

**Legislative
Fiscal Office**

Oregon State Capitol
900 Court Street NE, H-178
Salem, OR 97301
503-986-1828

Ken Rocco, Legislative Fiscal Officer
Paul Siebert, Deputy Fiscal Officer



**Joint Committee on
Ways and Means**

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Rep. Dan Rayfield, House Co-Vice Chair
Rep. Greg Smith, House Co-Vice Chair

To: Education Subcommittee

From: Doug Wilson, Legislative Fiscal Office

Date: June 7, 2017

Subject: HB 5038 -- Teachers Standards and Practices Commission
Work Session Recommendations

Teacher Standards and Practices Commission – Agency Totals

	2013-15 Actual	2015-17 Legislatively Approved	2017-19 Current Service Level	2017-19 LFO Recommended
General Fund		200,000		
Other Funds	5,004,014	6,874,833	6,654,885	7,476,138
Federal Funds	35,000			
Total Funds	\$5,039,014	\$7,074,833	\$6,654,885	\$7,476,138
	20	27	21	26
	20.00	24.88	20.50	24.71

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. TSPC is recovering from a period of falling revenues due the decrease in the number of teachers applying and renewing their licenses. 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. These backlogs continue today but have improved as staff resources were increased for 2015-17.

2. The Commission is bringing a new on-line licensing system up which should improve productivity in issuing licenses. 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.
3. The basic licensing fees for teachers were increased in the current biennium as a result of passage of HB 2411 in 2015. The fees had not increased since the 2005-07 biennium. Basic licenses are for a three or five-year duration depending on the type of license. The fee for a basic teaching license was increased from \$100 to \$140.

Adjustments to Current Service Level (CSL):

The CSL for the Commission is \$6,654,885 Other Funds. The LFO recommendation assumes the following major changes:

- Continuation of three limited duration positions authorized in 2015-17 to respond to backlogs in licensing, responding to communications with TSPC by licensees and the public, and in investigations (\$447,554);
- Establishment of a position to increase information technology resources to address multiple needs to streamline the operations of the Commission (\$263,723); and
- Resources to continue scanning investigative files of the Commission (38,777);
- Roll-up of actions taken by the December 2016 Emergency Board to deal with increased legal, fingerprinting and merchant fees (\$342,710).

See attached "Work Session Presentation Report".

Note: Statewide adjustments are not included in these recommendations. Any needed adjustments will be made in an omnibus bill at the end of session.

Accept LFO Recommendation:

MOTION: I move the LFO recommendation to HB 5038. (VOTE)

OR

Change LFO Recommendation:

MOTION: I move the LFO recommendation to HB 5038, with modifications. (VOTE)

Performance Measures

See attached "Legislatively Proposed 2017-19 Key Performance Measures."

Accept LFO Recommendation:

MOTION: I move the LFO recommendation on Key Performance Measures. (VOTE)

OR

Change LFO Recommendation:

MOTION: I move the LFO recommendation on Key Performance Measures, with modifications. (VOTE)

Recommended Changes

LFO recommends a budget of \$7,476,138 Other Funds, which is reflected in the -1 amendment.

MOTION: I move adoption of the -1 amendment to HB 5038. (VOTE)

Final Subcommittee Action

LFO recommends that HB 5038, as amended by the -1 amendment, to be moved to the Ways and Means Full Committee.

MOTION: I move HB 5038, as amended, to the Full Committee with a do pass recommendation. (VOTE)

Carriers

Full Committee: _____

House Floor: _____

Senate Floor: _____

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2015-17 Agy. Leg. Adopted	200,000	-	6,155,894	-	-	-	6,355,894	27	24.88
2015-17 Ebds, SS & Admin Act	-	-	718,939	-	-	-	718,939	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2015-17 Leg Approved Budget	200,000	-	6,874,833	-	-	-	7,074,833	27	24.88
2015-17 Leg Approved Budget (Base)	200,000	-	6,511,902	-	-	-	6,711,902	27	24.88
Summary of Base Adjustments	-	-	(169,511)	-	-	-	(169,511)	(6)	(4.38)
2017-19 Base Budget	200,000	-	6,342,391	-	-	-	6,542,391	21	20.50
010: Non-PICS Pers Svc/Vacancy Factor	-	-	1,591	-	-	-	1,591	-	-
020: Phase In / Out Pgm & One-time Cost	(200,000)	-	(76,869)	-	-	-	(276,869)	-	-
030: Inflation & Price List Adjustments	-	-	387,772	-	-	-	387,772	-	-
2017-19 Current Service Level	-	-	6,654,885	-	-	-	6,654,885	21	20.50
Adjusted 2017-19 Current Service Level	-	-	6,654,885	-	-	-	6,654,885	21	20.50
Total LFO Recommended Packages	-	-	821,253	-	-	-	821,253	5	4.21
2017-19 Legislative Actions	-	-	7,476,138	-	-	-	7,476,138	26	24.71
Net change from 2015-17 Leg Approved Budget	(200,000)	-	601,305	-	-	-	401,305	(1)	(0.17)
Percent change from 2015-17 Leg Approved Budget	(100.0%)	0.0%	8.8%	0.0%	0.0%	0.0%	5.7%	(3.7%)	(0.7%)
Net change from 2017-19 Adj Current Service Level	-	-	821,253	-	-	-	821,253	5	4.21
Percent change from 2017-19 Adj Current Service Level	0.0%	0.0%	12.3%	0.0%	0.0%	0.0%	12.3%	23.8%	20.5%

LFO102 - Work Session Presentation Report
2017-19 Biennium

Version: L - 01 - LFO Analyst Recommended
Cross Reference: 58400-001-00-00-00000
General Program

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2015-17 Agy. Leg. Adopted	-	-	6,155,894	-	-	-	6,155,894	27	24.88
2015-17 Ebds, SS & Admin Act	-	-	518,939	-	-	-	518,939	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2015-17 Leg Approved Budget	-	-	6,674,833	-	-	-	6,674,833	27	24.88
2015-17 Leg Approved Budget (Base)	-	-	6,311,902	-	-	-	6,311,902	27	24.88
Summary of Base Adjustments	-	-	(169,511)	-	-	-	(169,511)	(6)	(4.38)
2017-19 Base Budget	-	-	6,142,391	-	-	-	6,142,391	21	20.50
010: Non-PICS Pers Svc/Vacancy Factor	-	-	1,591	-	-	-	1,591	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	(76,869)	-	-	-	(76,869)	-	-
030: Inflation & Price List Adjustments	-	-	386,772	-	-	-	386,772	-	-
2017-19 Current Service Level	-	-	6,453,885	-	-	-	6,453,885	21	20.50
Adjusted 2017-19 Current Service Level	-	-	6,453,885	-	-	-	6,453,885	21	20.50
Total LFO Recommended Packages	-	-	1,022,253	-	-	-	1,022,253	5	4.21
2017-19 Legislative Actions	-	-	7,476,138	-	-	-	7,476,138	26	24.71
Net change from 2015-17 Leg Approved Budget	-	-	801,305	-	-	-	801,305	(1)	(0.17)
Percent change from 2015-17 Leg Approved Budget	0.0%	0.0%	12.0%	0.0%	0.0%	0.0%	12.0%	(3.7%)	(0.7%)
Net change from 2017-19 Adj Current Service Level	-	-	1,022,253	-	-	-	1,022,253	5	4.21
Percent change from 2017-19 Adj Current Service Level	0.0%	0.0%	15.8%	0.0%	0.0%	0.0%	15.8%	23.8%	20.5%

	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 090 Analyst Adjustments

Package Description This package increases Other Funds expenditure limitation for updates to expenditure estimates based on the 2015-17 biennium experience for fingerprinting (\$139,272), merchant fees (\$109,668), and increased Attorney General use (\$93,770). The attorney general component uses the average blended rate of \$185 per hour.

LFO Recommendation Approve the package. This package assumes the increases approved by the Emergency Board in December 2016. The increase in the fingerprinting costs reflect a greater than anticipated number of licensees during 2015-17 and there is no reason to expect this trend to change. The number of complaints and investigations increased during 2015-17 leading to further use of the Department of Justice's attorney assigned to the agency for investigations and hearings. This amount may be adjusted later in session as the Joint Committee on Ways and Means reviews the hourly rate for legal services. Finally, the increase due to merchant fees reflects the implementation of an electronic licensee payment system during 2015-17 where merchant fees must be paid by the Commission.

LFO Recommended	-	-	342,710	-	-	-	342,710	-	-
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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 101 Customer Service

Package Description This package proposes establishing four positions and reclassify three existing Public Services Representative (PSR) 3 positions to PSR 4 positions. A Principle Executive Manager C (PEM/C) is also proposed to be reclassified to a PEM D. These reclasses do not have an impact on the 2017-19 biennial budget. Other elements of this package are:

1. A permanent Principle Executive Manager (PEM/D) (1.00 FTE) is proposed to act as director of licensure which was eliminated during budget reductions in 2012. TSPC states that many licensure actions require supervisory review and testing of the new on-line application system requires greater oversight.
2. Two limited duration PSR 4 positions (2.0 FTE) are proposed to continue addressing the workload issues of responding to emails and phone calls to the Commission. These positions would continue two limited duration positions authorized for the 2015-17 biennium. The level of requests for information continues to high due to the increased assistance with the new on-line license application system, a new licensee structure for teachers, and other issues.
3. A permanent Information Services Specialist 6 (ISS6) position (1.0 FTE) is proposed to assist in integrating existing software and databases with the new licensure system from NIC USA and work with the Chief Education Office. The position would also work on reconfiguring and updating the Commission's website, create an on-line Higher Education Program Approval replacing the current paper-based system, assist in establishing a professional practices database, and work with the other partners in using the Statewide Longitudinal Data System (SLDS).
4. The package also includes \$30,000 for a one-time "stand up" fees paid to the State Data Center to initiate services for the migration of TSPC's systems including server (hardware), licenses, and installation/support.

	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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LFO Recommendation LFO recommends partial approval of the package. Since the Governor’s budget was submitted, the agency has determined that the reclasses in this package are not necessary. They would have had no impact on the budget, so no adjustment is required. The \$30,000 for the State Data Center charges are recommended for approval. On the other components of the package, LFO recommends:

1. The proposed new manager for the licensee program (PEM D) is not recommended. TSPC has three management positions currently, and given the number of agency employees three managers should be sufficient. In addition, some of the responsibilities outlined for the position are shorter term in nature.
2. The two limited duration PSR 4 positions are recommended to be continued through the 2017-19 biennium. These positions have been effective in assisting permanent staff in responding to the greater number of emails and phone calls and reducing the response time and number of dropped calls. The positions are recommended as limited duration since the volume of calls and emails may be reduced as the on-line licensing system is fully implemented and the new licensing structure has been in place for a longer period of time.
3. The ISS-6 position is recommended. Since this position is new, the recommended FTE reflects the phase-in of the position (23 months or 0.96 FTE). The need for this proposed position is clear for the 2017-19 biennium. Many of the proposed responsibilities and projects for this position are short term in nature and may be completed during the 2017-19 biennium. For this reason, the Legislature should evaluate the ongoing need for this position during the development of the 2019-21 budget.

LFO Recommended	-	-	571,913	-	-	-	571,913	3	2.96
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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 102 Investigations

Package Description This package proposes adding two limited duration positions (1.5 FTE) and reclassify two Office Specialists 2 positions to Administrative Specialist 2 positions. The reclasses do not have an impact on the 2017-19 budget. Other components of this package are:

1. One limited duration Investigator 2 position (1.00 FTE) is proposed to investigate cases to address the ongoing backlog. In 2016, the number of investigations completed outpaces the number of new cases for the first time since 2010. This proposed position continues a 2015-17 limited duration position. As of January 2017, there were 50 fewer pending cases than there were six months prior.
2. A limited duration Office Assistance 2 position is proposed to continue scanning of case files that are currently in storage in paper form. The Commission is required to keep case records for 25 years. This proposed position continues a half-time limited duration position authorized for 2015-17.
3. The Commission is also proposing to purchase a case management system for management of future investigative cases and disciplinary actions. The Commission has reviewed three vendor options. TSPC believes the cost will be \$200,000 if the ISS6 position included in package 101 is approved and can do some of the work required to roll-out the system.

LFO Recommendation LFO recommends partial approval of the package. The two reclasses reflect a desk audit performed for each position and are recommended at no cost for the 2017-19 biennium. Recommendations on other components of the package are:

1. The current limited duration investigator position is recommended to continue through the 2017-19 biennium. Even with the assistance of this position during 2015-17, a backlog of investigation continues. If the current trend continues, this position may not be required for 2019-21.
2. The agency now believes that the scanning can be completed in one year, so the scanner position is only recommended at half-time for one year or 0.25 FTE.
3. This agency now believes that if the ISS-6 position in package 101 is approved, that individual should be able to develop a case management system based on previously completed work.

LFO Recommended	-	-	197,630	-	-	-	197,630	2	1.25
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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 801 LFO Analyst Adjustments

Package Description In reviewing the actual and planned spending patterns for 2017-19, there were a few S&S categories that would have significant unspent balances at the end of the biennium. Even given some planned investments in 2017-19, it likely that the agency will have excess Other Funds limitation.

LFO Recommendation LFO recommends the reduction of \$90,000 in the S&S budget.

LFO Recommended	-	-	(90,000)	-	-	-	(90,000)	-	-
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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)
2015-17 Agy. Leg. Adopted	200,000	-	-	-	-	-	200,000	-	-
2015-17 Ebds, SS & Admin Act	-	-	200,000	-	-	-	200,000	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2015-17 Leg Approved Budget	200,000	-	200,000	-	-	-	400,000	-	-
2015-17 Leg Approved Budget (Base)	200,000	-	200,000	-	-	-	400,000	-	-
Summary of Base Adjustments	-	-	-	-	-	-	-	-	-
2017-19 Base Budget	200,000	-	200,000	-	-	-	400,000	-	-
020: Phase In / Out Pgm & One-time Cost	(200,000)	-	-	-	-	-	(200,000)	-	-
030: Inflation & Price List Adjustments	-	-	1,000	-	-	-	1,000	-	-
2017-19 Current Service Level	-	-	201,000	-	-	-	201,000	-	-
Adjusted 2017-19 Current Service Level	-	-	201,000	-	-	-	201,000	-	-
Total LFO Recommended Packages	-	-	(201,000)	-	-	-	(201,000)	-	-
2017-19 Legislative Actions	-	-	-	-	-	-	-	-	-
Net change from 2015-17 Leg Approved Budget	(200,000)	-	(200,000)	-	-	-	(400,000)	-	-
Percent change from 2015-17 Leg Approved Budget	(100.0%)	0.0%	(100.0%)	0.0%	0.0%	0.0%	(100.0%)	0.0%	0.0%
Net change from 2017-19 Adj Current Service Level	-	-	(201,000)	-	-	-	(201,000)	-	-
Percent change from 2017-19 Adj Current Service Level	0.0%	0.0%	(100.0%)	0.0%	0.0%	0.0%	(100.0%)	0.0%	0.0%

	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 801 LFO Analyst Adjustments

Package Description SB 78 (2015) appropriated \$200,000 General Fund to the Commission for assisting teacher preparation programs at colleges and universities meet standards to be accredited by a national organization. A separate account was created for these funds from which grants would be awarded. It was unclear whether all of the funds would be spent by the end of the 2015-17 biennium, so a \$200,000 Other Funds expenditure limitation was established in 2016 so the funds would be carried over properly. All of the grants were awarded in 2015-17 so the limitation included in the CSL and the Governor's budget is no longer needed. This package eliminates the \$201,000 limitation for this program.

LFO Recommendation Approve the request.

LFO Recommended	-	-	(201,000)	-	-	-	(201,000)	-	-
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