

Division VIII of Title 5 of the California Code of Regulations

Proposed Addition to Title 5 of the California Code of Regulations Pertaining to Annual Accreditation Fees

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 an annual accreditation fee schedule for all institutions that are approved to operate educator preparation programs. The purpose of the proposed annual accreditation fee is to implement a cost sharing plan for accreditation activities.

This rulemaking action proposes the addition of Subarticle 4, including sections 80693 and 80694, to Chapter 5, Article 3 of Title 5 of the California Code of Regulations (CCR) in order to clarify, interpret, and make specific the annual accreditation fees for regularly scheduled accreditation activities pursuant to EC section 44374.5, amended as a result of Senate Bill (SB) 858 (Chap. 32, Stats. 2014).

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 annual accreditation fees provide funding for regular accreditation activities including program assessment review, institution site visits, and other related accreditation review activities.

Fee Evaluation Framework

In order to evaluate the various alternatives (fee options) for setting the annual accreditation fee, criteria was first established. The following section details the basis by which the Commission evaluated various fee options.

- *Administrative ease* – The ease by which a fee could be administered should be a factor in the evaluation of fee options. To reduce administrative costs that impact the ability of the Commission to fully utilize revenue to cover program review activities, the fee policy

should not be overly burdensome for the Commission. An efficient fee policy should also have minimal administrative costs for program sponsors.

- *Non-regressive, non-progressive* – The inherent fairness of a fee should be a factor in the evaluation of fee options. The variety of institutions suggests a range of abilities to absorb the impact of the new fees.
- *Reflective of accreditation costs* – The extent to which a fee policy reflects the Commission’s costs associated with program review workload should be considered. Because the proposed statute allows for the fees to cover the “standard” costs of accreditation, the fee should consider standard costs associated with the accreditation function. This should include costs for travel by site visit volunteers, hotel and food costs, and other accreditation related costs.
- *Addresses Cash Flow Problems* – The Commission has struggled with cash flow problems in recent history. Fees could be scheduled so that they are due in the Fall months, providing some level of cash flow relief during the months that credential application revenues are low.

Composition of Annual Accreditation Fees

The annual accreditation fees will be comprised of an institution fee and a program fee. The institution fee is based on the average number of credential recommendations made by an institution over the most recent three-year period. Program fees are based on the number of Commission-approved educator preparation programs offered by an institution. The annual accreditation fee is used to cover the costs of ongoing reviews of existing educator preparation programs with program assessment and site visits utilizing the largest part of the accreditation budget. There are also other related activities (See Table A) required to maintain a high level of educator preparation in the state of California.

Program Assessment

Program assessment occurs in Year Four of the seven-year accreditation cycle and 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 qualified and trained education professionals 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.

Site Visit

The Commission’s accreditation system includes a site visit in Year Six of the accreditation cycle. The focus of a site visit is mainly on the Common Standards, but may include any program areas identified in advance by the Committee on Accreditation (COA) as a result of the program assessment process. The size of the site visit team is dependent upon the number of programs and size of the institution. Additional site visit team members may be required when a program at an institution has not completed the program assessment process (noted in the paragraph above) prior to the visit.

Necessity of Accreditation Activities and Budget Illustration

The Commission implements a seven-year accreditation cycle that includes three major components: 1) program assessment, 2) biennial reports, and 3) site visits. The accreditation

system relies on educators (those who prepare educators and practicing educators) to review the educator preparation programs. The individuals who apply for this work are selected based on identified criteria. They complete training and then join the Board of Institutional Reviewers (BIR). In addition, training of BIR members and site visit team leads; regularly scheduled COA meetings; and ongoing program standards and accreditation framework review and revision are functions associated with the accreditation system. 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 the accreditation system.

Costs associated with accreditation activities are highly complex and vary depending on the scope of review required and the number of reviewers needed to accomplish the activity. There are currently 23 California State Universities (CSU) offering approximately 19 programs per entity (447 CSU programs), 8 Universities of California (UC) offering approximately 10 programs per entity (79 UC programs), and 165 school districts and county offices of education offering approximately two programs per entity for a total of approximately 691 publicly funded programs. There are also currently 56 private institutions of higher education offering approximately 8 programs per entity (473 programs). In addition to the varying numbers of programs at each institution, each program has a varying level of complexity and number of standards per program. Finally, the number of candidates recommended per program fluctuates greatly and is difficult to predict.

Table A illustrates the activities associated with accreditation as well as their frequency, projected 2014-15 fiscal year cost and the calculation used to determine the associated costs and total budget required. The volume of accreditation work is dependent on the size of the institution, the number of program completers annually, and the number and type of educator preparation programs the institution offers. A large institution with more completers requires a larger site visit team and more interviews at the site visit. An institution with more programs will need additional reviewers. The proposed fee considers both the size of the institution and the number and type of educator preparation programs it offers.

Based on the authorizing statute, the fee schedule items were determined by developing the best estimate of the costs for accreditation (Table A) and developing fees that would appropriately reflect those costs, also focusing on a fair distribution of the fees, and ability to pay. The agenda items presented to the Commission April and June of 2014 provide additional information on the background and basis for the fee structure.

It is important to note that the projected costs in table A do not include staff time costs (salary or benefits) or any of the operating expenses of the Commission. For this reason the review of biennial reports is not included in the budget illustration below as Commission staff are responsible for reviewing biennial reports and providing feedback to the institutions. All calculations are determined using the state of California reimbursement rates for travel.

Table A: Budget Illustration for Fiscal Year 2014-15

Activity	Frequency	Calculation	2014-15 Cost
<p>Accreditation Site Visits—Consultant, Team Lead and Team Members—travel, lodging and per diem for the accreditation site visit. Site visits take place at 32-43 institutions annually. The total number of individuals attending a site visit ranges from four (4) to twelve (12) individuals. Visits range from 3 days/2 nights to 4 days/3 nights depending on the complexity of the institution.</p>	Annual	<ul style="list-style-type: none"> – Indigo Cohort: 43 institutions – Average site visit team size, including staff: 7 – Estimate of \$1,100 per individual per visit 	\$331,000
<p>Pre-visits to institutions in preparation for Accreditation Site Visit—the Consultant and Team Lead travel to the institution to finalize the preparations for the site visit. The Pre-Visit is essential for the site visit to be completed within the current time frames (3-4 days/2-3 nights).</p>	Annual	<ul style="list-style-type: none"> – 43 team leads – 43 consultants – Travel and 1 night lodging: \$650 per person 	\$55,900
<p>Board of Institutional Reviewers (BIR) Training—This is the session of professional development provided to the institutional representatives that allows the educator to serve as a site visit team member or a Program Assessment reader. The training is five online modules and a 2 day in person training. The in person training is conducted twice annually with 24-30 individuals in attendance at each training.</p>	Annual	<ul style="list-style-type: none"> – 30 volunteers – Travel, lodging and per diem-2 nights: \$850 – 2 sessions annually 	\$51,000
<p>Site Visit Team Lead Training—To have well calibrated site visit teams, it is essential that the Team Lead understands his or her responsibilities, the accreditation process, and how to work with both the institution and the team members.</p>	Annual	<ul style="list-style-type: none"> – 43 team leads attend 1 day training: \$500 per person 	\$21,500
<p>Program Assessment Reviews—approximately 200 programs begin Program Assessment annually. Each program submits documentation (narrative, course syllabi and key assessments) which is reviewed by a pair of individuals who are members of the BIR or who have the necessary experience and education to review documents.</p>	Annual	<ul style="list-style-type: none"> – 200 programs – 2 readers per program – \$500 per reader 	\$200,000
<p>Revising Accreditation Framework—The work to review and revise the Accreditation System, focusing on strengthening and streamlining the system necessitates working with stakeholders. The strengthening and streamlining work aligns with goals the Legislative Analyst Office has identified</p>	2014-15 & 2015-16	<ul style="list-style-type: none"> – 2 day stakeholder meeting. \$850 per person per meeting. – 40 people total 	\$34,700
<p>Revising Program Standards—Policy work to review and update program standards for one or more of the types of credentials. The content area varies by year, but review and update work needs to take place annually</p>	Annual	<ul style="list-style-type: none"> – Stakeholder meetings. \$900 per person per meeting. 	\$50,400

Activity	Frequency	Calculation	2014-15 Cost
		– 56 people total	
Committee on Accreditation Meetings —The 12 member COA meets six times annually. The meetings are 1-2 days in length. The costs are the travel, lodging, and per diem for the 12 members.	6 times a year	– 12 members – 6 meetings annually – \$900 per COA member	\$64,800
Team Leads to present at the COA —when the Accreditation Site Visit report is presented to the COA, the Team Lead represents the site visit team. If the team found any standards to be not fully met or proposed stipulations, the Team Lead needs to be in attendance at the COA meeting.	32-43 visits annually	– About ½ the visits have stipulations, so estimate 20 team leads to present at the COA meeting – \$ 500 per team lead	\$10,000
Total			\$819,300

Summary of Proposed Annual Accreditation Fees and Due Dates – Institution Fee and Program Fee

Table B provides the five tiers of the Institution Fee. The number of recommendations is based on a three year average for each institution. Table C provides the individual program fee an institution can expect to pay based on the number and type of programs being sponsored. Table D provides each type of program available to be sponsored as well as the corresponding category of program fee.

Tier	Recommendations	# of Sponsors in Tier	Fee per institution	Potential Revenue
1	0-50	152	\$1,000	\$152,000
2	51-100	32	\$1,400	\$44,800
3	101-300	26	\$1,800	\$46,800
4	301-600	21	\$2,200	\$46,200
5	Over 600	20	\$2,500	\$50,000

Type of Educator Preparation Program	Program Fee
Initial Preparation programs —usually those with 12 or more Program Standards	\$400
Intern Programs —If an institution offers an educator preparation program (preliminary teaching or administrative services programs) in both a traditional and an intern delivery model, there is an additional \$150 annual fee.	\$150
Second Level/Specialist programs —usually those with 6 -11 Program Standards	\$300
Added Authorization or Special Class/Teaching Authorization programs —usually those with fewer than 6 Program Standards	\$200
Inactive programs – If an institution elects to declare a Commission-approved	\$50

Table C: Program Fee	
educator preparation program Inactive a \$50 annual fee will be assessed for each inactive program.	

Table D: Educator Preparation Programs and Accreditation Fee	
	Type of Program
Teacher Preparation Programs (33)	
Preliminary Multiple Subject Teaching Credential	Initial Preparation
Preliminary Single Subject Teaching Credential	Initial Preparation
General Education Induction	Second Tier/Specialist
General Education Clear	Second Tier/Specialist
Preliminary Education Specialist-Mild to Moderate Disabilities	Initial Preparation
Preliminary Education Specialist-Moderate to Severe Disabilities	Initial Preparation
Preliminary Education Specialist-Early Childhood Special Education	Initial Preparation
Preliminary Education Specialist-Deaf and Hard of Hearing	Initial Preparation
Preliminary Education Specialist-Physical and Health Impairments	Initial Preparation
Preliminary Education Specialist-Visual Impairments	Initial Preparation
Preliminary Education Specialist-Language and Academic Development	Initial Preparation
Clear Education Specialist Induction	Second Tier/Specialist
Added Authorization in Special Education-Autism Spectrum Disorder	Added Authorization
Added Authorization in Special Education-Deaf-Blind	Added Authorization
Added Authorization in Special Education-Early Childhood Special Education	Added Authorization
Added Authorization in Special Education-Emotional Disturbance	Added Authorization
Added Authorization in Special Education-Orthopedic Impairments	Added Authorization
Added Authorization in Special Education-Other Health Impairments	Added Authorization
Added Authorization in Special Education-Resource Specialist	Added Authorization
Added Authorization in Special Education-Traumatic Brain Injury	Added Authorization
California Teachers of English Learners (CTEL)	Second Tier/Specialist
Bilingual Authorization	Second Tier/Specialist
Agriculture Specialist	Second Tier/Specialist
Reading and Literacy Added Authorization (Certificate)	Added Authorization
Reading and Literacy Leadership Specialist	Added Authorization
Mathematics Instructional Added Authorization	Added Authorization
Mathematics Instructional Leadership Specialist	Added Authorization
Adapted Physical Education	Second Tier/Specialist
Early Childhood Specialist	Second Tier/Specialist
Designated Subjects: Career Technical Education	Initial Preparation
Designated Subjects: Adult Education	Initial Preparation
Designated Subjects: Special Subjects	Second Tier/Specialist
Designated Subjects: Supervision and Coordination	Second Tier/Specialist
Services Preparation Programs (14)	
Preliminary Administrative Services	Initial Preparation

Table D: Educator Preparation Programs and Accreditation Fee	
	Type of Program
Administrative Services Induction	Second Tier/Specialist
Pupil Personnel Services: School Psychology	Initial Preparation
Pupil Personnel Services: School Counseling	Initial Preparation
Pupil Personnel Services: School Social Work	Initial Preparation
Pupil Personnel Services: Child Welfare and Attendance	Second Tier/Specialist
Teacher Librarian	Second Tier/Specialist
Teacher Librarian Special Teaching Authorization	Added Authorization
School Nurse	Second Tier/Specialist
School Nurse-Special Teaching Authorization in Health	Added Authorization
Speech-Language Pathology	Initial Preparation
Speech-Language Pathology Special Class Authorization	Added Authorization
Clinical or Other Rehabilitative: Orientation and Mobility	Initial Preparation
Clinical or Other Rehabilitative: Audiology	Second Tier/Specialist

Extraordinary Activity Fee

In addition to the program and institution fees, the proposed regulations also include an extraordinary activity fee of \$500 to be charged when an institution does not pay the total Annual Accreditation fee by November 1 of any given year. EC section 44374.5(b) includes the following language: “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 necessarily limited to, accreditation revisits, addressing stipulations, or program assessment reviews beyond those supported within the standard costs of review.”

The purpose of this extraordinary activity fee is to recover the cost for additional staff time involved in collecting an overdue debt including tracking late payments, letters, emails, and phone calls to request payment by the institution. Since payments are due by a specific date, late payments mean that staff have to be redirected from other work to handle late payments. In some instances the payment may be made so late that the accreditation visit may incur charges that cannot be refunded (like hotel rooms and meeting rooms) if the site visit or other accreditation activities must be cancelled at the last minute due to non-payment. The extraordinary activity fee is not a fine.

Fee Schedule Due Dates

The September 1 due date provides the Commission with the needed cash flow relief during the months that credential application revenues are low and staff are more available for processing of invoices and payments. Additionally, the fall due date provides the Commission with a more specific budget outlook while planning for the travel-heavy spring accreditation activities, including site visits.

Objectives and Anticipated Benefits of the Proposed Regulations

The objectives of the proposed regulations amendments are to establish an annual accreditation fee schedule that will allow the Commission to continue to perform its statutorily-mandated accreditation duties.

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 annual accreditation fees apply to all institutions offering Commission-approved educator preparation programs, regardless of agency type. The proposed regulations will also increase openness and transparency in government by clarifying the annual accreditation fees associated with the accreditation of institutions offering Commission-approved educator preparation programs. 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.

Summary of Proposed Amendments to Regulations

Subarticle 4.

Proposed new subarticle to Chapter 5, Article 3 of Title 5 of the CCR in order to clarify, interpret, and make specific the annual accreditation fees per EC section 44374.5 amended as a result of SB 858.

§80693 and Introduction: Proposed new section to provide definitions for the terms associated with the annual accreditation fees.

(a): *Proposed language provides the definition for “Institution fee.”*

(b): *Proposed language provides the definition for “Program fee.”*

(c): *Proposed language provides the definition for “Total annual accreditation fee.”*

(d): *Proposed language provides the definition for “Initial Preparation programs.”*

(e): *Proposed language provides the definition for “Second Tier and Specialist programs.”*

(f): *Proposed language provides the definition for “Added Authorization and Special Class/Teaching Authorization programs.”*

(g): *Proposed language provides the definition for “Intern programs.”*

(h): *Proposed language provides the definition for “Inactive programs” and incorporates by reference Chapter Three of the Accreditation Handbook.*

(i): Proposed language provides the definition for “Recommendation.”

(j): Proposed language provides the definition for “Extraordinary activity fee.”

(k): Proposed language provides the definition for “Actual costs.”

Note: Cites the relevant Education Code authority and references for the proposed addition of 5 CCR §80693.

§80694 and Introduction: Proposed new section to clarify the annual accreditation fees.

(a): Proposed new subsection to establish the total annual accreditation fee structure, as defined in §80693(c) and includes language specifying when the fees must be submitted to the Commission (reference EC §44374.5). The total annual fee is a combination of the institutional fee (see Table B) and the program fee (see Table C).

(b): Proposed language establishes the deadline for fee submission and prefaces the subsections that establish the extraordinary activity fee and suspension of credential recommendation ability.

(b)(1): Proposed language establishes the extraordinary activity fee for late submission of annual accreditation fees as defined in §80691(f). The purpose of this extraordinary activity fee is to recover the cost for additional staff time involved in collecting an overdue debt including tracking late payments, letters, emails, and phone calls to request payment by the institution.

(b)(2): Proposed language establishes that institutions shall not recommend for credentials until all fees are submitted. The ability for institutions to recommend candidates for credentials will not be interrupted, provided that annual accreditation fees are paid on or before November 1 of each year.

(b)(2)(A): Proposed language establishes when the suspension of the institution’s ability to make recommendations commences. The Commission will provide a written notice to all institutions that do not pay the annual accreditation fee on or before November 1 of each year.

(c): Proposed language prefaces the subsections that establish the institution fee tiers for the 2014-15 fiscal year.

(c)(1) – (c)(5): Proposed language establishes the institution fee tiers for the 2014-15 fiscal year, depending on the number of recommendations submitted by each institution. The institution fee tier is determined by calculating the average number of recommendations over the past three years prior to the year in which fees are due.

(d): Proposed language establishes the manner in which the Commission shall review and adjust the Institution Fee in subsequent fiscal years (reference EC §44374.5 (a)).

(e): Proposed language prefaces the subsections that establish the program fee for the 2014-15 fiscal year for each program type.

(e)(1) – (e)(5): Proposed language establishes the program fees for the 2014-15 fiscal year.

(f): Proposed language establishes the manner in which the Executive Director shall calculate the Program Fee in subsequent fiscal years (reference EC §44374.5 (a)).

(g): Proposed language establishes when the Commission shall determine and notify the Legislature and Department of Finance should a change in fees occur (reference EC §44374.5 (a)).

(h): Proposed language establishes when the Commission shall post the Annual Accreditation fees and the calculation of the fees on the Commission website.

Note: Cites the relevant Education Code authority and references for the proposed addition of 5 CCR §80694.

Documents Incorporated by Reference:

Accreditation Handbook Chapter Three, Institutional and Program Approval (rev. 2013):

<http://www.ctc.ca.gov/educator-prep/accred-handbook/AH-Chapter-03.pdf>

Documents Relied Upon in Preparing Regulations:

April 2014 Commission Agenda Item 5A:

<http://www.ctc.ca.gov/commission/agendas/2014-04/2014-04-5A.pdf>

June 2014 Commission Agenda Item 3A:

<http://www.ctc.ca.gov/commission/agendas/2014-06/2014-06-3A.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 an annual accreditation fee schedule for the review of new and existing educator preparation programs.

SB 858 amended EC section 44374.5 and authorizes the Commission to develop and implement an annual fee schedule for the review of new and existing educator preparation programs. The purpose of the proposed annual accreditation fee is 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 annual accreditation fees to cover the standard costs of reviewing new and existing educator preparation programs. The proposed annual accreditation 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 annual accreditation fees to cover the standard costs of reviewing new and existing educator preparation programs. The proposed annual accreditation 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 annual accreditation fees to cover the standard costs of reviewing new and existing educator preparation programs. The proposed annual accreditation 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 annual accreditation 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 annual accreditation fees associated with the accreditation of institutions offering Commission-approved educator preparation programs. 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 action, 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 section 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 only apply to institutions electing to offer Commission-approved and accredited educator programs. There are currently 56 private institutions of higher education offering approximately eight programs per entity (473 programs). The 2014-2015 annual accreditation fee for private institutions ranges between \$1,000 and \$10,650 dependent upon the average number of credential recommendations

and number of Commission-approved educator preparation programs being offered by the institution. The Commission does not believe these regulations will have a significant adverse economic impact upon businesses, as proposed regulations apply only to institutions electing to offer Commission-approved and accredited educator preparation programs.

The Commission is not aware of any cost impacts that a representative private person would necessarily incur in reasonable compliance with the proposed action.