# Commission on Teacher Credentialing

**L E G I S L A T I V E    A N A L Y S T ' S    O F F I C E**

Presented to:
Assembly Budget Subcommittee No. 2 on Education Finance
Hon. Al Muratsuchi, Chair

# Background on Commission on Teacher Credentialing (CTC)

70 YEARS OF SERVICE

☑ **CTC Organized According to Its Three Primary Functions**

- *Certification Division.* Issues credentials, permits, and waivers.

- *Professional Services Division.* Adopts standards for the teaching profession and accredits teacher preparation programs.

- *Professional Practices Division.* Investigates complaints against credential holders.

### CTC Expenditures and Positions by Division

*Revised 2013-14 Estimates (Dollars in Millions)*

| Division | Expenditures | Authorized Positions |
|---|---|---|
| Certification | $7.8 | 44.0 |
| Professional Practices | 6.5 | 37.3 |
| Professional Services | 5.4 | 31.0 |
| Administration[a] | — | 40.1 |
| **Totals** | **$19.8** | **152.4** |

[a] The Commission on Teacher Credentialing (CTC) reports expenditures for administration within each of the three divisions, as applicable, but reports positions separately.

☑ **CTC Has $20 Million Budget, Supported Primarily by Credential Fees and Test Fees**

- Credential fee (currently $70) supports about 75 percent of CTC's budget. Credential fee revenues are deposited into the Teacher Credentials Fund (TCF). The TCF supports credential-related activities and general operations.

- Fees for required exams (ranging from $41 to $427) support about 25 percent of CTC's budget. Test fee revenues are deposited into the Test Development and Administration Account (TDAA) and must be used for test-related activities.

# Cash Flow

☑ **Background**

- Due to a low reserve level and low revenues during the first six months of the fiscal year, TCF funds are inadequate to cover expenses from October through December.

- CTC can transfer money from the TDAA to cover a shortfall in the TCF if the Department of Finance (DOF) approves.

- Process requires DOF to periodically monitor CTC's reserve levels.

☑ **Governor's Proposal**

- Allows short-term fund transfers from TDAA to TCF without DOF approval.

- Generally requires funds to be repaid within 60 days.

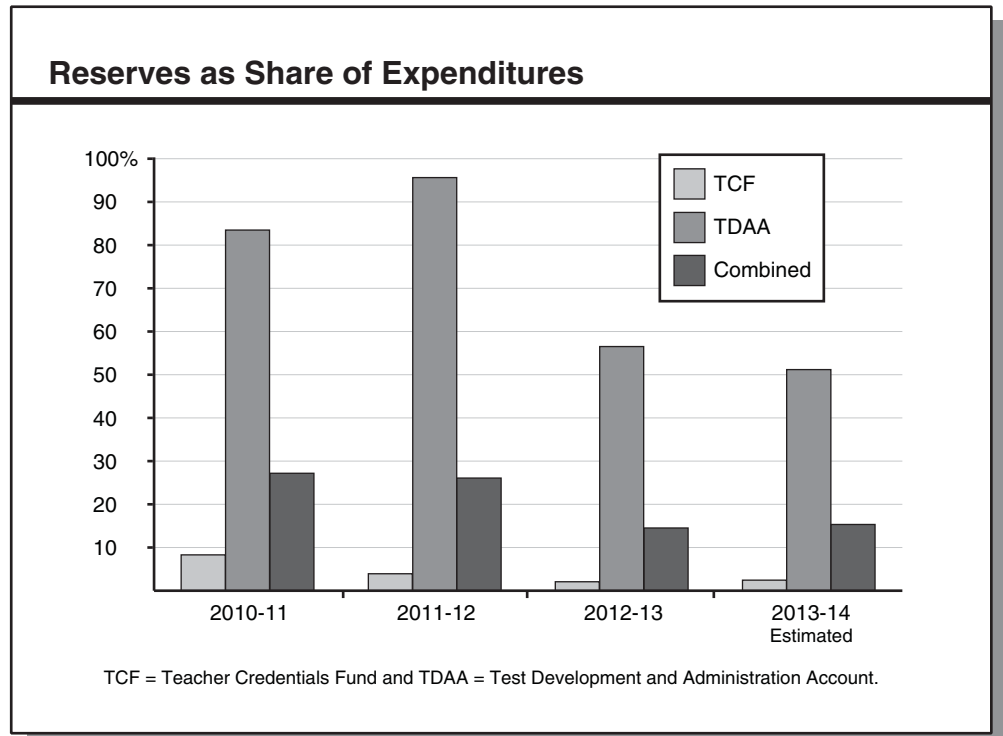- Additional transfers cannot be made until TDAA funds are repaid.

☑ **Assessment and Recommendations**

- Consolidate TCF and TDAA. One combined account would be a more effective cash management approach than periodic transfers between accounts.

- Refine budget documents to link fees to associated expenditures. This would provide greater transparency and improve the Legislature's ability to undertake appropriate fiscal oversight.

# Cash Flow                    *(Continued)*

**Reserves as Share of Expenditures**



TCF = Teacher Credentials Fund and TDAA = Test Development and Administration Account.

# LAO

# Accreditation

☑ **Background**

- Prior to 2013-14, CTC did not have a dedicated revenue source to fund any accreditation activities. Traditionally, it funded these activities using TCF monies.

- Budget shortfalls have led CTC to suspend some accreditation activities multiple times in recent years.

- In 2013-14, CTC began collecting fees for accrediting new teacher preparation programs and undertaking special accreditation activities for programs that did not meet CTC's standards.

- The current accreditation process is costly and labor-intensive. An assessment for an individual program typically contains 100 to 200 pages describing how the program meets CTC's standards and up to 1,000 pages of supporting evidence.

- CTC has discussed options to revise program standards, streamline accreditation activities, and incorporate more program outcomes into the accreditation process, but it has not developed a plan or timeline to implement these options.

☑ **Governor's Proposal**

- Authorizes CTC to set and collect fees for all accreditation activities.

- Assumes new fees raise additional $650,000 in 2014-15.

- Makes no changes to labor-intensive accreditation process.

# Accreditation *(Continued)*

☑ **Assessment and Recommendations**

- Adopt Governor's proposal to expand accreditation fees. New fees consistent with past legislative actions to assess fees for some accreditation activities. The CTC's other core activities (credentialing and testing) also are supported by fee revenues.

- Require CTC to overhaul accreditation system by 2016.

- Set principles to guide overhaul of accreditation.

  - Adopt clear, concise program standards aligned to Common Core State Standards.

  - Incorporate data on program outcomes.

  - Set fees to cover cost of streamlined system and require periodic review of fees to ensure they remain reasonable.