

Division VIII of Title 5 of the California Code of Regulations

Proposed Addition to Title 5 of the California Code of Regulations Pertaining to Cost Recovery Fees for Accreditation Activities

Initial Statement of Reasons

Rationale for Proposed Regulations

Education Code (EC) section 44225 authorizes the Commission to adopt these proposed regulations. The proposed regulations implement, interpret, and make specific EC section 44374.5 that authorizes the Commission to implement a cost recovery plan for specified accreditation activities

This rulemaking action proposes the addition of Subarticle 3, including sections 80691 and 80692, to Chapter 5, Article 3 of Title 5 of the California Code of Regulations (CCR) in order to clarify, interpret, and make specific the cost recovery fees for specified accreditation activities pursuant to EC section 44374.5 added as a result of Assembly Bill (AB) 86 (Chap. 48, Stats. 2013).

AB 110 (Chap. 20, Stats. 2013) assumes up to \$200,000 in funds [reference 6360-001-0407(8)] from the implementation of a cost recovery plan for initial institutional and new program review and accreditation activities in excess of the regularly scheduled data reports, program assessments, and accreditation site visits.

The purpose of the accreditation system is to ensure the quality of California educators. The Commission's accreditation system is the only quality control mechanism the state has over educator preparation programs and helps ensure the integrity of the credentials issued by the agency (reference EC sections 44370 and 44371). Failure by the Commission to perform its statutorily-mandated duties could result in the certification and placement of unqualified teachers in California's public schools.

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 travel expenses related to airfare, lodging, and per diem compensation for staff and volunteers, credential fees no longer fully support the Commission's accreditation activities.

The proposed accreditation fees for the following activities that require reviewer travel have been set at \$500 per day per reviewer on the basis of historical and projected travel costs: initial institutional approval, initial program review, focused site visits, program assessment requiring more than three reviews, full program review during site visits, and site revisits.

The proposed flat fees associated with reports addressing stipulations (with or without a site revisit) are based on the amount of staff time, and in some cases reviewer time, required to

consult with the institution, gather additional information, prepare an agenda item(s) for the Committee on Accreditation (COA), and to facilitate a COA meeting(s).

The proposed flat fee of \$500 associated with late reviews of program assessments and/or biennial reports is to recover the Commission’s additional incurred expenses to reschedule reviews, recruit additional reviewers, and facilitate additional review events.

Additional information regarding the proposed cost recovery fees is available in the August 2013 Commission Agenda Item 3D beginning on page PSC 3D-2 at <http://www.ctc.ca.gov/commission/agendas/2013-08/2013-08-3D.pdf> and historical information for past accreditation activity expenses is available in Appendix A of the September 2013 Commission Agenda Item 4A at <http://www.ctc.ca.gov/commission/agendas/2013-09/2013-09-4A.pdf>.

Summary of Proposed Cost Recovery Fees

Beyond Standard Accreditation Cycle Activities Education Code §44374.5	Cost Recovery
Initial Institutional Approval	\$2,000
Initial Program Review 12 or more standards	\$2,000
Initial Program Review 6-11 standards	\$1,500
Initial Program Review fewer than 6 standards	\$1,000
Beyond Regularly Scheduled Accreditation Activities	Cost Recovery
Focused Site Visit	<i>\$1,000 per individual attending visit</i>
Late Document Reviews	<i>\$500 per program</i>
Program Assessment Requiring More than 3 Reviews	\$1,000
Full Program Review during Site Visit as a result of not completing program assessment process	<i>\$3,000 per program</i>
Site Revisit	<i>\$1000 per individual attending visit</i>
Reports Addressing Stipulations (no revisit required)	\$500
Reports Addressing Stipulations (revisit required)	\$1000

The accreditation activities associated with new institutional and program approval, as well as the specified extraordinary accreditation activities, strain the Commission’s budget. In the 2012-13 fiscal year, the Commission suspended all scheduled site visits due to the redirection of funds to cover the costs associated with new institutional/program approval and the specified extraordinary accreditation activities. The purpose of the proposed regulations is to ensure that the Commission has the monetary means to perform its statutorily-mandated accreditation duties by allowing the recovery of costs associated with new institutional/program approval and extraordinary accreditation activities pursuant to EC section 44374.5.

Objectives and Anticipated Benefits of the Proposed Regulations

The objectives of the proposed regulations amendments are to establish fees that will allow the Commission to recover costs incurred for initial institutional and new program review and accreditation activities in excess of the regularly scheduled data reports, program assessments, and accreditation site visits.

The Commission anticipates that the proposed amendments will benefit the welfare of students attending public schools in the State of California by providing the monetary means to perform its statutorily-mandated accreditation duties, thereby ensuring high quality educator preparation for the instruction of California public school pupils.

The proposed regulations will promote fairness and prevent discrimination by specifying that the cost recovery fees apply to all institutions offering Commission-approved programs, regardless of agency type. The proposed regulations will also increase openness and transparency in government by clarifying the cost recovery fees associated with initial institutional and new program review and accreditation activities in excess of the regularly scheduled data reports, program assessments, and accreditation site visits. The Commission does not anticipate that the proposed regulations will result in the protection of public health and safety, worker safety, or the environment, the promotion of social equity, or an increase in openness and transparency in business.

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

Budget Illustration for Fiscal Year 2013-14

Accreditation Activity	Justification	2013-14 Projected Total Expense
Revisits	2 institutions bearing full cost of revisit	0*
Reports addressing Stipulations with Site Revisit	0 institutions @ \$1000 each	0
Reports addressing Stipulations without Site Revisit	2 institutions @ \$500 each	1,000
Program Assessment beyond the Norm	15 programs @ \$2,000 per institution	30,000
Initial Institutional Approval	3 institutions @ \$2,000 per institution	6,000
Initial Program Review	27 programs @ 2,000 each	88,500
	13 programs @ \$1,500 each	
Late Reviews	15 programs @ \$1,000 each	22,500
	0 institutions bearing full cost of visit	
Total		\$148,000*

*If institutions require site revisits and/or focused site visits in the 2013-14 fiscal year, the Commission anticipates an additional potential expense and potential recovery of \$10,000 not captured in totals.

Summary of Proposed Amendments to Regulations
Subarticle 3.

Proposed new subarticle to Chapter 5, Article 3 of Title 5 of the CCR in order to clarify, interpret, and make specific the professional preparation program approval and accreditation cost

recovery fees per EC section 44374.5 added as a result of Assembly Bill 86 (Chap. 48, Stats. 2013).

§80691 and Introduction: Proposed new section to provide definitions for the terms associated with the cost recovery fees for program approval and accreditation.

(a): Proposed language provides the definition for a “Board of Institutional Review member” and incorporates by reference Chapter Eleven of the *Accreditation Handbook*.

(b): Proposed language provides the definition for a “focused site visit” and incorporates by reference Chapter Four of the *Accreditation Handbook*.

(c): Proposed language provides the definition for “initial institutional approval” and incorporates by reference Chapter Three of the *Accreditation Handbook*.

(d): Proposed language provides the definition for “initial program review” and includes a reference to Chapter Three of the *Accreditation Handbook*.

(e): Proposed language provides the definition for “institution” as related to the types of organizations that are authorized to seek professional preparation program approval and accreditation.

(e)(1) through (e)(5): Proposed new subsections list the type of institutions, as defined in subsection (e), that are authorized to seek initial institutional approval.

(f): Proposed language provides the definition for “late review” as related to the submission of biennial reports and/or program assessments, incorporates by reference Chapter Five and Chapter Six of the *Accreditation Handbook*, and includes a reference to Chapter Four of the *Accreditation Handbook*.

(g): Proposed language provides the definition for “program assessment” and includes a reference Chapter Six of the *Accreditation Handbook*.

(h): Proposed language provides the definition for “professional preparation program.”

(i): Proposed language provides the definition for “site revisit” and incorporates by reference Chapter Fifteen of the *Accreditation Handbook*.

(j): Proposed language provides the definition for “site visit” and includes a reference to Chapter Four of the *Accreditation Handbook*.

(k): Proposed language provides the definition for “standard accreditation cycle” and includes a reference to Chapter Four of the *Accreditation Handbook*.

(l): Proposed language provides the definition for “stipulations” and incorporates by reference Chapter Eight of the *Accreditation Handbook*.

Note: Cites the relevant Education Code authority and references for the proposed addition of 5 CCR section 80691.

§80692 and Introduction: Proposed new section to clarify the cost recovery fees as established by the Commission that must be submitted by a professional preparation program for the program approval and accreditation activities specified.

(a): Proposed new subsection to establish the cost recovery fees for document review beyond the Standard Accreditation Cycle, as defined in section 80691(k) and includes language specifying when the fees must be submitted to the Commission [reference EC section 44374.5(a)].

(a)(1): Initial Institutional Approval is the process that must be completed by an institution that has not previously been authorized by the Commission to offer educator programs in California. This is a lengthy process that requires review of Commission-adopted preconditions, program standards, and common standards. Additionally, because the institution is new to the process, multiple reviews and resubmissions are often required. These approvals are less frequent in occurrence than other document reviews; however, they require considerable time for reviewers.

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 proposed cost recovery fee of \$2,000 is to cover the travel costs of two reviewers for two days (two reviewers X two days @ \$500/day = \$2,000). The proposed language establishes the cost recovery fee for initial institutional approval as defined in section 80691(c).

(a)(2): Initial program reviews are initiated in two ways: 1) an approved institution intends to offer a new program and submits a program proposal for review; 2) the Commission revises standards to such a significant degree that institutions are required to rewrite the program and submit it for initial program review. Staff will include a discussion of costs when presenting proposed program standards revisions to the Commission for approval at a regularly scheduled public meeting. The Commission will determine, after considering all comments, objections, and recommendations, whether programs will be required to submit the new program for initial program review and bear the associated costs or if submission of a no-fee transition plan will suffice.

Teams of two Board of Institutional Review members review program documents in a protected environment with Commission staff facilitation to determine if a program is aligned with the standards or if more information is needed. The program documents are resubmitted until all standards are aligned. This process often requires multiple submissions and reviews. 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.

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 include 12 or more standards. Second tier or “clear” programs have 6-11 standards and require less time for review. Added authorization

programs are much less complex with 5 or fewer standards to review. The proposed cost recovery fees for initial program review are scaled depending on the number of included program standards and do not include staff time or travel expenses.

The proposed language prefaces the subsections that will establish the cost recovery fees for initial program review as defined in section 80691(d) depending on the number of required standards to be addressed.

(a)(2)(A): Proposed language establishes the flat fee for the initial program review of a professional preparation program that addresses twelve or more standards to recover the travel costs for two reviewers for two days (two reviewers X two days @ \$500 per day = \$2,000). Preliminary credential programs typically include twelve or more standards [reference 5 CCR section 80054(a)(2) pertaining to Preliminary Administrative Services Credentials].

(a)(2)(B): Proposed language establishes the flat fee for the initial program review of a professional preparation program that addresses six to eleven standards to recover the costs for two reviewers for 1 ½ days (two reviewers X 1 ½ days @ \$500 per day = \$1,500). Less time will be required for the two reviewers to review a program with six to eleven standards than will be required to review a program with twelve or more standards, hence the reduced cost recovery fee from the fee proposed in subsection (a)(2)(A). Clear credential programs typically include between six and eleven standards [reference 5 CCR section 80054(d)(3) pertaining to Clear Administrative Services Credentials].

(a)(2)(C): Proposed language establishes the flat fee for the initial program review of a professional preparation program that addresses fewer than six standards to recover the costs for two reviewers for one day (two reviewers X one day @ \$500 per day = \$1,000). Less time will be required for the two reviewers to review a program with less than six standards than will be required to review a program with six to eleven standards, hence the reduced cost recovery fee from the fee proposed in subsection (a)(2)(B). Added authorization and certificate programs typically include fewer than six standards [reference 5 CCR section 80069.2(a)(3) pertaining to the Mathematics Instructional Added Authorization].

(a)(2)(D): Proposed language clarifies the circumstances under which a professional preparation program may be exempted from the fees associated with initial program review by providing an in-kind contribution of reviewers, including assuming the associated travel costs. Exemption from the costs associated with initial program review is a win-win situation, in that the program will not be required to pay the cost recovery fees and the number of available Board of Institutional members will be increased.

(b): Proposed new subsection to establish the cost recovery fees for accreditation activities in excess of the regularly scheduled data reports, program assessments, and accreditation site visits and includes language specifying when the fees must be submitted to the Commission [reference EC section 44374.5(b)].

(b)(1): The Commission's accreditation system allows the COA, as defined in EC section 44373, to call for a focused site visit when the institution is not complying with the accreditation system activities or if there are concerns expressed about a program or institution. No focused site visits

outside of the accreditation cycle have taken place in recent years. Focused site visits generally require a two-day visit and the number of individuals on the team will depend upon the number and complexity of issues identified. Focused site visit teams always include a team lead and a Commission consultant, and typically at least one reviewer. Institutions will bear all travel costs associated with a focused site visit (two days X \$500/day X number of individuals on the focused site visit team). The proposed language establishes the cost recovery fee for focused site visits as defined in section 80691(b).

(b)(2): Institutions are required to submit Biennial Report documents to the Commission that include two years of assessment data being used to ensure that candidates are developing, and completers have acquired, the appropriate skills and knowledge to prepare them to be professional educators. Institutions are required to submit Program Assessment documents to the Commission in Year Four of the accreditation cycle to assist the institution in preparing for the site visit in Year Six as well as providing information to the site visit team. Approximately 45 program assessment and/or biennial reports are submitted late each year. The Commission incurs additional costs when reviewing documents that are submitted past an established due date, including costs associated with rescheduling reviews, recruiting additional reviewers, and holding additional review events. A flat fee of \$500 for late document reviews is proposed to recover these additional incurred expenses. The proposed language establishes the cost recovery fee for late reviews as defined in section 80691(f).

(b)(3): Program assessment occurs in Year Four of the accreditation cycle. This is a review of all programs offered by an institution. Program assessment 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 Board of Institutional Review members review the program assessment documents in a protected environment facilitated by Commission staff to determine if the programs are preliminarily aligned with the program standards. Program assessment documents that require numerous reviews require redirection of staff time as well as travel costs related to the reconvening of Board of Institutional Review members to perform the additional reviews. The proposed language prefaces the subsections that establish the cost recovery fees for extraordinary activities associated with program assessments as defined in section 80691(g).

(b)(3)(A): When reviewers cannot determine that the program assessment response is aligned to the standards, the institution resubmits documents with additional information. A program assessment that requires more than three reviews is considered “extraordinary” and necessitates redirection of staff time as well as travel costs related to the reconvening of reviewers. A flat fee of \$1,000 is proposed to recover the travel costs for two reviewers for one day (two reviewers X 1 day @ \$500 per day). The proposed language establishes the cost recovery fee for program assessments that require more than three reviews.

(b)(3)(B): Program assessment documents are due to the Commission two years prior to the scheduled site visit. When an institution does not complete the program assessment process six months prior to the site visit, and when completion of that activity is due to the fact that the documents were significantly late, the document will not be read as a program assessment document, but will be reviewed as part of the site visit responsibilities. The fee of \$3,000 is proposed to recover the costs for two additional Board of Institutional Review members to attend

a site visit for three days in order to perform a program review when the professional preparation program does not complete the program assessment process six months prior to the scheduled site visit (two reviewers X three days @ \$500 per day).

(b)(4): An institution granted “Accreditation with Stipulations” by the COA must complete a seventh year report as part of the accreditation review process. The report should address the action taken by the institution to address any stipulations as well as the standards determined by the review team to be “not met” or “met with concerns.” At the time “Accreditation with Stipulations” is granted, the COA will indicate whether the process for removal of the stipulations requires a site revisit. The proposed language prefaces the subsections that establish the cost recovery fees for a professional preparation program operating with stipulations as defined in section 80691(l).

(b)(4)(A): The purpose of a site revisit is to allow an institution that received stipulations from the COA following an accreditation site visit the opportunity to demonstrate to a review team that it has modified its practices or corrected its deficiencies. Site revisits generally require a two-day visit of a smaller team within one year of the original site visit. The number of reviewers depends upon the number and complexity of issues identified, but a site revisit team always includes a team lead and a Commission consultant, and typically at least one reviewer. Institutions will bear all travel costs associated with a site revisit (two days X \$500 per day X number of individuals on the site revisit team). The proposed language establishes the cost recovery fee for a site revisit as defined in section 80691(i).

(b)(4)(B): If the COA determines that a site revisit is not required at the time “Accreditation with Stipulations” is granted, a Commission consultant and, in some cases the team lead, will review the responses provided in the seventh year report provided by the institution. The Commission consultant and, if appropriate, the team lead will prepare a report with recommendations for COA consideration in determining whether the stipulations can be removed. The flat fee of \$500 for review of a report due to stipulations that does not require a site revisit is proposed to recover the costs of staff time required to consult with the institution, gather additional information, prepare an agenda item for the COA, and to facilitate a COA meeting. Also incorporates by reference Chapter Nine of the *Accreditation Handbook* which details the activities associated with accreditation stipulations.

(b)(4)(C): If the COA determines that a site revisit is required at the time “Accreditation with Stipulations” is granted, the seventh year report will be provided to the review team to help with the assessment of the institution’s progress toward addressing the stipulations. Upon the conclusion of the site revisit, a report with recommendations will be prepared for COA consideration in determining whether the stipulations can be removed. The fee of \$1,000 for review of a report due to stipulations that does require a site visit is proposed to recover the costs of staff and review team time required to consult with the institution and gather additional information before and after the site revisit, prepare agenda items for the COA, and to facilitate COA meetings. Also references Chapter Nine of the *Accreditation Handbook* which details the activities associated with accreditation stipulations.

Note: Cites the relevant Education Code authority and references for the proposed addition of 5 CCR section 80692.

Documents Incorporated by Reference:

- Accreditation Handbook* Chapter Three, Institutional and Program Approval (rev. 2012):
<http://www.ctc.ca.gov/educator-prep/accred-handbook/AH-Chapter-03.pdf>
- Accreditation Handbook* Chapter Four, The Accreditation Cycle (rev. 2012):
<http://www.ctc.ca.gov/educator-prep/accred-handbook/AH-Chapter-04.pdf>
- Accreditation Handbook* Chapter Five, Biennial Reports (rev. 2012):
<http://www.ctc.ca.gov/educator-prep/accred-handbook/AH-Chapter-05.pdf>
- Accreditation Handbook* Chapter Six, Program Assessment (rev. 2012):
<http://www.ctc.ca.gov/educator-prep/accred-handbook/AH-Chapter-06.pdf>
- Accreditation Handbook* Chapter Eight, Accreditation Decisions: Options and Implications (rev. 2012): <http://www.ctc.ca.gov/educator-prep/accred-handbook/AH-Chapter-08.pdf>
- Accreditation Handbook* Chapter Nine, Activities during the Seventh Year of the Accreditation Cycle (rev. 2012): <http://www.ctc.ca.gov/educator-prep/accred-handbook/AH-Chapter-09.pdf>
- Accreditation Handbook* Chapter Eleven, Board of Institutional Review Member Skills and Competencies (rev. 2012):
<http://www.ctc.ca.gov/educator-prep/accred-handbook/AH-Chapter-11.pdf>
- Accreditation Handbook* Chapter Fifteen, The Accreditation Revisit (rev. 2012):
<http://www.ctc.ca.gov/educator-prep/accred-handbook/AH-Chapter-15.pdf>

Documents Relied Upon in Preparing Regulations:

- August 2013 Commission Agenda Item 3D:
<http://www.ctc.ca.gov/commission/agendas/2013-08/2013-08-3D.pdf>
- September 2013 Commission Agenda Item 4A:
<http://www.ctc.ca.gov/commission/agendas/2013-09/2013-09-4A.pdf>

Economic Impact Assessment/Analysis

EC section 44225 authorizes the Commission to adopt these proposed regulations. The proposed regulations implement, interpret, and make specific EC section 44374.5 that authorizes the Commission to implement a cost recovery plan for specified accreditation activities

AB 86 added EC section 44374.5 and authorizes the Commission to develop and implement a cost recovery plan for specified accreditation activities. The purpose of the proposed cost recovery fees are to implement a cost sharing plan for the specified accreditation activities.

In accordance with Government Code section 11346.3(b), the Commission has made the following assessments regarding the proposed regulation amendments:

Creation or Elimination of Jobs Within the State of California

The proposed amendments establish cost recovery fees for initial institutional and new program review and accreditation activities in excess of the regularly scheduled data reports, program assessments, and accreditation site visits for California educator preparation programs. The proposed cost recovery fees will not create or eliminate jobs in California.

Creation of New or Elimination of Existing Businesses Within the State of California

The proposed amendments establish cost recovery fees for initial institutional and new program review and accreditation activities in excess of the regularly scheduled data reports, program assessments, and accreditation site visits for California educator preparation programs. The proposed cost recovery fees will not create or eliminate existing businesses in California.

Expansion of Businesses or Elimination of Existing Businesses Within the State of California

The proposed amendments establish cost recovery fees for initial institutional and new program review and accreditation activities in excess of the regularly scheduled data reports, program assessments, and accreditation site visits for California educator preparation programs. The proposed cost recovery fees will not cause the expansion or elimination of existing businesses in California.

Benefits of the Regulations

The Commission anticipates that the proposed amendments will benefit the welfare of students attending public schools in the State of California by providing the monetary means to perform its statutorily-mandated accreditation duties, thereby ensuring high quality educator preparation for the instruction of California public school pupils.

The proposed regulations will promote fairness and prevent discrimination by specifying that the cost recovery fees apply to all institutions offering Commission-approved programs, regardless of agency type. The proposed regulations will also increase openness and transparency in government by clarifying the cost recovery fees associated with initial institutional and new program review and accreditation activities in excess of the regularly scheduled data reports, program assessments, and accreditation site visits. The Commission does not anticipate that the proposed regulations will result in the protection of public health and safety, worker safety, or the environment, the prevention of social inequity, or an increase in openness and transparency in business.

Consideration of Alternatives

In accordance with Government Code section 11346.5, subdivision (a)(13), the Commission must determine that no reasonable alternative considered by the agency or that has otherwise been identified and brought to the attention of the agency would be more effective in carrying out the purpose for which the action is proposed, would be as effective as and less burdensome to affected private persons than the proposed actions, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law. No alternatives have yet been proposed that will be less burdensome and equally effective.

These proposed regulations will not impose a mandate on local agencies or school districts that must be reimbursed in accordance with Part 7 (commencing with §17500) of the Government Code.

Evidence Relied Upon to Support the Initial Determination That the Regulation Will Not Have a Significant Adverse Economic Impact on Business: The proposed regulations will not have a significant adverse economic impact upon business. The proposed regulations apply to institutions offering Commission-approved and accredited educator programs. Although there

are currently 59 private institutions of higher education offering approximately 8 programs per entity (472 programs), the Commission anticipates nominal costs of \$0 to \$7,000 every seven-year accreditation cycle per institution with document review or extraordinary accreditation activities.