

Board of Public Education – Teacher Certification Fees

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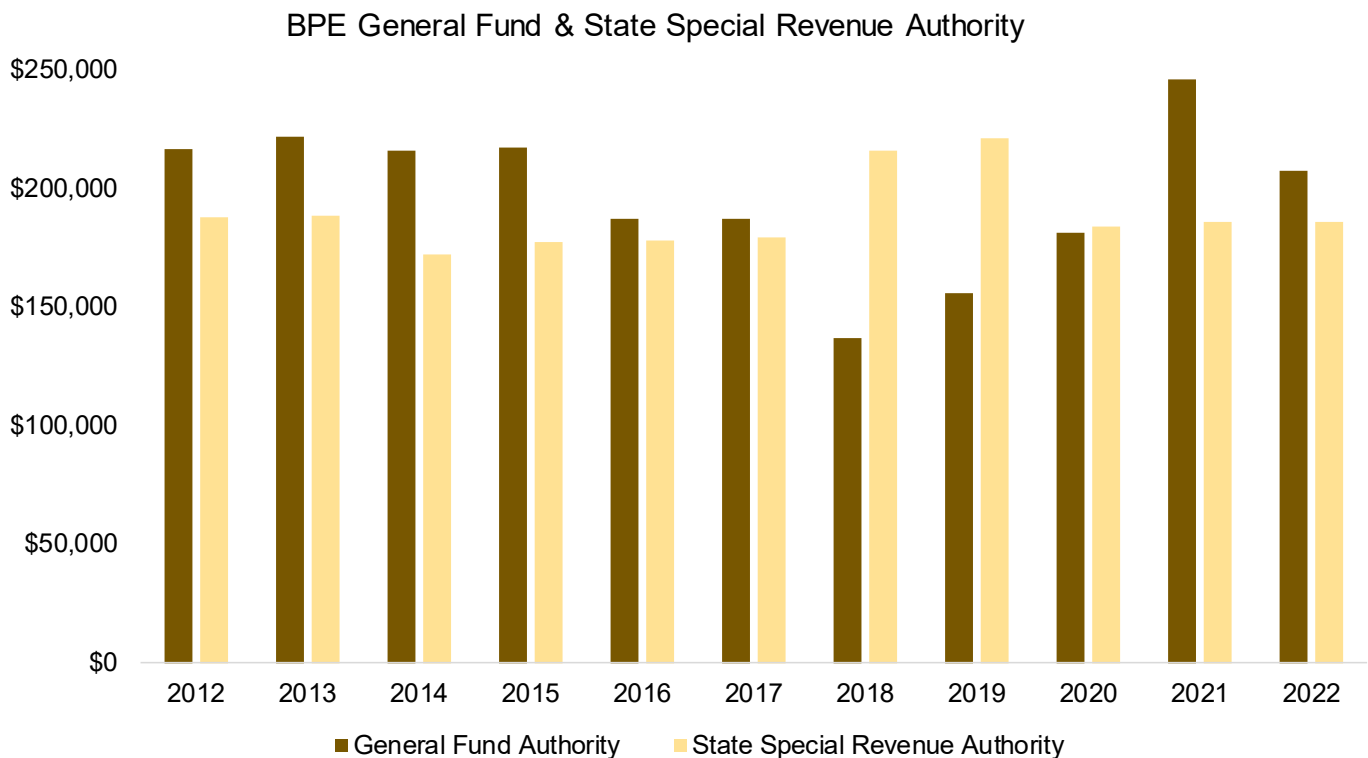
SEPTEMBER 15, 2021



Overall BPE Funding

The Board of Public Education (BPE) is funded through a combination of general fund and state special revenue funds. BPE's overall funding has been split relatively evenly between general fund and state special revenue, as shown in the following chart, particularly in FY 2016 and 2017. Due to budget cuts made in the 2017 Legislative Session for FY 2018 and FY 2019, the legislature funded a larger portion of the BPE's budget with state special revenue. This decision was made due to a projected general fund revenue shortfall and the resulting increase of pressure on the general fund. For FY 2020 and FY 2021, the legislature increased general fund authority and decreased state special revenue authority. This change was made after the agency spent down the state special revenue fund balance during the 2019 biennium.

In looking back further, the BPE previously had two programs in their budget. One was an Administration Program, which provided administration, research, clerical functions, and management of business affairs for all programs under the authority of the BPE. This program was primarily funded by general fund, between 90-95%, with a small amount of state special revenue. The other was the Advisory Council Program to fund the Certification Standards and Practices Advisory Council (CSPAC), created by the Legislature in 1987. CSPAC studies and make recommendations to the BPE regarding: teacher, administrator, and specialist certification standards; the status and efficacy of approved teacher programs; and the feasibility of establishing teaching certification and the appeals process. BPE staff provided administrative, research, and clerical duties for CSPAC. This program was funded entirely with state special revenue. In FY 2008, the BPE consolidated the two programs into a single Administration Program. In FY 2016, the BPE's FTE was reduced from 4.0 to 3.0, as there were vacant positions and the roles of Administrator and Administrative Specialist for the CSPAC were being filled by the same FTE.



BPE State Special Revenue

State special revenue for the BPE is provided by teacher certification fees of \$6.00 per year. In accordance with [20-4-109, MCA](#), these fees are collected by the Office of Public Instruction (OPI) and deposited into a state special revenue account as follows: one-third is deposited into the Research Fund and used to fund the statutory duties of the BPE and Certification Standards and Practices Advisory Council, and two-thirds of the fee revenue goes to the Advisory Council fund to support the activities of the CPSAC. The BPE's duties are outlined in [20-2-121, MCA](#), and CSPAC's duties are outlined in [20-4-133, MCA](#).

The timeline, shown on the right, details the history of 20-4-109, MCA.

The following chart and table show the total state special revenue amounts by fund per fiscal year, from FY 2012 through 2021 and 2022 to date (August 31, 2021). In looking at the average total revenue, each dollar of the fee generates approximately \$28,000. The Legislative Fiscal Division (LFD) has provided previous analysis on teacher certification fees, which is included in Appendix A.

20-4-109, MCA Teacher Certification Fees

1971

Statute enacted under Revised Code of Montana as a \$2 fee to the General Fund.

1987

The fee was raised to \$4 and was statutorily appropriated to the BPE for CSPAC expenses.

1989

The fee was raised to \$5. \$3 of the fee was allocated to the state special revenue account for CSPAC, and the funds were no longer statutorily appropriated.

1991

The fee was raised to the current \$6. \$3 was allocated to the CSPAC, and \$3 was allocated to the BPE for research.

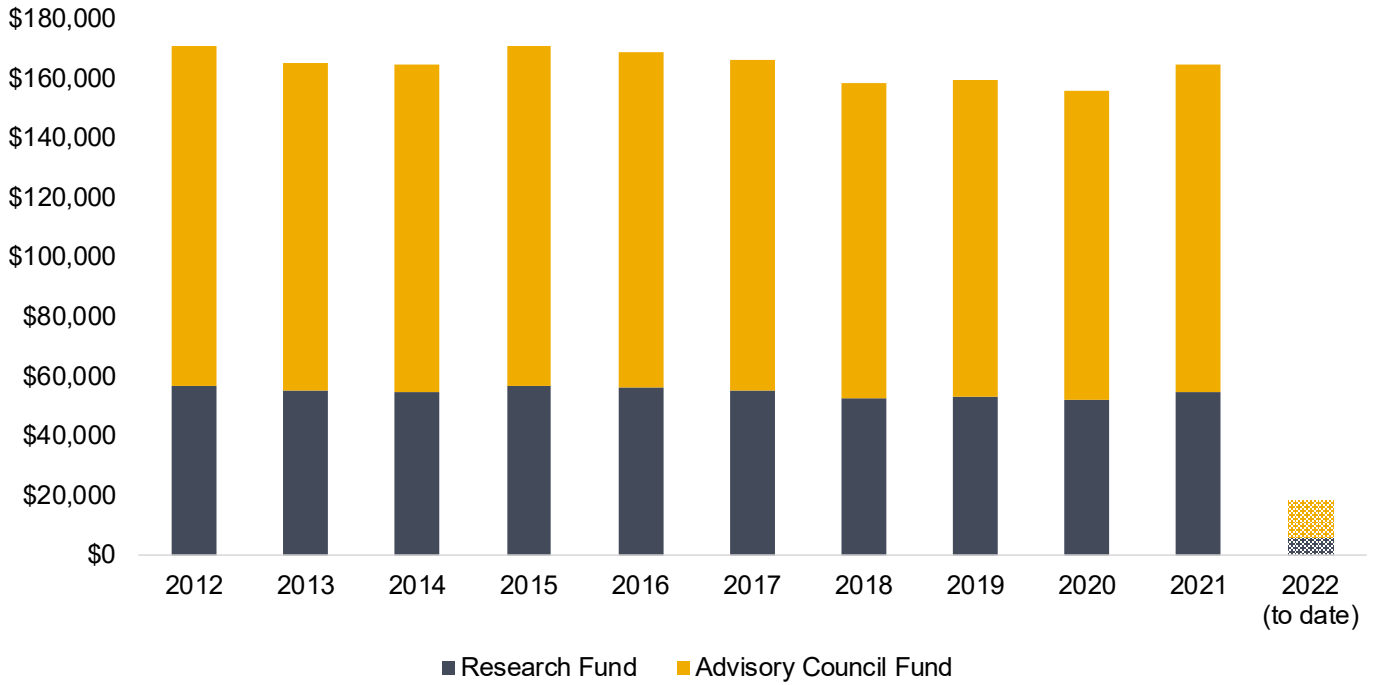
1999

The allocation for the CSPAC was raised from \$3 to \$4, and the BPE research allocation was decreased from \$3 to \$2.

2003

The use of the research allocation in statute was substituted from "for research in accordance with duties" to "for activities in support of the constitutional and statutory duties" of the BPE and CSPAC.

Teacher Certification Fee Revenue by Fund



Teacher Certification Fee State Special Revenue

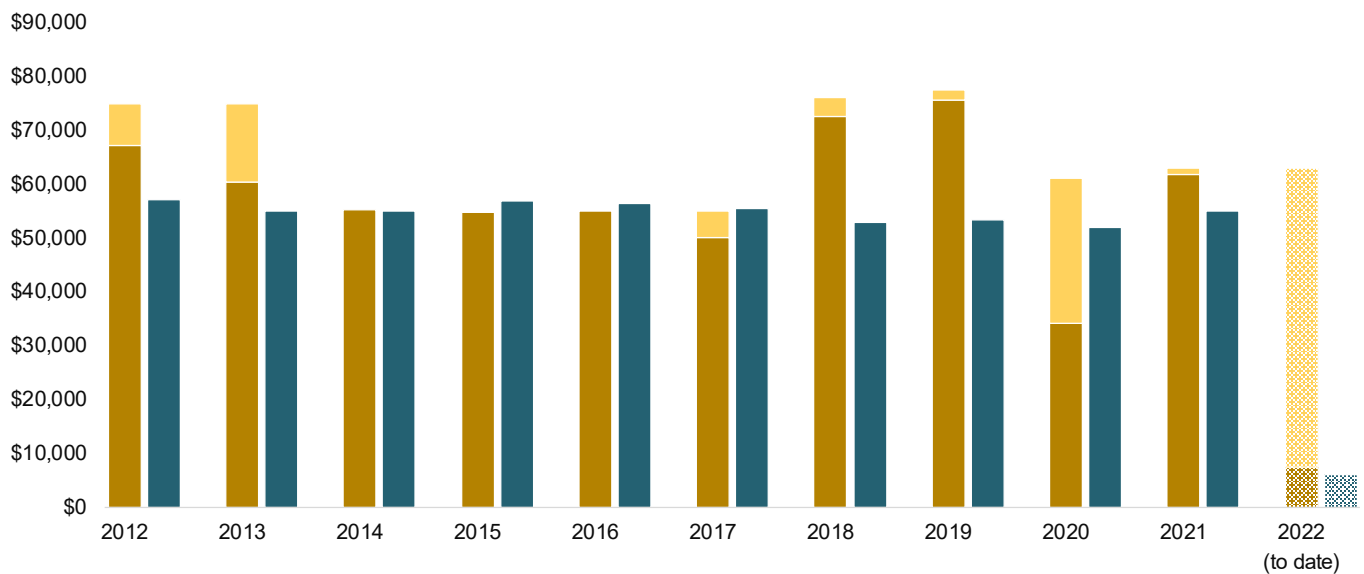
	<u>Research Fund</u>	<u>Advisory Council Fund</u>	<u>Total Revenue</u>
2012	\$57,072	\$114,156	\$171,228
2013	55,077	110,168	165,245
2014	54,892	109,805	164,697
2015	56,919	113,852	170,771
2016	56,312	112,629	168,941
2017	55,422	110,848	166,270
2018	52,871	105,746	158,617
2019	53,255	106,552	159,807
2020	51,963	103,928	155,891
2021	54,917	109,835	164,752
2022 (to date)	6,170	12,340	18,510
	\$554,870	\$1,109,859	\$1,664,729

Research Fund

Below are the expenditures and revenues for the research fund from FY 2012 through FY 2021 and FY 2022 to date (August 31, 2021). Expenditures of the research fund are primarily for operational expenses for the BPE and the CSPAC. The increased expenditures in FY 2018 and 2019 are when the legislature appropriated less general fund and more state special revenue due to projected revenue shortfall. It includes expenditures for legal fees, which the BPE used for hearings on educator licenses and administrative rulemaking.

BPE Research Fund											
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 (to date)
Starting Fund Balance	48,498	38,503	33,287	33,002	35,103	36,415	41,669	21,899	(526)	17,375	10,584
Revenue	57,072	55,077	54,892	56,919	56,312	55,422	52,871	53,255	51,963	54,917	6,170
Expenditures	(67,067)	(60,292)	(55,177)	(54,818)	(55,000)	(50,168)	(72,641)	(75,681)	(34,062)	(61,708)	(7,609)
Total Appropriation	(74,926)	(75,002)	(55,000)	(55,000)	(55,000)	(55,000)	(76,000)	(77,428)	(61,038)	(63,004)	(63,004)
Ending Fund Balance	38,503	33,287	33,002	35,103	36,415	41,669	21,899	(526)	17,375	10,584	9,145

BPE Research Fund - Actual expenditures as compared to the total appropriated amount and account revenue

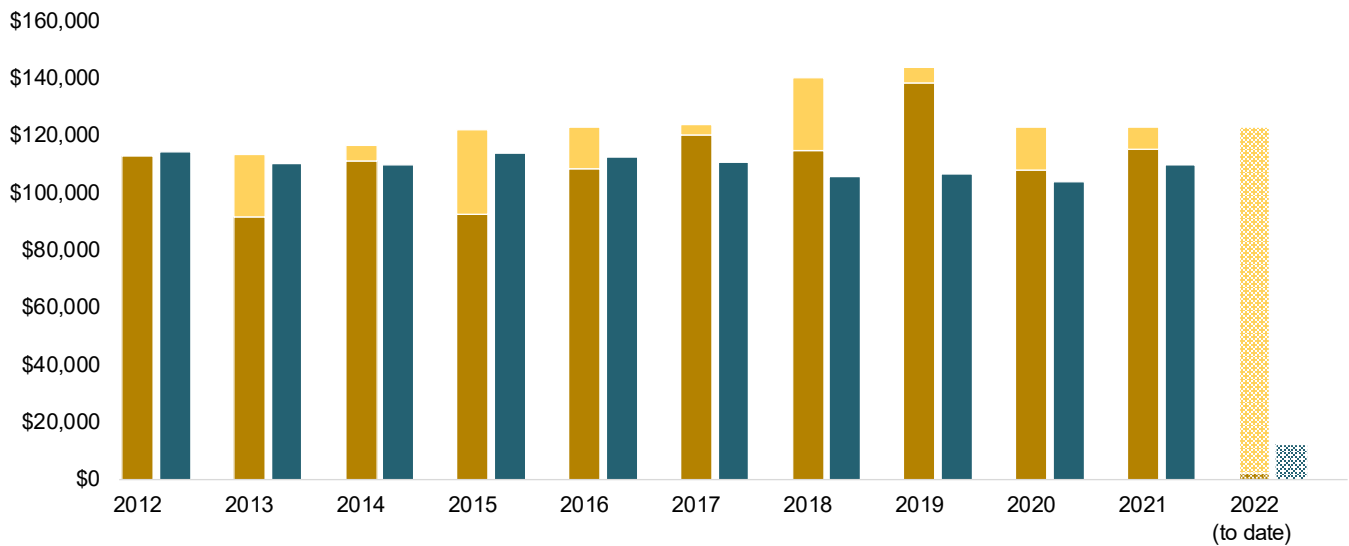


Advisory Council

Below are the expenditures and revenues for the advisory council fund for FY 2012 through FY 2021 and FY 2022 to date (August 31, 2021). Expenditures of the advisory council fund are primarily for personal services to support the BPE and the CSPAC. Lower expenditures in FY 2013 and FY 2015 were due to position vacancies.

BPE Advisory Council											
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 (to date)
Starting Fund Balance	11,307	12,545	31,110	29,742	51,142	55,120	45,818	36,883	5,176	1,003	(4,285)
Revenue	114,156	110,168	109,805	113,852	112,629	110,848	105,746	106,552	103,928	109,835	12,340
Expenditures	(112,918)	(91,603)	(111,173)	(92,453)	(108,651)	(120,150)	(114,681)	(138,258)	(108,101)	(115,124)	(2,198)
Total Appropriation	(112,918)	(113,320)	(116,810)	(122,068)	(122,992)	(123,969)	(140,286)	(143,877)	(122,858)	(122,907)	(122,907)
Ending Fund Balance	12,545	31,110	29,742	51,142	55,120	45,818	36,883	5,176	1,003	(4,285)	5,857

BPE Advisory Council Account - **Actual expenditures** as compared to the **total appropriated amount** and **account revenue**



Appendix A

The following was included in the LFD's 2009 biennium budget analysis due to an executive request to increase general fund authority to offset costs.

2009 Biennium Budget Analysis

LFD ISSUE

20-4-109, MCA sets the fee for teacher and specialist certificates at \$6 per year. The fee is deposited in state special revenue accounts and statute requires that \$4 be used for expenses of the Certification Standards and Practices Advisory Council. The remaining \$2 is used for support of the Board of Public Education's constitutional and statutory duties, special projects, and research studies of the advisory council. Using the \$2 fee to support BPE duties reduces the amount of general fund needed to support the program. The fee was last increased from \$5 to \$6 in 1991. Prior to FY 2000, the fee was evenly split between funding the advisory council and the research fund but concerns about the increasing costs of the advisory council resulted in a change to the distribution.

Teachers recertify every five years for a total cost of \$30 per renewal (5 years at \$6 per year). New teachers certifying in Montana for the first time pay an additional \$6 registration fee. With about 5,500 teachers re-certifying each year, revenues have averaged \$166,400 over the last 3 years.

While the average salary of teachers has increased over the last several years, the costs of their licenses that support programs relating to their profession have not. According to Figure 1 data from the American Federation of Teachers (AFT) shows the average teacher salary increased each year from 1997 to 2004, the most current year available for average teacher salary information. Since 1997 average teacher salaries have increased 24 percent.

Figure 1
Teacher Average Annual Salaries

	Average Annual		% Increase	Annual Licensing
	Salary	Hourly Pay		Cost
FY 1997	\$29,958	\$20.24		\$6.00
FY 1998	30,617	\$20.69	2.20%	6.00
FY 1999	31,536	\$21.31	3.00%	6.00
FY 2000	32,121	\$21.70	1.86%	6.00
FY 2001	33,249	\$22.47	3.51%	6.00
FY 2002	34,379	\$23.23	3.40%	6.00
FY 2003	35,754	\$24.16	4.00%	6.00
FY 2004	\$37,184	\$25.12	4.00%	\$6.00

Source: AFT Survey & Analysis of Teacher Salary Trends

LFD ISSUE CONT.

Statistics are not available at this time to determine what if any impact the increases in BASE aid to the school districts made by the 2005 Legislature and the 2005 Special Session have had on average salaries.

In comparison to neighboring western states, teacher certification fees in Montana are low. For example, the following states charge annual fees of:

- Wyoming - \$25 per year
- North Dakota - \$35 per year
- Idaho - \$37.50 per year
- South Dakota - \$6 per year

Both Wyoming and North Dakota fund their boards entirely with teacher certification fees.

Increasing the certification fee to \$12 per year would generate an additional \$330,000 in revenues, which could be used to reduce general fund for the program to approximately \$52,000. Since the fee and its distribution between the advisory council and research fund is established in statute, any fee increases require statutory changes through legislation outside of HB 2.

The legislature may wish to consider increasing the teacher certification fee and reducing general fund appropriations to BPE for the additional state special revenue.