



# MONTANA LEGISLATIVE BRANCH

Legislative Fiscal Division

Room 110 Capitol Building \* P.O. Box 201711 \* Helena, MT 59620-1711 \* (406) 444-2986 \* FAX (406) 444-3036

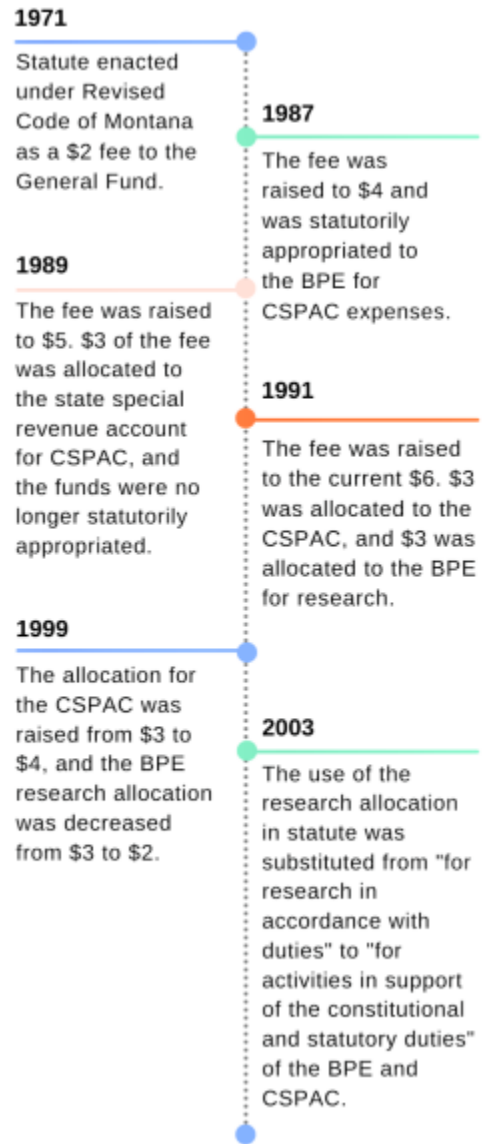
Director  
AMY CARLSON

DATE: June 15, 2022  
TO: Education Interim Budget Committee (IBC-E)  
FROM: Alice Hecht  
RE: Educator License Fee Options for Board of Public Education

Educator licensing is administered and overseen by two state agencies, the Office of Public Instruction (OPI) and the Board of Public Education (BPE). Educators are required to be licensed in order to work in accredited Montana schools. In Montana the fee for a 5-year educator license is set in statute at \$30 and has not been increased since 1991. The fee is currently the only true occupational license fee that is set in statute. Per statute the OPI collects the license fee from applicants, and then distributes the collected fees to the BPE. The fees collected currently fund 46.0% the \$404,169 FY 2022 BPE budget, with general fund making up the balance.

The fee was originally established in statute in 1971 as a \$2 fee to the general fund. The timeline to the right shows the changes to the fee since it was first established. The fee was first directed to the BPE when the legislature established the Certification and Standards and Practices Advisory Council (CSPAC) in 1987. The CSPAC became a second program within the BPE and license fees were increased and directed to CSPAC to fund the council and associated expense. The fee has been raised or redirected a few times per the timeline to the right. In 2008 the BPE consolidated the two programs into a single administration program. The fee is still deposited into the two accounts, however they are effectively used in the same manner since consolidation into a single-program agency.

Most other license fees that are referred to in Montana Code Annotated (MCA) are captured in Title 37, Professions and Occupations, which sets forth provisions for the Department of Labor and Industry (DLI) business standards division which administers many of the professional boards in Montana. MCA 37-1-134 details how these boards may set license fees:



37-1-134. Boards — costs. (1) Each board allocated to the department shall set board fees related to its program area that provide the amount of money usually needed for the operation of the board for services, including but not limited to licensing, reciprocity, renewals, applications, inspections, investigations, compliance, discipline, and audits. The amount needed for the operation of the board is based on the license renewal years as set by the board. In setting the fees, the board shall consider the revenues and expenses incurred in the prior 5 licensing renewal years, but a board's cash balances may not exceed two times the board's annual appropriation level. Unless otherwise provided by law, the department may establish standardized administrative fees. These fees may include but are not limited to fees for administrative services such as license verification, duplicate licenses, late penalty renewals, licensee lists, and other administrative service fees determined by the department as applicable to all boards and department programs. The department shall collect fees on behalf of each board or department program and deposit the fees in the state special revenue fund in the appropriate account for each board or department program. Administrative service costs not related to a specific board or program area may be equitably distributed to board or program areas as determined by the

Options for committee consideration:

1. No change
2. BPE – fully funded by teacher license fees
  - a. Fee amount removed from statute and BPE sets the fee
  - b. Fee based on 5 years of data would need to be \$60-\$70 for 5-year license to fully fund BPE
  - c. Include a 60-day fund balance
  - d. Benefits: BPE will be able to fully comply with audit findings. Fee will go to one place.
3. BPE/OPI – BPE continues to receive same amount but OPI receives additional funding for maintenance cost of software or costs to cover licensing unit.
  - a. License unit costs have recently increased substantially due to the new licensing system implementation -annual maintenance for the new system is \$200,000. At historic levels of renewal this would add an additional \$36-\$40 to each license