

COMMISSION FOR TEACHER PREPARATION AND LICENSING

1020 O STREET
SACRAMENTO 95814

December 5, 1979

79-8034

TO: Deans and Directors of Teacher Education, County Superintendents, District Superintendents, and Credential Technicians

FROM: Peter L. LoPresti, Executive Secretary

SUBJECT: Fee Increase

Effective January 1, 1980, credential and related fees will be increased. The purpose of this correspondence is to provide you with an updated fee schedule, describe the rationale for the fee increases, and to outline the specific guidelines the Commission will use to implement the new fee structure.

FEE SCHEDULE

	CURRENT (Ending December 31, 1979)	NEW (Beginning January 1, 1980)
Issuance or Renewal of a Credential	\$20	\$30
Duplicate or Replacement	10	15
Certificate of Clearance (set by statute at one-half of credential fee)	10	15
Examination Processing	20	30
Board of Examiners (actual costs up to a maximum)	250	250

RATIONALEFee Structure Prior to January 1, 1980

The basic application fee for a teaching credential in California has been \$20 since 1967. Other fees collected by the Commission (e.g., duplicate and replacement, late filing) have been related to the basic fee. Those applicants who sought a teaching credential through examination were charged an additional fee equal to the credential application fee, to support the activity related to establishment and maintenance of an examination system.

Fund Condition

The enactment of the Ryan Act in 1970 did not result in a fee increase. It did, however, result in the requirement that all activities of the newly-created Commission be self-sustaining.

Since the 1971-72 fiscal year, the year the Commission became a separate and self-sustaining agency, the staff has been cut by 16%. In spite of this decrease in personnel, the Commission budget has increased by 62.4%. The stringent review of the Commission's budget each year by the Department of Finance and the Legislature assures that any increase in the Commission's budget would be limited to inflationary increases or funding for activities mandated by the Legislature.

During the early days of the Commission's existence, the volume of applications - both the normal workload and the activity resulting from the Ryan Act itself - assured a healthy surplus in the Teacher Credential Fund. For the past few years, because of the inflationary spiral, the Commission's expenditures have exceeded its revenue. Given the surplus accumulated from earlier years, the Commission did not seek a fee increase until the beginning of the current Legislative session. Staff had originally proposed an increase in the basic application fee to \$40, to be effective in July 1980 or January 1981. Three factors combined to make an earlier effective date essential:

1. The Commission's decision to seek a smaller increase while directing staff to explore the possibility of an annual reigstration of all credential holders.
2. A greater-than-anticipated decline in the number of applications received in 1978-79 and in 1979-80, thus far.
3. A greater-than-anticipated rise in the rate of inflation.

The January 1, 1980 increase to a \$30 basic application fee and the increases in related fees will merely buy the Commission some time to explore alternative funding bases. With the stringent management of resources (beyond that required by the Department of Finance and the Legislature) it is expected that the Teacher Credential Fund will remain solvent through 1980-81. This will depend, of course, on how accurately staff has predicted the number of applications to be received and the inflation factor.

Fee Structure as of January 1, 1980

Three questions have been raised regarding the fee increase on January 1, 1980:

- ...What is the justification for a 50% fee increase?
- ...What is the rationale for increasing fees other than the basic application fee?
- ...Why is not the fee shared with those institutions who grant credentials to their graduates?

These questions, and their answers, are interrelated but each can stand on its own merits.

The question of justification for a 50% fee increase, of course, must be considered in the context of the Teacher Credential Fund condition, as described above. The 50% increase is, in fact, inadequate to keep the Teacher Credential Fund solvent for more than a short period of time. Given the present rate of decline in the number of applications received, staff estimates that revenue for the entire 1979-80 fiscal year will exceed past year revenue by only 9%. It is clear, therefore, that had all the relevant factors been evident at the time the Commission opted for the increase to \$30, the decision would have been made to seek legislative authorization for an even larger increase. In addition to the stringent management of resources, the Commission may be faced with some hard decisions in the not-to-distant future, such as: What activities shall be reduced or eliminated? What kind of a staff reduction will bring expenditures in line with revenue? What legislation must be proposed to remove mandates which cannot be met with the current funding base?

The rationale for increasing fees other than the basic application fee is, of course, tied into the Commission's requirement to fund other mandated activities not directly related to the processing of applications. In addition, with the exception of the examination fee, other types of applications must go through several steps in the full process, resulting in processing costs which are close to the cost of a basic application. The examination fee, of course, has little relationship to the cost of accepting an examination score, but must, by legislative mandate, support the cost of developing and maintaining an examination system. Here again, volume is declining while costs are rising.

The third question, relating to institutional grants, concerns whether the practice of allowing institutions to issue credentials to their graduates is for the purpose of saving money for the Commission or for giving quicker, better service to the institution's graduates. While staff originally contemplated that there would be some savings to the Commission, the facts are that the provision of better service to institution graduates has been the only outcome of the pilot project. Once received in the Commission's office, the applications must go through all the regular steps except the typing and mailing of the credential.

GUIDELINES

Date of Application: The Commission will accept the earliest date of the following as being the date of application:

1. Direct Application.
 - a. The date the application was received by a public school district, county schools office, Commission approved local education agency, or Commission approved institution of higher education.
 - b. The date the application is received by the Commission.
 - c. The postmark date of the application.
2. LEA Recommended (Designated Subjects), IHE Recommended and Institutional Issuance Credentials.

The completion date of the program and effective date of the credential as specified in Part 3 of the application form.

Applications Dated December 31, 1979 or Earlier:

1. Applications dated December 31, 1979 or earlier, in accordance with date of application guidelines described above, will be subject to the current fee schedule as shown on page 1, PROVIDED THAT THE CANDIDATE MET REQUIREMENTS BY THAT DATE.
2. Applications dated December 31, 1979 or earlier, in accordance with date of application guidelines described above, will be subject to the new fee schedule as shown on page 1, if requirements for the credential being applied for are met on January 1, 1980 or later.

Applications Dated January 1, 1980 or Later.

Applications dated January 1, 1980 or later, in accordance with date of application guidelines described above, will be subject to the new fee schedule as shown on page 1.

Questions concerning the new fee schedule may be directed to Sanford L. Huddy, Manager of Licensing (916) 445-0233.