

BUDGET REPORT AND MEASURE SUMMARY

Joint Committee On Ways and Means

Action:

Action Date:

Vote:

Prepared By: Lisa Pearson, Department of Administrative Services

Reviewed By: Doug Wilson, Legislative Fiscal Office

Agency: Teacher Standards and Practices Commission

Biennium: 2015-17

Budget Summary*

	2013-15 Legislatively Approved Budget ⁽¹⁾	2015-17 Current Service Level	2015-17 Committee Recommendation	Committee Change from 2013-15 Leg. Approved	
				\$ Change	% Change
Other Funds Limited	\$ 5,004,014	\$ 5,416,839	\$ 6,114,729	\$ 1,110,715	22.2%
Federal Funds Limited	\$ 35,000	\$ -	\$ -	\$ (35,000)	-100.0%
Total	\$ 5,039,014	\$ 5,416,839	\$ 6,114,729	\$ 1,075,715	21.4%

Position Summary

Authorized Positions	20	20	26	6
Full-time Equivalent (FTE) positions	20.00	19.46	24.38	4.38

⁽¹⁾ Includes adjustments through December 2014

* Excludes Capital Construction expenditures

Revenue Summary

The Teacher Standards and Practices Commission is entirely supported by Other Funds from licensing and other fees paid by the regulated professionals. The budget assumes passage of House Bill 2411 which includes an increase in fees; this will be the first fee increase since the 2005-07 biennium for the agency. The increase is projected to yield \$1.1 million Other Funds in new revenues over the current fee structure. Basic licenses are in effect for three or five years, depending on the type of license. The following table identifies the fees and the proposed changes.

Type of License/Activity	Current Fee	Proposed Fee	Change
Renewal	\$ 100	\$ 140	\$ 40
New In-State License	\$ 100	\$ 140	\$ 40
New Out-of-State License	\$ 120	\$ 190	\$ 70
Charter School Registration	\$ 25	\$ 140	\$ 115
Fingerprint Fee	\$ 57	\$ 57	\$ -

With the adoption of the Subcommittee recommendation, the agency’s estimated 2015-17 ending balance is \$974,704, or the equivalent of approximately 3.8 months of operating expenditures.

The Commission’s revenues declined over the past few biennia as a number of educators did not renew licenses or did not apply for new licenses. In response, the agency reduced spending and used resources from its “ending balance” reserves. Spending reductions included eliminating positions and leaving positions vacant. The reduction in staff resulted in backlogs for investigations, license processing, and responding to emails and phone calls. In April 2015, the agency reviewed license activity and discovered an increase in new Out-of-State license requests along with improved trends for other licenses. The agency now estimates licensure activity for the 2013-15 biennium will exceed the 2011-13 biennium by

about 900 applications, resulting in more revenue. This change has allowed the commission to use temporary employees and overtime to start to reduce backlogs. Under the current revenue structure, these temporary resources are not sustainable.

Summary of Education Subcommittee Action

The Teacher Standards and Practices Commission ensures that public school students' education is delivered by qualified competent professional educators, that accredited universities and colleges are held to educator preparation standards set by the Commission and federal government, and that educators who engage in misconduct are investigated, and where merited, disciplined. The Subcommittee recommended a total budget of \$6,114,729 Other Funds for the 2015-17 biennium, which is 21.4 percent more than the legislatively approved spending level for the 2013-15 biennium. The recommendation includes 26 positions and 24.38 FTE; this is an increase from the 2013-15 biennium levels of 20 positions and 20.00 FTE. Two of the additional positions are permanent and the remaining four are limited duration. The additional limited duration positions are intended to eliminate or decrease backlogs that developed in the 2013-15 biennium.

The Subcommittee approved the following recommendations and Budget Note:

Package 101: Fee Increase. This package adds \$1.1 million of additional revenue as described in the revenue section of this report. 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 revenue from the convenience fee will be dedicated to the development and maintenance of a new on-line licensing and record keeping system. This system is scheduled to come on line in the fall of 2015. Because four of the additional positions in this budget will be eliminated automatically at the end of the 2015-17 biennium, the 2017 Legislative Assembly should review the ending balance and cash flow needs for the 2017-19 biennium.

Package 103: Administrative Staff. This package adds \$95,966 Other Funds expenditure limitation and one permanent position (0.50 FTE). The position is an Operations and Policy Analyst 2, which will 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 will free up time for the Executive Director to review and make recommendations on disciplinary cases as required by statute, provide short and long-term planning, and work with other state education leaders on state-wide education goals. The half-time position will help with work done by two administrative positions eliminated in the 2011-13 biennium. This package and the other packages below have been adjusted to remove resources for rent which are not required.

Package 104: Accreditation Staff. This package adds \$155,951 Other Funds expenditure limitation and one permanent position (0.96 FTE). A permanent Compliance Specialist 2 position will assist in training the on-site visit teams which assess the educator preparation programs, provide the technical assistance to the programs relating to the new Commission and federal standards, and assist in the administration of the 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. An assumed one-month recruitment period reduces the FTE slightly.

Package 105: Licensure Staff. This package adds \$251,931 Other Funds expenditure limitation and two limited duration positions (1.96 FTE) for the agency. An Administrative Specialist 2 position will assist in evaluating applications and issuing educator licenses. A Public Service Representative 3 position will respond to requests for information and documents via phone and email. Both of these areas have experienced backlogs, but in recent weeks the use of temporary staff and overtime have eliminated the backlogs, suggesting additional staff would help return customer service to acceptable levels on an ongoing basis. These positions are limited duration because it is unknown at this time what impact the new on-line licensing system and a planned licensure restructuring will have on the ongoing staffing needs. The FTE for the Administrative Specialist position is adjusted downward to reflect the time required to hire the position. It is expected that a current temporary employee will transition into the other limited duration position.

Package 802: Investigation Resources. This package adds \$194,042 Other Funds expenditure limitation and two limited duration positions (1.50 FTE). An Investigator 2 (1.00 FTE) will add 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 to address a backlog. Some of the current backlog is due to turnover of investigation staff. An Office Assistant 2 (0.50 FTE) will scan the files of opened and closed discipline cases to reduce the need for off-site storage of closed case files as well as increase the security of these records. Based on agency estimates of the number of files to scan and the amount of time scanning will take, the work should be complete in a year. 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. The agency should determine which case management system it will use for on-going digital case management prior to scanning of files.

Budget Note:

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.

Summary of Performance Measure Action

See attached Legislatively Adopted 2015-17 Key Performance Measures form.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

SB 5538-A

Lisa Pearson -- (503) 373-7501

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2013-15 Legislatively Approved Budget at Dec 2014 *	\$ -	\$ -	\$ 5,004,014	\$ -	\$ 35,000	\$ -	\$ 5,039,014	20	20.00
2015-17 Current Service Level (CSL)*	\$ -	\$ -	\$ 5,416,839	\$ -	\$ -	\$ -	\$ 5,416,839	20	19.46
<u>SUBCOMMITTEE ADJUSTMENTS (from CSL)</u>									
SCR 001- General Program									
Package 103: Administrative Staff									
Personal Services	\$ -	\$ -	\$ 77,256	\$ -	\$ -	\$ -	\$ 77,256	1	0.50
Services and Supplies	\$ -	\$ -	\$ 18,710	\$ -	\$ -	\$ -	\$ 18,710		
Package 104: Accreditation Staff									
Personal Services	\$ -	\$ -	\$ 137,241	\$ -	\$ -	\$ -	\$ 137,241	1	0.96
Services and Supplies	\$ -	\$ -	\$ 18,710	\$ -	\$ -	\$ -	\$ 18,710		
Package 105: Licensure Staff									
Personal Services	\$ -	\$ -	\$ 214,511	\$ -	\$ -	\$ -	\$ 214,511	2	1.96
Services and Supplies	\$ -	\$ -	\$ 37,420	\$ -	\$ -	\$ -	\$ 37,420		
Package 802: Investigation Resources									
Personal Services	\$ -	\$ -	\$ 167,589	\$ -	\$ -	\$ -	\$ 167,589	2	1.50
Services and Supplies	\$ -	\$ -	\$ 26,453	\$ -	\$ -	\$ -	\$ 26,453		
TOTAL ADJUSTMENTS	\$ -	\$ -	\$ 697,890	\$ -	\$ -	\$ -	\$ 697,890	6	4.92
SUBCOMMITTEE RECOMMENDATION *	\$ -	\$ -	\$ 6,114,729	\$ -	\$ -	\$ -	\$ 6,114,729	26	24.38
% Change from 2013-15 Leg Approved Budget	0.0%	0.0%	22.2%	0.0%	-100.0%	0.0%	21.4%		
% Change from 2015-17 Current Service Level	0.0%	0.0%	12.9%	0.0%	0.0%	0.0%	12.9%		

*Excludes Capital Construction Expenditures

Legislatively Approved 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 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:

Approved the LFO Recommendation.