduled accreditation activities are exempt from these fees. On October 23, 2013, the Office of Administrative Law approved the emergency regulations, and the cost recovery regulations and fee schedule were implemented on October 30, 2013. Final approval was received from the Office of Administrative Law on February 5, 2014, thus allowing the Commission to continue assessing the Cost Recovery fees. To read further information about fees, access the [Fees webpage](#) on the Commission website.

Annual Accreditation Fees

The Budget Act of 2014 and associated trailer bills included additional authority for the Commission to assess an accreditation fee to partially offset normal operating costs for the accreditation workload. Senate Bill 858 (Chap. 32, Stats. 2014) amended Education Code section 44374.5, thereby authorizing the Commission to develop and implement an annual accreditation fee schedule. On June 20, 2014, emergency regulations related to annual accreditation fees were approved by the Commission and the first Annual Accreditation fee invoices were sent to program sponsors in August 2014. The regulations received final approval by the Office of Administrative Law on January 20, 2015 thus allowing the Annual Accreditation fees to continue to be assessed.

Fees Collected to Date

Cost Recovery fees collected for Years 2013, 2014, and 2015

Cost recovery fees require the institution to pay for any additional accreditation activity or activities not part of the regularly-scheduled accreditation activities in which all institutions participate. Examples of activities that generate cost recovery fees include institution requests

for initial institutional approval, review and approval of a new program, submission of a seventh year report required by the Committee on Accreditation, submission of a report addressing stipulations, or a revisit. The institution is charged a fee for the work associated with these extraordinary activities. For Initial Program Review, an institution may elect to provide individuals to serve as readers instead of paying the cost recovery fee and apply the service as in-kind credit. Details about in-kind can be found in the Cost Recovery information on the [Fees webpage](#). In-kind may only be used to offset the Initial Program Review fees. The cost recovery fee structure is provided in Table 1:

Table 1: Accreditation Activity and Cost Recovery Fee

Accreditation Activity	Cost Recovery Fee
Initial Institutional Approval	\$ 2,000
Initial Program Review—Preliminary Programs, 12 or more standards	\$ 2,000
Initial Program Review—Second Tier, 6-11 or more standards	\$ 1,500
Initial Program Review—Added Authorization Programs, fewer than 6 standards	\$ 1,000
Late submission of Biennial Report or Program Assessment document	\$ 500
Program Assessment requiring more than 3 submissions and reviews	\$ 1,000
Full Program Review at the site visit	\$ 3,000
Seventh Year Report	\$ 500
Report addressing Stipulations	\$ 1,000
Revisit	\$ 1,000 per individual attending the visit
Focused Site Visit	

This is the third year that the Commission has assessed and collected cost recovery fees. Table 2 provides information on the fees assessed to date.

Table 2: Cost Recovery Fees 2013- Present

2013-14 Cost Recovery Fees	Billed	In-Kind Service Applied to Fees
Late Submission - Biennial Report	\$3,500	
Late Submission - Program Assessment	\$11,500	
Full Program Review	\$3,000	
Revisit	\$3,000	
Initial Institutional Approval	\$8,000	
Initial Program Review	\$40,000	\$2,000
TOTALS	\$69,000	\$2,000
2014-15 Cost Recovery Fees	Billed	In-Kind Service Applied to Fees
Late Submission - Biennial Report	\$3,000	
Late Submission - Program Assessment	\$7,000	
7th Year Report	\$3,500	
Additional Reports addressing stipulations	\$3,000	
Revisit	\$15,000	

Initial Institutional Approval	\$26,000	
Initial Program Review	\$85,500	\$8,000
TOTALS	\$143,000	\$8,000

2015-16 Cost Recovery Fees	Billed	In-Kind Service Applied to Fees
Initial Program Review	\$32,500	\$6,000
TOTALS	\$32,500	\$6,000

Additional cost recovery fees for revisits, reports addressing stipulations, and 7th year reports will be invoiced in spring 2016. The Cost Recovery Fees have funded all the extraordinary activities—activities above and beyond those regularly scheduled in the 7 year accreditation cycle.

Annual Accreditation Fees Collected for Fiscal Years 2014-15 and 2015-16

Annual Accreditation Fees are designed to collect sufficient funds to pay for all regularly scheduled accreditation activities: travel for members of the Board of Institutional Reviewers to read program documents and serve on site visit teams. Annual accreditation fees are comprised of two parts: 1) an institution fee based on the average number of candidates recommended for a credential by the institution over the past 3 years, and 2) a program fee based on the number and type of Commission-approved educator preparation programs offered by the institution. Annual Accreditation fee calculations for fiscal year 2014-15 and fiscal year 2015-16 reflected program data reported to the Commission as of June 30th of each fiscal year.

Part 1: Institution fees based on the average number of candidates recommended for a credential over the past 3 years

The annual institution fee is determined by calculating the average number of candidates recommended for a credential for the most recent three years. Table 3 provides information regarding the fees associated with each tier.

Table 3: Institution Fees by Tier

Tier	Average Number of Annual Candidate Recommendations over most recent 3 years	Institution Fee	# Institutions within the Tier	Total Annual Institution Fees by Tier
1	0-50	\$ 1,000	152	\$ 152,000
2	51-100	\$ 1,400	32	\$ 44,800
3	101-300	\$ 1,800	26	\$ 46,800
4	301-600	\$ 2,200	21	\$ 46,200
5	Over 600	\$ 2,500	20	\$ 50,000

Part 2: Program fees based on the number and type of educator preparation program offered

In March 2015 a Program Sponsor Alert ([PSA 15-02](#)), was distributed to all institutions alerting the institutions to review the list of approved programs and to declare any programs inactive and/or to withdraw programs if the program is not operating. Table 4 summarizes the fees associated with each of the Commission’s educator preparation programs.

Table 4: Program Fees

Preliminary Preparation-16 (\$400)	Second Tier Preparation-14 (\$300)	Added Authorizations-15 (\$200)
<ul style="list-style-type: none"> • Multiple Subject • Single Subject • Education Specialist-Mild/Moderate • Education Specialist-Moderate/Severe • Education Specialist-Early Childhood • Education Specialist-Deaf and Hard of Hearing • Education Specialist-Visual Impairments • Education Specialist-Physical and Health Impairments • Education Specialist-Language and Academic Development • Administrative Services • School Psychology • School Counseling • School Social Work • Designated Subjects: Career Technical Education • Designated Subjects: Adult Education • Clinical or Other Rehabilitative-Orientation and Mobility 	<ul style="list-style-type: none"> • General Education Induction • Clear Education Specialist Induction • Administrative Services Induction • California Teachers of English Learners • Bilingual Authorization • Agriculture Specialist • Adapted Physical Education • Early Childhood Specialist • Designated Subjects: Supervision and Coordination • Designated Subjects: Special Subjects • Pupil Personnel Services-Child Welfare and Attendance • Teacher Librarian • School Nurse • Audiology 	<ul style="list-style-type: none"> • Education Specialist Added Authorization-Autism Spectrum Disorder • Education Specialist Added Authorization-Deaf-Blind • Education Specialist Added Authorization-Early Childhood Special Education • Education Specialist Added Authorization-Emotional Disturbance • Education Specialist Added Authorization-Orthopedic Impairments • Education Specialist Added Authorization-Other Health Impairments • Education Specialist Added Authorization-Resource • Education Specialist Added Authorization-Traumatic Brain Injury • Reading and Literacy Added Authorization • Reading and Literacy Leadership Specialist • Mathematics Instructional Added Authorization • Mathematics Instructional Leadership Specialist • Teacher Librarian Special Teaching Authorization • School Nurse Special Teaching Authorization • Speech-Language Pathology Special Teaching Authorization

If an institution has an approved program but is not accepting new candidates in the program, the institution can declare the program inactive. When a program is inactive, the annual accreditation fee is \$50 rather than the \$200-\$400 identified in Table 4. Declaring a program inactive allows an institution to keep a program on the books even if there are no new candidates enrolling at that time. At the beginning of the 2015-16 year, there were 1,240 active Commission-approved programs and 78 programs that had been declared inactive.

Collecting Annual Accreditation Fees

Invoices are sent to program sponsors August 1 of the fiscal year and the fees are due and payable on September 1. Fees are considered late if not received by close of business on October 31. If an institution has not submitted payment by that date, the institution's ability to recommend candidates for credentials is suspended beginning November 1st until the fee, plus a \$500 extraordinary activity fee, is received by the Commission.

As illustrated in Table 5, in fiscal year 2014-15, the total amount of annual accreditation fees invoiced was \$731,200. A total of \$728,850 was collected, with the remaining \$2,350 representing fees invoiced but not paid by two program sponsors. It should be noted that three program sponsors submitted payments after the due date and paid the \$500 extraordinary activity fee, equaling \$1500 which is reported in Table 2 in the total Cost Recovery fees collected.

In fiscal year 2015-16, the total amount of annual accreditation fees invoiced was \$730,600. A total of \$729,300 was collected, with the remaining \$1,300 representing fees invoiced but not paid by one program sponsor. Again, it should be noted that two program sponsors submitted payments after the due date and paid the \$500 extraordinary activity fee equaling \$1,000 which is reported in the total Cost Recovery fees collected. Table 5 provides summary information on how many institutions were invoiced, for how much they were invoiced in both 2014-15 and 2015-16, and the funds collected.

Table 5: Annual Accreditation Fees Collected to Date

Segment	2014-15				
	# Paid	Total Received	# Did Not Pay	Amount Unpaid	Total Fees Billed
CSU	23	\$ 174,750	0	-	\$ 174,750
UC	8	\$ 38,950	0	-	\$ 38,950
LEA	163	\$ 292,900	2	\$ 2,350	\$ 295,250
Private	57	\$ 222,250	0	-	\$ 222,250
Totals	251	\$ 728,850	2	\$2,350	\$ 731,200

Segment	2015-16				
	# Paid	Total Received	# Did Not Pay	Amount Unpaid	Total Fees Billed
CSU	23	\$ 172,250	0	-	\$ 172,250
UC	8	\$37,900	0	-	\$ 37,900
LEA	168	\$ 321,250	1	\$ 1,300	\$ 322,550
Private	57	\$ 197,900	0	-	\$ 197,900
Totals	256	\$ 729,300	1	\$ 1,300	\$ 730,600

When an institution does not pay its annual accreditation fee before November 1 of the year, the institution's ability to submit recommendations is suspended. In 2014-15 two LEAs (Castaic Union and Chino Valley) did not pay the annual fee and had the ability to submit recommendations

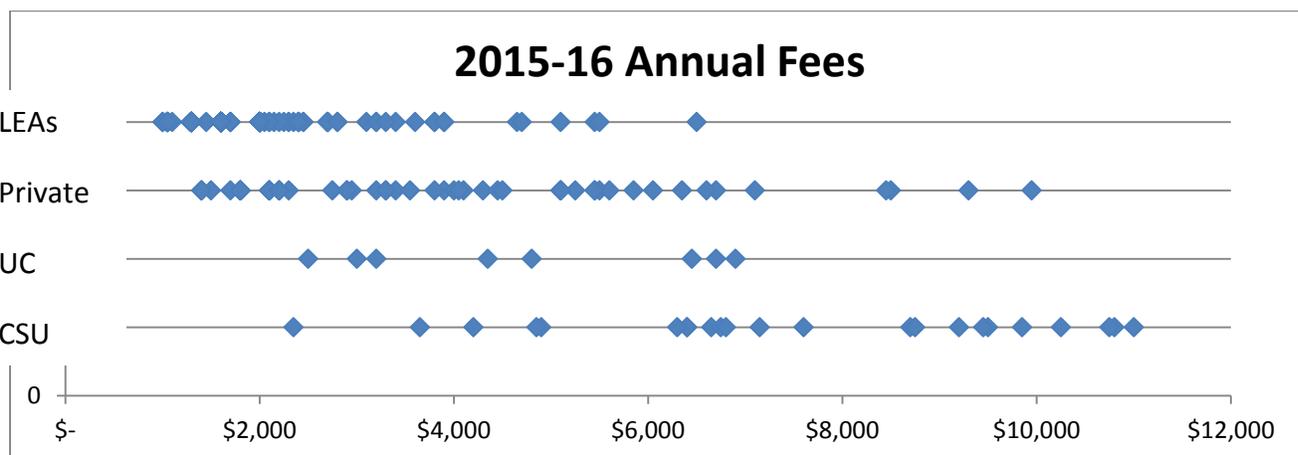
suspended. Castaic Union withdrew its induction program during 2014-15. For 2015-16, Chino Valley Unified did not pay its annual fee and cannot submit recommendations.

Each institution’s annual accreditation fee is calculated based on the number of credential recommendations submitted by the institution as well as the number and type of programs the institution offers. Provided in Table 6 is information about the minimum and maximum fees within each segment of the four segments of institutions that offer educator preparation as well as the mean and median fees for that type of institution.

Table 6: Range of Fees by Segment

Segment of Institution	Number of institutions	2015-16 Annual Accreditation Fees			
		Minimum Fee	Maximum Fee	Mean Fee	Median Fee
CSU	23	\$ 2,350	\$ 11,000	\$ 7,489	\$ 7,150
UC	8	\$ 2,500	\$ 6,900	\$ 4,737	\$ 4,575
LEA	168	\$ 1,050	\$ 6,500	\$ 1,857	\$ 1,600
Private	57	\$ 1,400	\$9,950	\$ 3,934	\$ 3,400

The scatterplot provided on the next page shows the 2015-16 Annual Accreditation Fee for each of the institutions approved by the Commission to offer educator preparation.



Revised Accreditation System and Accreditation Fees

At its August 2015 meeting, the Commission took action to declare the 2016-17 academic year a transition year to support all institutions to move from the current accreditation system to the revised system. The fee structure remains in place and the Commission will invoice all institutions for 2016-17 as it has done in 2014-15 and 2015-16. The Commission may want to consider if the Annual Accreditation fee structure is appropriately designed—by having both an institution and a program fee.

Once the revised accreditation system is fully implemented in the 2017-18 year, there will need to be some modification to the Cost Recovery fees. For example, currently if a Program Assessment document needs more than 3 submissions-review cycles to be determined to be

aligned to the Commission's standards, a cost recovery fee is charged. In the revised accreditation system, each program will be reviewed once prior to the site visit. Institutions will prepare an addendum for the site visit team where the review is completed. Therefore, the language about more than 3 submissions and reviews will need to be removed from the regulations. Staff plans to carefully review all fees to identify if any additional modifications to the fee structure will be necessary.

The annual accreditation fees are designed to collect sufficient funds to pay for the regularly scheduled accreditation activities. It is possible that the revised system will not require as many volunteers or as extensive site visits, but the specifics will not be known until the 2017-18 year when the system is implemented.

Policy Questions for the Commission's Consideration

- Should the current two-part annual accreditation fee structure be maintained once the Commission implements the revised accreditation system? If yes, should there be modification to either the institution or the program fee structure?
- In the revised accreditation system, the frequency, focus, and intensity of site visits will be determined to some extent by the annual data submitted by the institution, including performance data and survey results as well as the Program Review and initial review of the Common Standards. Should the Cost Recovery fee structure address the differential focus and intensity of site visits?

Staff Recommendation

That the staff continues to monitor both the annual accreditation fees and the cost recovery fees as the transition to the revised accreditation system takes place and bring an agenda item back to the Commission to amend the fee structure when appropriate.

Next Steps

Based on the Commission's direction, staff will continue to monitor fees associated with accreditation and provide information to the Commission at a future meeting.