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December 30, 2014

Office of Information and Regulatory Affairs  
Office of Management and Budget  
Attention: Desk Officer for U.S. Department of Education

RE: Higher Education Act (HEA) Title II Report Cards on State Teacher Credentialing and Preparation, Information Collection Request, OMB Control No. 1840-0744, ICR Reference No. 201409-1840-003

To Whom It May Concern:

On December 3, 2014 the U.S. Department of Education (ED) published a notice of proposed rulemaking (NPRM) pertaining to rating the performance of teacher preparation programs and linking this performance to the Teacher Education Assistance for College and Higher Education (TEACH) Grant eligibility, as well as other professional development funding from ED. This memo responds to the request to submit, by January 2, 2015 comments to the Office of Information and Regulatory Affairs (OIRC), Office of Management and Budget (OMB), concerning the fiscal impact of these proposed regulations on the State of California (State).

**The State of California urges you to reject these regulations as the cost would not provide the stated benefits of either improved accountability or transparency and would impose an undue burden on the State of California.**

**California Context and Impact on the State:** California has over 6.2 million students, 1800 school districts and charter schools (which operate as independent districts), 10,366 schools, 295,000 teachers and 493 individual teacher preparation programs (272 traditional and 221 Intern/alternative programs) at 89 institutions. The cost of implementing the proposed Title II regulations in California is conservatively estimated at \$232,939,000 in development costs for new student assessments, new teacher evaluation frameworks and reporting mechanisms, additional data collection on teacher placement and assignments beyond that now maintained, establishing an identification and tracking system for teacher placement data and rates, and additional survey development, implementation, and data analysis; and \$485,272,059 in ongoing, annual implementation costs to maintain these additional activities and data sets. No state or federal funds have been identified to undertake this work. There would also be significant costs to the State's teacher preparation programs and local educational agencies. Below we explain our reasoning, our cost estimates, and the potential impact on the State were these regulations to be imposed on the State.

**COST ANALYSIS FOR THE STATE OF CALIFORNIA  
RELATED TO THE IMPLEMENTATION OF PROPOSED TEACHER PREPARATION ACCOUNTABILITY  
REGULATIONS UNDER TITLE II OF THE HIGHER EDUCATION ACT**

The following analysis of costs related to the implementation of proposed teacher preparation accountability regulations was generated by staff at the California Commission on Teacher Credentialing (CTC) and the California Department of Education (CDE). In California, the CTC is the state agency with authority to set standards for and accredit teacher preparation programs. The CDE has primary responsibility over student testing and other matters pertaining to the oversight of K-12 public education. Implementation of these proposed regulations would require close collaboration and data sharing between these agencies, all teacher training programs, and all local education agencies in California.

The proposed regulations would require states and teacher preparation programs to make meaningful differentiations in teacher preparation program performance using at least four performance levels – low-performing, at-risk, effective, and exceptional – based on the following indicators:

- I. Student Learning Outcomes
- II. Teacher Evaluation
- III. Employment Outcomes
- IV. Survey Outcome Data
- V. Accreditation and Teacher Preparation Program Evaluation Measures

In the following pages, the implications of each of these indicators for the State are taken up separately. Each section includes:

- a brief review of the proposed requirements;
- a summary of California’s current activities and actual statutory constraints impacting implementation;
- cost assumptions and estimates; and
- any more feasible alternatives that could achieve the same outcome or address the intent of these proposed regulations.

This cost analysis focuses on State level, not teacher preparation program level, costs and activities. Estimates of local institution and program impact have been developed by California’s teacher preparation institutions and systems of higher education and are being submitted under separate cover.

**I. Student Learning Outcomes**

The proposed Title II regulations would require the State to report data from each teacher preparation program on the aggregate learning outcomes of students taught by new teachers based on student growth, defined as a change in student achievement in both tested and non-tested grades and subjects over time.

Current status and statutory constraints

The State conducts testing of students in English language arts and mathematics at selected grade levels and reports outcomes by district and school annually. The State testing system currently in

development does not measure student growth over time in a manner to substantiate inferences about teacher effectiveness. CDE, lacking jurisdiction or oversight over educator preparation due to the separation of duties between the CDE and the CTC, does not collect or maintain information about teacher preparation programs, including information connecting new teachers with their preparation programs and their classroom assignment, which would be necessary to implement this provision of the proposed regulation. CDE's teacher records are not able to differentiate between new teachers (years 1-3) and veteran teachers. Although CTC's records can both link teachers with their preparation programs and differentiate between years of experience, CTC and CDE are not authorized by statute nor staffed to share these data, or make these connections. Earlier provisions of the California Education Code that would have allowed this data sharing have been subsequently repealed by the California State Legislature. With regard to the use of "student growth" as a measure, there are currently no standard, statewide assessments that can be used in all subject areas to measure student growth within a school year.

In order to report data from each teacher preparation program on the aggregate learning outcomes of students taught by new teachers based on student growth, the following costly changes would be necessary:

- *New subject area and grade level assessments, including alternate assessments for students with significant cognitive disabilities, would need to be developed and administered.* These new tests, as well as the existing tests, would need to be structured in a way that captures annual student growth outcomes and allows these outcomes to be linked with new teachers and their preparation programs. The results would not be available for at least four years (year 1: legislative approval; year 2: development; year 3: field test [add an additional pilot if computer-based]; and year 4: operational with results).
- *California's K-12 student testing system would need to be expanded by 57 tests in order to cover all subjects and grade levels in order to meet the objectives of these proposed regulations* (see chart below). Costs associated with developing these new tests would be significant, estimated at approximately \$228 million [see cost estimate chart below]. While the regulations focus only on new teachers (in their first three years of teaching), from a practical standpoint, such assessments would need to be administered to all students, not just to students of new teachers.
- *Adding 57 tests to the current system will increase annual administration costs by \$281,647,059.* The State currently spends approximately \$84,000,000 to administer its existing K-12 student testing system.
- *Testing time would increase dramatically and further decrease instructional days per school year* and would also overlap with high school SAT and AP assessments.
- *State reimbursements to local educational agencies would increase approximately \$1 million per grade for the grades not currently apportioned funding (K-2, 9, 10, and 12) for a total of approximately \$6 million* to cover the costs of administering this expanded assessment system at the local school and district level and reporting these data as expected in the proposed regulations.

- Should additional subject areas be required, a minimum of six additional state level content area Education Research and Evaluation Consultants with assessment expertise would be needed for each new subject area to be assessed at an approximate cost of \$1 million. These consultants would be needed to develop concepts to be tested, assessment targets, evidence of student learning, and task models, as well as write, and review items and performance tasks for each content area, and ensure bias/sensitivity, and accessibility concerns are addressed.

**Summary Cost Estimate: State Level New Development Costs: \$228,000,000; Annual Ongoing Implementation Costs: \$288,647,059**

**Cost Estimate for New Assessments to Meet Proposed Teacher Evaluation Regulations**

Grade	Subjects*								
	ELA	Math	Science	New	New	New	New	New	
K	N	N							
1	N	N							
2	N	N							
3	C	C							
4	C	C	N	N	N	N			
5	C	C	C	N	N	N			
6	C	C	N	N	N	N			
7	C	C	N	N	N	N	N	N	
8	C	C	C	N	N	N	N	N	
9	N	N	N	N	N	N	N	N	
10	N	N	C	N	N	N	N	N	
11	C	C	N	N	N	N	N	N	
12	N	N	N	N	N	N	N	N	
Total "N"	6	6	6	9	9	9	6	6	57

C = 17 summative assessments are included in the California Assessment of Student Performance and Progress (CAASPP). Administration of these 17 assessments currently costs the State

approximately \$84 million annually. To administer another 57 tests would cost an additional \$281,647,059 per year.

N = Approximately 57 new statewide assessments would have to be developed and standard setting established at approximately \$2 million per subject per grade and an additional \$2 million per subject per grade for alternate assessments: approximately \$228 million in contract costs for test development.

## **II. Teacher Evaluation**

The proposed regulations would require teacher preparation programs to either collect student learning data, as defined in Section I above, or to collect teacher evaluation information from employers of their graduates that includes student growth as a significant evaluation factor, or both. The proposed teacher evaluation process would be required to report the percent of new teachers (years 1-3) rated at each performance level under a Local Education Agency (LEA) teacher evaluation system that differentiates teachers on a regular basis using at least 3 performance level and multiple valid measures – including standardized tests -- in determining each teacher’s performance level, by grade span and subject area, consistent with statewide guidelines.

### Current Status and Statutory Constraints

California statute (Stull Act) authorizes each of the 1,800 districts and charter schools to independently negotiate and implement teacher evaluation. There is no statewide collection of any teacher evaluation data. Current law prohibits employers from sharing teacher evaluation data with teacher preparation programs or with the State if an individual teacher would be identifiable. Probationary teachers are evaluated every year for the first two years, but after that it is every other year, and every 5 years for teachers who have been with a district for 10 years with satisfactory evaluations.

A change in statute would be necessary to report evaluation data for the first three years of every teacher’s career to teacher preparation programs for use in meeting the requirements of these proposed regulations.

To report the percent of new teachers (years 1-3) rated at each performance level under a local education agency (LEA) teacher evaluation system that differentiates teachers on a regular basis using at least 3 performance level measures and multiple valid measures would require the following activities and expenditures:

- Use of employer evaluations of new teachers as an indicator of quality in teacher preparation would require the availability of valid and consistent data. Currently, the State’s 1,800 school districts and charter schools operate their own teacher evaluation systems. The creation of a standardized measure of performance would be necessary in order for the data to be useful and comparable. This would require legislative action to change current State statute and, if successful, the following development costs:
  - Stakeholder Task Force to develop an evaluation framework/guidelines, meeting minimally for 6 meetings - \$200,000

- Funding for approximately 1,800 districts and charter schools to work with local unions to develop local evaluation procedures based on the framework/guidelines - \$3,600,000 (\$2,000 x 1,800)
- Pilot evaluations on a diverse set of teachers within several districts to ensure equity of evaluation process - \$639,000 (\$639 x 1,000 teachers)
- If statewide guidelines were to be developed for evaluating teacher candidates as described, the State would need to develop a set of measures as well as an overall framework for the evaluation system. Costs to develop an evaluation system to identify effective and ineffective teachers and leaders, provide training to all principals, and actually evaluate new teachers for three consecutive years (an additional 300,000 evaluations each year) would be approximately \$191,700,000 million.
  - California's current system of student assessments was not designed to provide a comparable measure for the high-stakes evaluation of teachers and principals across districts, which would be necessary if candidates are to be compared to each other. The regulations indicate that such a system must be used for continual improvement of instruction and meaningfully differentiate performance using at least three performance levels. It must also be based on valid measures to evaluate teachers and principals on a regular basis. Currently, the reimbursable cost of the existing teacher evaluation system is estimated at \$120 per teacher. It is estimated that the development of a new system would add \$639 to each per teacher cost, including reimbursable time for three observations and pre- and post-observation meetings.  $\$639 \times 300,000 \text{ teachers} = \$191,700,000$ .
- Requiring LEAs to submit this data to the teacher preparation programs that provide them with teachers would be a significant mandated cost. When LEAs incur mandated costs, the State is required to provide funding which would be an additional \$1,800,000 at the very least, if costs run \$1,000 per district.
- The cost of collecting data (from a standardized measure or the current measures) would require a medium to high workload to modify the State's current student data system (CALPADS) at an estimated cost of \$300,000.

**Summary Cost Estimate: State Level New Development Costs: \$4,439,000; Annual Ongoing Implementation Costs: 193,800,000**

### **III. Employment Outcomes**

#### **A. Teacher Placement Rates**

The proposed Title II regulations would require states to report on the combined, non-duplicated percentage of new teachers and recent graduates who have been hired in a full-time teaching position for the grade level, span, and subject area in which they were prepared. The proposed regulations would require states to report teacher placements in schools as follows:

- based on the most recent data available;
- in the highest quartile of schools in a ranking of all schools served by a LEA;

- ranked in descending order by percentage of students from low-income families enrolled in schools as determined by the LEA.

The proposed regulations would also require the State to separate out and report on teacher placement in the lowest performing schools.

#### Current Status and Statutory Constraints

Teacher assignment data in K-12 public schools is collected by the CDE annually. The CDE does not collect or maintain information about teacher preparation programs (TPP), which would be necessary to implement this provision of the proposed regulation. The CTC maintains information about new teachers, including which teacher preparation program each completed. While the relevant data (i.e., assignment data from CDE and TPP data at CTC) could potentially be connected through use of the Statewide Educator Identifier (SEID) number assigned to each teacher, there is no statutory authority to share these data between CDE and CTC. California Education Code §44230.5 does not allow CTC to release information on credential holders to any entity beyond the type of credential and employing district. To enact this provision of the proposed regulations would therefore require a change in California statute, as well as funding to support implementation as indicated below.

To report on the combined, non-duplicated percentage of new teachers and recent graduates who have been hired in a full-time teaching position for the grade level, span, and subject area in which they were prepared would require the following activities and expenditures:

- Should statutory authority be established for the CDE and CTC to share data, the CDE would require additional budget authority of approximately \$150,000 for one Senior Information Systems Analyst position to conduct the necessary activities to link and prepare the data. The CDE cannot absorb this workload within its current budget.
- CTC would require additional budget authority of approximately \$300,000 for one Program Analyst and one Information Technology staff member to conduct the necessary activities to link and prepare the data. The CTC cannot absorb this workload within its current budget.
- CTC would also need approximately \$50,000 for data storage.
- The Teacher Placement Rate would only include teachers placed in a public K-12 local educational agency. Including new teachers/recent graduates placed in private schools would require development and implementation of an alternative data collection system.

#### Potential Alternatives

If the State level data systems cannot be connected, Teacher Preparation Programs could be required to collect this information from recent graduates and report it directly. However, with 89 institutions and close to 500 operational teacher preparation programs in the State, and 1,800 employing agencies, it would be almost impossible to use locally generated teacher placement rates and rates of placement in high needs schools as a consistent indicator of quality in teacher preparation. This alternative would

remove the fiscal burden from the State, but create validity problems and costs at the local level that would undermine the intent of these regulations.

Summary Cost Estimate: **Development and Annual Ongoing Implementation Costs: \$500,000**

## **B. Teacher Retention**

The proposed regulations would allow states to use any of the following rates to calculate new teacher retention:

- 1) Percent of new teachers hired in full time positions who have served for at least 3 consecutive school years within 5 years of being granted certification as teacher of record;
- 2) Percent of new teachers who have been hired in full time teaching positions that reached a level of tenure or equivalent within 5 years of certification as teacher of record; or
- 3) 100% less the percent of new teachers who have been hired in FT teaching positions and whose employment was not continued for reasons other than budget within 5 years of certification as teacher of record.

These proposed regulations would also require the State to determine new teacher retention in high needs schools.

### Status and Statutory Constraints

Teacher placement data in K-12 public schools, including high needs schools, is currently collected by the CDE. The CDE does not have the ability to identify each new teacher with their TPP. The CTC has data on new teachers and knows which TPP each completed. While the data can be connected through the SEID (unique teacher identifier), there is no statutory authority to share the data between CDE and CTC. Should authority be provided to share data based on the SEID, the data collected in the K-12 data system (CALPADS) could potentially be a starting point to determine teacher retention rates. However, these data are not currently collected in a manner suitable for high stakes evaluative use, and changes to how the data are collected and reported in CALPADS would need to be made if it is to be used for this purpose.

To determine new teacher retention rates in all schools and differentiate retention in high needs schools would require the following activities and expenditures:

- *Modifications to how certificated staff data are collected and maintained in CALPADS would be required to meet this aspect of the proposed regulations.* While CALPADS currently collects data that could be used to determine the described teacher retention metrics, CALPADS was not built to track teachers longitudinally. In addition, new reports within CALPADS would be required so that local education agencies would be able to validate the data, which would be approximately a \$1,000 cost for each of the 1,800 districts/charter schools for a total cost of \$1,800,000. The labor cost for CALPADS modifications is estimated at approximately \$75,000 which covers the cost of a 0.5 FTE Information Systems Analyst position to conduct the necessary activities to collect the data and modify the system as needed. This would include tracking teacher retention in all school districts.

## Potential Alternatives

Teacher preparation programs could be required to collect this information from recent graduates. With 89 institutions and close to 500 operational teacher preparation programs in the State, and 1,800 employing agencies, it would be impossible to use locally generated teacher retention rates and rates of retention in high needs schools as a consistent indicator of quality in teacher preparation. This alternative would remove the fiscal burden from the State, but create validity problems and costs at the local level that would undermine the intent of these regulations.

Summary Cost Estimate: **State Level Development and Annual Ongoing Implementation Costs: \$1,875,000**

## **V. Survey Outcome Data**

The proposed regulations call for the collection of qualitative and quantitative data through survey instruments, including, but not limited to a teacher survey and an employer survey, designed to capture perceptions of whether new teachers employed in their first year of teaching in the State where the teacher preparation program is located have the skills needed to succeed in the classroom.

### Current Status and Statutory Constraints

The CTC has the authority to implement teacher and employer surveys. Additional costs would be incurred to increase the human resources devoted to survey administration and follow up to obtain higher response rates. Response rates on surveys of this type and purpose are typically lower than necessary and/or desirable to establish consistent data trends over time and to substantiate evaluative conclusions based on the data. This situation presents a consistent challenge to the utility of survey data for qualitative research and/or decision making.

To develop and administer teacher and employer surveys designed to report on the outcomes of teacher preparation would require the following activities and expenditures:

- *Development of additional surveys and methods to increase response rates.* California currently issues more than 30 types of teaching credentials; 89 institutions and 493 distinct programs offer State accredited preparation leading to the issuance of more than 15,000 teaching credentials annually. Costs to develop, pilot and finalize and implement initial surveys designed to provide information about teacher preparation quality are estimated at \$500,000.
- *Ongoing costs for survey data collection, analysis and reporting* would require the addition of two staff members at the CTC, one programmer and one analyst, for an estimated cost of \$300,000.

## Potential Alternatives

Teacher preparation programs could be required to collect this information from recent graduates and employers. Program initiated surveys typically have low response rates, unless considerable funds are devoted to administration and follow up. This approach would be highly inefficient, and would undermine the State's ability to make meaningful differentiations between programs, since the instrumentation and data collection would not be calibrated across programs.

Summary Cost Estimate: **State Level Development costs \$500,000; Annual Ongoing Implementation Costs: \$300,000**

## **VI. Accreditation and Teacher Preparation Program Evaluation Measures**

The proposed regulations require states to consult with stakeholders to create a weighting system for student learning, employment, and survey data outcomes, and to develop four distinct categories of teacher preparation programs: low performing-at-risk, effective, and exceptional. Using this weighted system, the State would be required to annually categorize all teacher preparation programs.

### Current Status and Statutory Constraints

The CTC conducts accreditation activities for all educator preparation programs. Each institution and all programs are visited at least once every 7 years, with program level data reported and reviewed by the CTC every other year. In alignment with current Title II requirements, programs are identified as low-performing or at-risk when appropriate. The CTC is taking steps to identify exceptionally high performing programs with its accreditation system.

To consult with stakeholders to create a weighting system for student learning, employment, and survey data outcomes, and to develop four distinct categories of teacher preparation programs would require the following activities and expenditures:

- *Developing a new statewide weighting system in consultation with stakeholders.* Working with the CTC, the State Board of Education, the CDE, the Legislature, the Governor, and stakeholders to establish a weighting system for the identified indicators-with 89 institutions and almost 500 programs - will require significant time and consultation, particularly since many of the proposed indicators would require new statutory authority. As agencies within a large state that values local control over education, the CTC and the CDE cannot make these decisions unilaterally, even with widespread consultation, at the state level. Moving forward with these Title II provisions will require the State Legislature and Governor to enact authorizing legislation and invest significant time and resources in the development of systems to collect the data necessary to implement the requirements. The time to complete this task will significantly exceed the 35 hours estimated in the regulations.
- *Data analysis and reporting of the weighting system outcomes data.* Should the necessary data be collected and available, analysis and reporting of these data would need to occur. One researcher/statistician would be required to analyze the data and create the evaluative metrics from the data collected at an annual cost of \$150,000.

### Potential Alternatives

The Commission's accreditation system, with the addition of the identification of exceptionally high performing programs, includes categories that identify low performing or at risk programs and institutions based on the extent to which they meet State standards of quality and effectiveness. CTC's "meets standards" category is fully equivalent to the proposed Federal category of "effective," given the

extensive and comprehensive nature of the standards, clinical expectations, teaching performance assessments and other indicators that are required to “meet standards.”

Summary Cost Estimate: **State Level Development and Ongoing Annual Implementation Costs: \$150,000**

### **Conclusion**

California’s costs to implement the proposed amendments to Title II of the Higher Education Act in California are estimated at **\$232,939,000 in development costs, and \$485,272,059 in annual ongoing implementation costs**. No federal or state funding sources have been identified to support the activities outlined above which will be necessary in order to fulfill the requirements of these proposed regulations. These costs and investments are significantly higher than estimated in the proposed regulations calculations of development and implementation burdens.

The proposed federal system of accountability would create unnecessarily duplicative parallel systems of oversight between the federal and state accreditation and evaluation processes, and would require that the State of California use a variety of metrics unproven by research to be stable, valid and reliable indicators of either teacher effectiveness or of teacher preparation program quality. California’s current system of accreditation is moving toward a greater emphasis on using outcome measures, including surveys of graduates and employers, results of teaching performance assessments, and other meaningful outcomes data collected in a valid and reliable manner to support decisions about quality in preparation and quality of credential candidates. California’s accreditation system already allows the State to identify both low and high performing programs and to facilitate and expedite the closure of ineffective educator preparation programs.

**We urge you to reject these regulations as the extremely high cost would not provide the stated benefits of either improved accountability or transparency and would impose an undue burden on the State of California**

Sincerely,



Tom Torlakson  
Superintendent of Public Instruction



Linda Darling Hammond, Chair  
Commission on Teacher Credentialing



Michael Kirst, President  
California State Board of Education