
MEMORANDUM

Legislative Fiscal Office
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To: Members of the Education Subcommittee

From: Doug Wilson, Legislative Fiscal Office
(503) 986-1837

Date: June 2, 2015

Subject: Teachers Standards and Practices Commission – SB 5538 Work
Session Recommendations

State School Fund –Totals

	2011-13 Actual	2013-15 Legislatively Approved	2015-17 Current Service Level	2015-17 LFO Recommended
Other Funds	4,932,111	5,004,014	5,416,839	6,114,729
Federal Funds	12,893	35,000	0	0
Total Funds	\$4,945,004	\$5,039,014	\$5,416,839	\$6,114,729
Positions	25	20	20	26
FTE	24.23	20.00	19.46	24.38

Background Information

The primary functions of the Teacher Standards and Practices Commission (TSPC) include:

- Licenses teachers, school administrators, and other educational professionals;
- Sets the standards for these licenses;
- Sets the standards and performs accreditation visits for teacher training programs; and
- Investigates, and where merited, takes disciplinary actions regarding TSPC licensees;

Budget and Other Issues

1. Over the past few years, revenues for TSPC have declined as the number of teachers applying and renewing their licenses decreased. The number of licensees was almost 65,000 in 2010-11 and dropped to fewer than 61,000 in 2013-14. New licenses issued in 2010-11 totaled 20,077 but had fallen to 17,611 in 2013-14. For the 2011-13 biennium, the Legislatively Approved Budget was \$5.4 million Other Funds, but the Commission only had sufficient revenues to spend \$4.9 million. In recent months, revenues have started to increase again.

2. The Commission reacted to the declining revenues by eliminating positions, leaving positions vacant, reducing other spending, and using their ending balance. Consequences of these actions were backlogs in investigations, processing of licenses, and responding to emails and phone calls. In recent weeks, the Commission has increased its staffing resources through temporary employees and overtime as revenues have started to recover. This has resulted in improvements in addressing these backlogs.
3. The Commission is in the final stage of bringing a new on-line licensing system up which should improve processing time on issuing licensing and reducing the workload of the staff in this area over time. The cost of developing and maintaining this system is paid through a processing fee of \$10 paid to a contractor. This fee and its revenues are “outside” of the state budget.
4. The recommended budget assumes the passage of HB 2411 which increases the maximum fees the agency can charge. The fees have not increased since the 2005-07 biennium. Basic licenses are for a three or five year duration depending on the type of license. Below are the fees assumed in the recommended budget.

Type of License/Activity	Current Fee	Proposed Fee
License Renewal	\$100	\$140
New In-State License	\$100	\$140
New Out-of-State License	\$120	\$190
Charter School Registration	\$25	\$140
Fingerprint Fee	\$57	\$57

HB 2411 also proposes to change the name of the Teacher Standards and Practices Commission (TSPC) to the Professional Educator Standards Board (PESB).

Adjustments to Current Service Level:

See attached “Work Session Presentation Report”.

There are a number of adjustments to the Current Service Level in the recommended budget including:

- Two limited duration positions to address the backlogs in processing licenses applications and responding to emails and phone calls.
- One limited duration position to augment the current investigators to reduce the backlog in investigating the complaints made to the Commission for licensed educators.
- One limited duration position for 12 months to scan investigation files to save storage costs and improve efficiencies by integrating the files into a future case management system.

- A permanent position to assist the Deputy Director in the accreditation of the 18 teacher or educator preparation programs duties of the Commission.
- A permanent half-time position to assist the Executive Director and other Commission staff in work relating to budget/finance, administration of rules, security planning, legislative tracking and other administrative work.

The LFO recommendation for the 2015-17 Teacher Standards and Practices Commission's budget is as follows:

Other Funds Expenditure Limitation*	\$ 6,114,729
Total Funds	\$ 6,114,729
Positions	26
FTE	24.38

Accept LFO Recommendation

Sen. /Rep. _____ moves the LFO recommendation to SB 5538.

Performance Measures

See attached "Legislatively Proposed 2015-17 Key Performance Measures" form.

Budget Notes

The Teacher Standards and Practices Commission is instructed to report to the Joint Committee on Ways and Means during the 2016 Legislative Session or to the Interim Joint Committee on Ways and Means on the following areas:

- *Fee related revenue and expenditure trends for the first months of the 2015-17 biennium;*
- *Progress in addressing the backlogs for investigations and responding to emails and phone calls;*
- *Impact on agency workload from the implementation of the new on-line licensing system; and*
- *Progress on the scanning of investigative case files and implementation of a case management system for the investigative case files.*

Recommended Changes to Appropriation Bill:

The Legislative Fiscal Office recommends a budget of \$6,114,729 Other Funds and that SB 5538 be amended accordingly as in the attached amendment.

Please see the attached amendment (-1) for the LFO recommend changes to the bill.

Sen. /Rep. _____ moves the -1 amendment to SB 5538.

SB 5538 Final Subcommittee Action:

Final Motion:

Sen./Rep. _____ moves SB 5538 to the full committee as amended with a “do pass” recommendation.

Teacher Standards & Practices Comm

LFO Analyst Recommended

Agency Number: 58400

LFO102 - Work Session Presentation Report
2015-17 Biennium

Version: L - 01 - LFO Analyst Recommended
Cross Reference: 58400-001-00-00-000000

General Program

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2013-15 Agy. Leg. Adopted	-	-	4,904,153	35,000	-	-	4,939,153	20	20.00
2013-15 Ebds, SS & Admin Act	-	-	99,861	-	-	-	99,861	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2013-15 Leg Approved Budget	-	-	5,004,014	35,000	-	-	5,039,014	20	20.00
2013-15 Leg Approved Budget (Base)	-	-	5,004,014	35,000	-	-	5,039,014	20	20.00
Summary of Base Adjustments	-	-	85,854	-	-	-	85,854	-	(0.54)
2015-17 Base Budget	-	-	5,089,868	35,000	-	-	5,124,868	20	19.46
010: Non-PICS Pers Svc/Vacancy Factor	-	-	29,875	-	-	-	29,875	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	-	(35,000)	-	-	(35,000)	-	-
030: Inflation & Price List Adjustments	-	-	297,096	-	-	-	297,096	-	-
2015-17 Current Service Level	-	-	5,416,839	-	-	-	5,416,839	20	19.46
Adjusted 2015-17 Current Service Level	-	-	5,416,839	-	-	-	5,416,839	20	19.46
Total LFO Recommended Packages	-	-	697,890	-	-	-	697,890	6	4.92
2015-17 Legislative Actions	-	-	6,114,729	-	-	-	6,114,729	26	24.38
Net change from 2013-15 Leg Approved Budget	-	-	1,110,715	(35,000)	-	-	1,075,715	6	4.38
Percent change from 2013-15 Leg Approved Budget	0.0%	0.0%	22.2%	(100.0%)	0.0%	0.0%	21.4%	30.0%	21.9%
Net change from 2015-17 Current Service Level	-	-	697,890	-	-	-	697,890	6	4.92
Percent change from 2015-17 Current Service Level	0.0%	0.0%	12.9%	0.0%	0.0%	0.0%	12.9%	30.0%	25.3%

General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)

Package 101 Fee Increase

Package Description Fee Increase - Revenue Package: This package assumes passage of HB 2411 which increases the maximum fee limits for the Commission's fees. This increase in the revenues anticipated from this package is forecasted at \$1,133,124 Other Funds with the fee increases effective January 1, 2016. The assumed fee increases include the following:

- The basic in-state initial application fee and the renewal fee increases from \$100 for a general license (3 or 5 year) to a \$140 fee.
- The new out-of-state fee increases from \$120 to \$190.
- Charter school registrations and renewals increase from a high of \$75 to \$140.

The package also assumes a new \$10 convenience fee for processing the license applications and renewals. This fee is outside of the state budget and payable to a vendor, all of which will be dedicated to the development and maintenance of a new on-line licensing and record keeping system. This is scheduled to come on-line in the Fall of 2015.

LFO Recommendation Approve the package. These fee increases generate the revenues necessary to support the other recommendations in the LFO recommended budget. Two years from now the Legislature will have to review the ending balance and cash flow of the agency accounting for the fact that most of the increased spending in this recommended budget are tied to limited duration positions which do not automatically continue for the 2017-19 biennium.

LFO Recommended

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
Package 103 Administrative Staff									
<u>Package Description</u>	<p>Add Executive Administrative Support: This package adds one permanent Principal Executive Manager A position to add technical and professional support for the Commission's operations. During the 2011-13 biennium when revenues significantly fell off, the Commission eliminated two administrative positions and this package proposes to add one of those positions back. This position would provide administrative capacity in the areas of budget/finance, security planning, administrative rule responsibilities, preparation of state agency reports, legislative tracking, and other functions currently performed generally by the Executive Director and to a lesser extent by the Deputy Director. This would free up time for the Director to review disciplinary cases (statutorily required to make recommendations to Commission on each case), provide short and long-term planning, and work with other state education leaders on state-wide education goals. This package is dependent of the passage of HB 2411 and the implementation of the fee increase that is part of package 101.</p> <p><u>LFO Recommendation</u> Approve the package with modification. LFO recommends reducing the proposed position to half-time based on the assumed workload. In addition, if package 104 is approved, the Deputy Director will have additional time to perform some of the functions currently the responsibility of the Executive Director. Since this will not be a position that will perform supervisory functions, LFO recommends that an Operations and Policy Analyst 2 classification for this position which is factored into the recommended amount. The proposed package also included rent even though the agency will not be expanding its footprint so this was reduced from the requested amount.</p>								
LFO Recommended	-	-	95,966	-	-	-	95,966	1	0.50

General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 104 Accreditation Staff

Package Description State Preparation Program Approval Support: One major function of the Commission is to oversee educator preparation programs at colleges and universities within the State. This work is currently done mostly by the Commission's Deputy Director along with many other responsibilities. The justification for this position is also driven by the need to provide technical assistance to the programs as a result of new standards for the review of these programs adopted by the Commission in 2012; and new regulations for accountability from the U.S. Department of Education. A permanent Compliance Specialist 2 position (1.0 FTE) is proposed in this package to; (1) assist in training the on-site visit teams which assess the educator preparation programs, (2) provide the technical assistance to the programs relating to the new Commission and federal standards, and (3) assist in the administration of the new Educational Teacher Performance Assessment for student teachers. The position will also be able to provide data and analysis for the 18 educator preparation programs in the State. This package is dependent of the passage of HB 2411 and the implementation of the fee increase that is part of package 101.

LFO Recommendation Approve with modifications. The changing standards at both the State and Federal levels increase the workload of Commission staff in this area. The proposed package also included rent even though the agency will not be expanding its footprint so this was reduced from the requested amount. It is doubtful that the agency will be able to hire someone into the position at the beginning of the biennium so the package has been adjusted to a hire date of August 1st.

LFO Recommended	-	-	-	-	-	155,951	1	0.96
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General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 105 Licensure Staff

Package Description Reduce Licensure and Email Backlog: This package adds two limited duration positions (2.00 FTE) to reduce the current backlogs in licensure and responding back to requests and inquires by Email or phone. An Administrative Specialist 2 position is proposed to assist in evaluating applications and issuing educator licenses. The goal of the agency is to issue licenses within 20 days. In February 2015, the licensure backlog was 19 weeks. By providing over-time for current staff, this backlog was reduced to 13 weeks by the beginning of May. This proposed limited duration position would augment the current licensure staff for 2015-17 replacing the need for overtime. The position is proposed as limited duration because it is unknown at this time what the new on-line licensing system will have on the ongoing staffing needs.

A Public Service Representative 3 position is proposed to address the backlog in responding to requests for information and documents via phone and Email. This backlog is a major complaint area faced by the Commission. It is hoped that this position will make it possible to reduce the wait-time on the phone and allow Commission staff to respond to emails in three days or less. This position would also assist the staff currently responsible for the "walk-in" inquires and in opening mail. Prior to filling vacant positions and adding a temporary position in early March the Email backlog was over 1,800 pending emails (three months). This was reduced to only 140 by early May. For the same period, the average response or wait-time on the phone was reduced from over 30 minutes to approximately four minutes. This proposed position would continue this capacity for 2015-17.

These positions are proposed as limited duration because it is unknown at this time what the new on-line licensing system and a planned licensure restructuring will have on the ongoing staffing needs. This package is dependent of the passage of HB 2411 and the implementation of the fee increase that is part of package 101.

LFO Recommendation Approve with modifications: Both of these positions are addressing areas which generate complaints regarding the Commission. Recent experience shows improvements in both areas with additional resources. These additional resources are not sustainable without this package for 2015-17. The proposed package also included rent even though the agency will not be expanding its footprint so this was reduced from the requested amount. It is doubtful that the agency will be able to hire someone into one of the position at the beginning of the biennium so the package has been adjusted to a hire date of August 1st. A temporary employee will transition into the other position immediately.

LFO Recommended	-	251,931	-	-	-	251,931	2	1.96
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 802 Investigation Resources

Package Description Reduce Investigation Case Backlog: This package proposing adding two limited duration positions to address the on-going backlog is the investigation of disciplinary cases brought to the Commission as well as to improve future efficiency by digitizing investigative files.

A limited duration Investigator 2 (1.0 FTE) is proposed adding to the current investigative staff of three "front-line investigators and an additional investigator who works closely with the Assistant Attorney General to reduce legal services costs. Some of the current backlog is due to turnover of investigation staff. The Commission received 339 complaints in 2013, up from 291 in 2012. The 2014 number did drop but a backlog still remains. A one-time increase in the capacity to review and process cases should reduce the backlog to a more manageable level during the 2015-17 biennium.

A limited duration Office Assistant 2 (1.0 FTE) is proposed to be added to scan the files of closed discipline cases. This would eliminate the need for off-site storage of closed case files as well as increase the security of these records.

This package is dependent of the passage of HB 2411 and the implementation of the fee increase that is part of package 101.

LFO Recommendation Approve with modifications. The Office Assistant 2 position proposed for scanning of case files should be only for one year. Based on statistics provided the agency on the number files to be scanned and their best estimate on the number of files the position would be scanned in a week, all of the 3,000 files would be scanned in roughly a year accounting for some larger cases that would take longer. If the pace of scanning files is slower than what was estimated, the agency can return to the Legislature in February 2016 to request further limitation and FTE authority. LFO also recommends that the agency determine what case management software will be used prior to beginning the scanning of files. The proposed package also included rent even though the agency will not be expanding its footprint so this was reduced from the requested amount.

LFO Recommended	-	-	194,042	-	-	-	194,042	2	1.50
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Legislatively Proposed 2015-2017 Key Performance Measures

Agency: **TEACHER STANDARDS and PRACTICES COMMISSION**

Mission: To establish, uphold and enforce professional standards of excellence and communicate those standards to the public and educators for the benefit of Oregon's students.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2016	Target 2017
1 - PHONE/EMAIL CUSTOMER SERVICE – Percent of phone calls and email responded to within 3 days.		Approved KPM	35.00	60.00	60.00
2 - APPLICANT CUSTOMER SERVICE -- Percent of completed applications processed in 20 days.		Approved KPM	14.00	50.00	50.00
3 - INVESTIGATION SPEED – Percent of investigated cases resolved in 180 days (unless pending in another forum).		Approved KPM	12.00	75.00	75.00
6 - CUSTOMER SERVICE – Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent"; overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Overall	Approved KPM	23.00	80.00	80.00

LFO Recommendation:

The Legislative Fiscal Office (LFO) recommends maintaining the targets for all four KPMs at their current level for 2016 and 2017. Even though the agency's performance has been significantly under the target over the past few years, it is likely the falling revenues leading to staff layoffs have been a primary factor in the this performance. If the budget for the Commission includes new resources for responding to backlogs in returning emails, investigations, and processing license applications it is premature to change that targets. In addition, the Commission is implementing a new information system which includes a web-based license processing process which should save staff time as well as speed up processing. The Legislature should review the targets during the 2017 Session to see if the additional staff resources and new information system has had a major impact on the agency's performance. If there is not significant improvement then other steps will need to be taken to address the issues.

Sub-Committee Action:

SB 5538-1
(LC 9538)
5/29/15 (TR/ps)

**PROPOSED AMENDMENTS TO
SENATE BILL 5538**

1 In line 6 of the printed bill, delete "\$6,264,770" and insert "\$6,114,729".

2
