

Teacher Standards and Practices Commission

HB 5037 (2025) Budget Note Report
Joint Ways & Means Subcommittee on Education
February 12, 2026

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Budget Note Overview



HB 5037 (2025)

Directed TSPC to return to Joint Committee on Ways & Means and present

- Review of licensure fees
- Explanation of revenue shortfall
- Possible solutions
- Agency recommendation

Licensure fees fund all agency units (“Other Funds”)

HB 5037 (2025) Report



1. Fees collected by the Commission
2. 3 biennia of expenditure and revenue estimates
3. Licensure fees - historical
4. Revenue and licensure volumes - historical
5. Funding impacts on agency services
6. Fee structure
7. Evaluation of alternative revenue streams or funding solutions

TSPC – Statutory Role & Authority



Teacher Standards and Practices Commission (TSPC)

OAR Chapter 584

Educator Prep Programs

- Program Approval and Review of OR Colleges & Universities
- Early Literacy Standards

Licensure

- Licensing
- Fingerprinting & Background Checks

Professional Practices

- Investigations
- Licensure Sanctions

Fees Collected by Commission



Fee Category	Fee Type	Amount (\$)	What the Fee Covers
Base Application & Evaluation Fees	In-State Application and Renewals	\$182	Standard evaluation for most non-provisional licenses Primary revenue source
	Out-of-State / International	\$247	Includes \$65 additional evaluation cost
	Administrator License Increment	\$189	\$182 base fee + \$7 added administrator fee
Endorsements & Modifications	Adding Endorsement or Specialization	\$182	Separate transaction unless done with initial license or renewal

Fees Collected by Commission



Fee Category	Fee Type	Amount (\$)	What the Fee Covers
Late Fees (Additive)	1 month	\$40	Added to base fee
	2 months	\$80	
	3 months	\$120	
	4 months	\$160	
	5+ months	\$200	Maximum late fee
Reinstatements	Suspended or Expired License	\$382	\$182 base fee + \$200 reinstatement
	Revoked License	\$442	\$182 base fee + \$260 reinstatement
Expedited Service	Expedited Application	\$194	Available to school districts and military spouses only

Fees Collected by Commission



Fee Category	Fee Type	Amount (\$)	What the Fee Covers
Required Transaction Fees	Fingerprint & Background Clearance	\$61	Includes TSPC processing and OSP check; interacts with statutory cap
	Licensing System Fee (eLicensing)	\$10	Amount retained by TSPC for system development
	Portal Provider Fee	\$5	Portion retained by Tyler Tech
Optional	Gold-Seal Paper License	\$50	Current system cannot assess this fee

Expenditure/Revenue Estimates



	2019-21	2021-23	2023-25	2025-27
	ACTUALS	ACTUALS	ACTUALS	Projected
Beginning Cash Balance	\$ 3,800,631	\$ 6,111,530	\$ 8,834,825	\$ 9,564,605
REVENUE	\$ 8,198,530	\$ 12,505,214	\$ 11,112,472	\$ 10,659,220
TOTAL TRANSFER IN	\$ 2,518,552	\$ 5,360,304	\$ 4,988,702	\$ 1,792,240
TOTAL REVENUES	\$ 10,717,082	\$ 17,865,518	\$ 16,101,174	\$ 12,451,460
TOTAL TRANSFER OUT intra fund		\$ (1,500,670)	\$ -	
TOTAL AVAILABLE REVENUE	\$ 14,517,713	\$ 22,476,378	\$ 24,935,999	\$ 22,016,065
TOTAL PERSONAL SERVICES	\$ 5,066,268	\$ 6,227,157	\$ 7,554,685	\$ 9,468,077
TOTAL SERVICES & SUPPLIES	\$ 2,097,516	\$ 2,868,340	\$ 4,620,419	\$ 6,815,397
Total Special Payments	\$ 1,242,399	\$ 4,546,058	\$ 3,172,447	\$ 976,339
TOTAL EXPENDITURES	\$ 8,406,183	\$ 13,641,555	\$ 15,347,551	\$ 17,259,813
Ending Cash Balance	\$ 6,111,530	\$ 8,834,823	\$ 9,564,605	\$ 4,756,252

History of Licensing Fees and Schedules



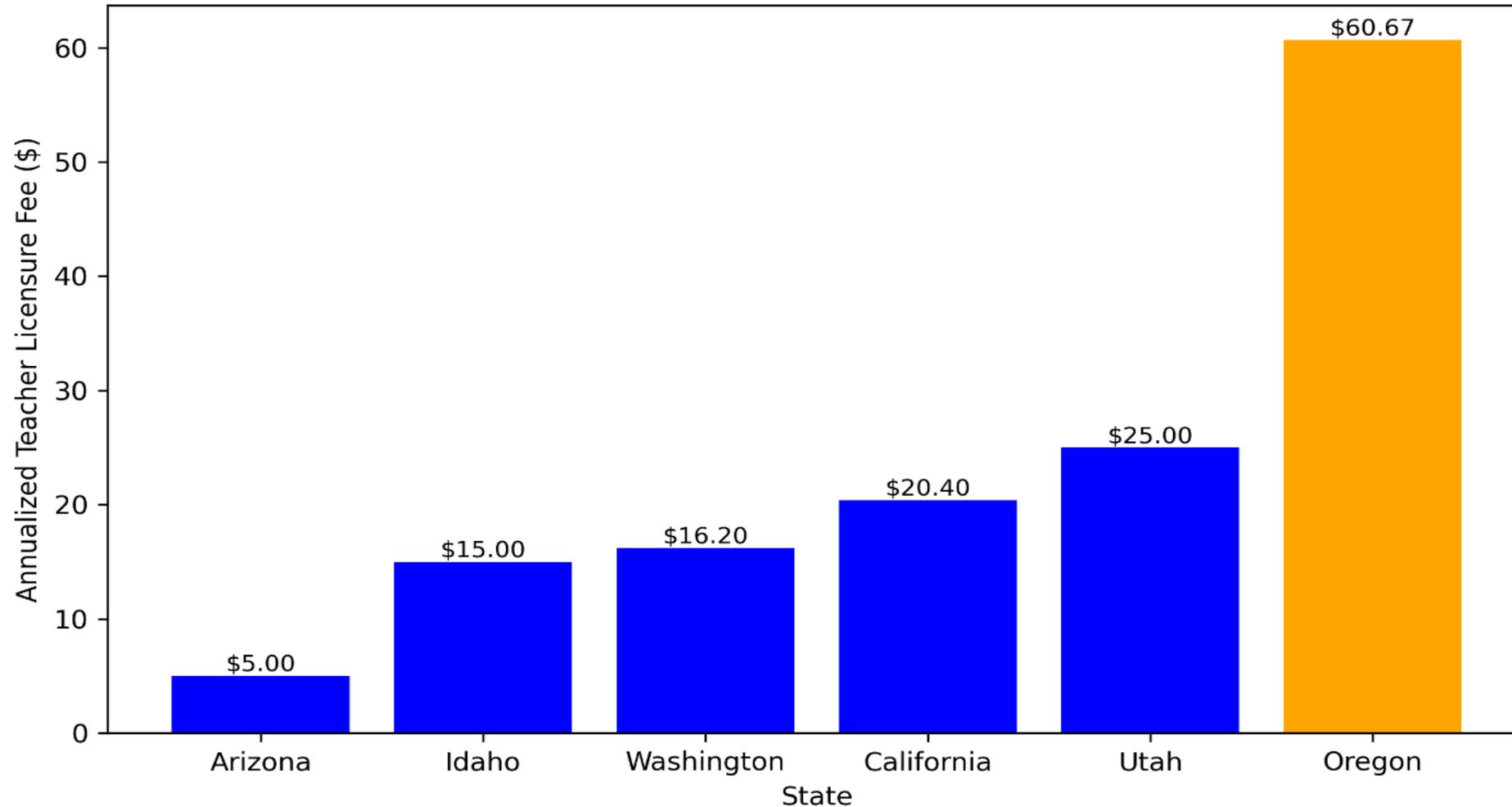
Year/Legislation	Amount (\$)	What the Fee Covers
Prior to 2005	\$60	<i>(2001-03 Requests to raise fees to \$75)</i>
2005	\$75	Fee increase implemented
2011	\$100	<i>(2014 Exec Dir Drafts LC for \$500 statutory cap)</i>
2016	\$140	Statutory authority sets \$350 cap
2019 - Current	\$182	Legislative action and rule change

- Fees – relatively uniform across license types
- License duration – relatively unchanged
- Incremental addition of fees

How Current Oregon Fees Compare



Annualized Teacher Licensure Fees (Lowest to Highest)



How Selected States Fund Teacher Licensing Agencies

Primary Funding Sources with Federal Title II-A Noted (Alphabetical by State)



State	Licensing Authority	Primary Funding Source	Secondary / Supplemental Sources	Overall Model
Arizona	Arizona State Board of Education	Educator fees	State General Fund	Hybrid
California	California Commission on Teacher Credentialing	Educator & program fees	Limited State General Fund; Federal Title II-A	Hybrid
Idaho	Idaho State Department of Education	Educator fees	State General Fund	Hybrid
Montana	Montana Board of Public Education	State General Fund	Minimal educator fees; Federal Title II-A	Primarily General Fund
North Carolina	North Carolina State Board of Education	State General Fund	Educator fees; Federal Title II-A	Primarily General Fund
Oregon	Teacher Standards and Practices Commission	Educator & program fees	None	Fee-only
Texas	Texas Education Agency	State General Fund	Certification fees; Federal Title II-A	Primarily General Fund (embedded)
Utah	Utah State Board of Education	State General Fund	Educator fees; Federal Title II-A	Primarily General Fund
Washington	Washington Professional Educator Standards Board	State General Fund	Educator fees; Federal Title II-A	Primarily General Fund

Notation on Federal Title II-A Funds:

- Title II-A (Supporting Effective Instruction) funds are federal formula grants received by all states.
- These funds may support educator preparation, mentoring, induction, and standards-related work.
- Title II-A funds do NOT pay for routine licensure operations such as application processing, enforcement, or staffing.
- States must rely on State General Fund appropriations and/or educator fees to operate licensing systems.

History of Revenue Collection



Fiscal Year (Approx.)	Total Licenses Issued (New/Renewal)	Trend	Revenue Implication
2019-2020	17,300	Pre-COVID stable volume.	Stable, but insufficient funding for full operations
2020-2021	21,700	Rise due to COVID-emergency licenses.	Temporary revenue increase
2022-2023	34,400	Peak volume due to continued labor market crisis and substitute licenses.	Temporary spike in revenue
Post-2024 (Projection)	24,000	Anticipated return to a stable, elevated volume.	Insufficient to cover permanent, increased operating costs.

Funding Impacts on Agency Services



Decreased Funding – **Educator Preparation & Pathways**



Decreased depth of program approval and review and monitoring activities



Reduced capacity for implementation of educator preparation standards

Funding Impacts on Agency Services



Decreased Funding - **Licensure**



Increase in processing times



Decrease in customer service

Funding Impacts on Agency Services



Decreased Funding – **Professional Practices**



Extended investigative timelines



Increased cost to districts



Increased risk to students

Fee Structure & Renewal Timelines



License Type	Fee (\$)	Term (Years)	Notes
Preliminary Teaching	\$182	3	Standard
Professional Teaching	\$182	5	Requires advanced competencies
Reciprocal Teaching	\$247	1	One-time license Out of state/country license
Legacy Teaching	\$182	3	Renewable
Substitute Teaching	\$182	3	
Restricted Substitute	\$182	1	District-sponsored and district-specific
Principal / Administrator	\$189	3	School administrators; additional requirements
Professional Administrator	\$189	5	District administrators; additional requirements

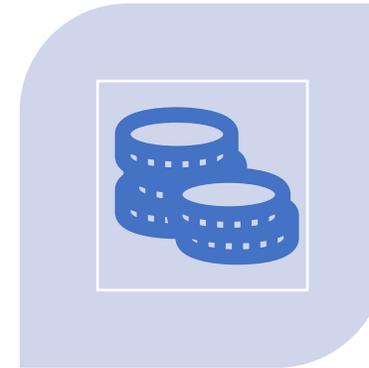
Evaluation of Revenue Options



PROJECTED
NEGATIVE ENDING
FUND BALANCES



RELIANCE ON
EDUCATOR-PAID
FEES



FEES UNABLE TO
SUSTAIN AGENCY
OPERATIONS AND
RESPONSIBLE ENDING
FUND BALANCE

Three Funding Scenarios



Scenario A examines the impacts of maintaining current fee levels with no revenue increase

Scenario B evaluates addressing projected shortfalls through licensure fee increases alone

Scenario C evaluates a hybrid approach that combines measured fee adjustments with additional revenue sources to support long-term operational sustainability

Scenario A: No Revenue Increase



No fee or revenue changes → expenditures exceed revenues; ending fund balances turn negative

Operational impacts: licensure delays, investigation backlogs, reduced program oversight; increased district costs

Not a viable or sustainable option for meeting statutory obligations

- 2027-2029
-\$5,920,710.75
- 2029-2031
-\$16,966,604.50
- 2031-2033
-\$30,234,711.48

Scenario B: Fee Increase Only



Fee increases only used to address projected deficits

Requires **over 100% cumulative fee increases** across future biennia

Places **full cost of licensure, investigations, and oversight on public educators**

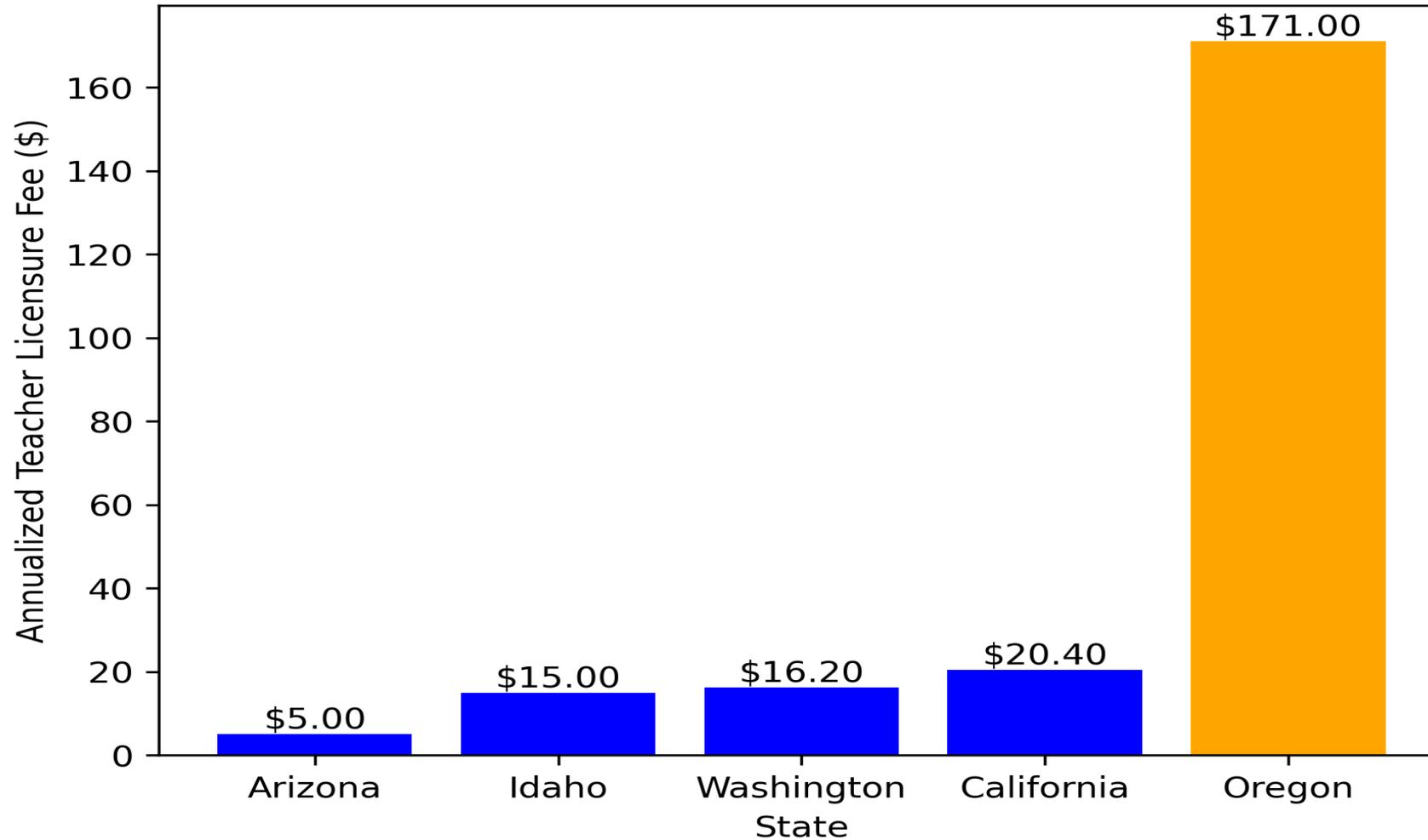
Not recommended: financially burdensome, outside national norms, unstable long-term

- **2027-2029: 71% fee increase** is projected to yield 0.11 months of ending fund balance
- **2029-2031: An additional 50% fee increase** is projected to yield 3.17 months of ending fund balance (total fee increase of 121%)
- **2031-2033: An additional 10% fee increase** is projected to yield 5.7 months of ending fund balance
- **Total fee increase of 131%**

How Oregon Would Compare



Annualized Teacher Licensure Fees (Selected Western States)



Scenario C: Hybrid Funding

Fee + Additional Revenue Source



Phased-in licensure fee adjustment combined with a supplemental revenue source to stabilize funding, maintain acceptable ending fund balances, and reduce reliance on educator-paid fees alone.

**Phased & Tiered
Fee Increase**

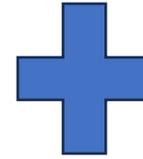


**Supplemental
Revenue**

Scenario C: Hybrid Funding



Phased & Tiered Fee Increase



Phase 1: Interim Fee Increase (Effective July 1, 2026)

Phase 2: Tiered Fee Structure (Effective July 1, 2027)

Reflects **relative earning capacity**

- First-time licensed educators
- Experienced educators
- School principals
- District-level administrators

Scenario C: Hybrid Funding



Additional Revenue Source

Reroute a portion of other education funding to TSPC (possibly State School Fund carve out) to directly reduce the financial burden on educators

The amount would be dependent upon:

1. Recommended % fee increase
2. Recommended ending fund balance

Questions & Discussion



Contact



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Other Considerations



Early Literacy

- Pre-service educators: EPP support and oversight
- In-service educators: Requirements in development

Educator Data System (EDS) – proposal review

Recruitment for positions to address case backlog

Civil penalties – July 1, 2026

Scenario C: Example 1



**Phased & Tiered
Fee Increase**



**Supplemental
Revenue**

35% Increase

Effective July 1, 2026

Base fee \$245

- 2027-2029: **\$5,750,000**
- 2029-2031: **\$10,070,000**
- 2031-2033: **\$12,300,000**