



January 28, 2014

Hon. Kamala D. Harris
Attorney General
1300 I Street, 17th Floor
Sacramento, California 95814

Attention: Ms. Ashley Johansson
Initiative Coordinator

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INITIATIVE COORDINATOR
ATTORNEY GENERAL'S OFFICE

Dear Attorney General Harris:

Pursuant to Elections Code Section 9005, we have reviewed the proposed statutory initiative related to credential requirements for teachers and administrators in low-ranking schools (A.G. File No. 13-0059).

BACKGROUND

California's public school system consists of two main types of schools: traditional district schools and charter schools. While both types of schools are publicly funded, charter schools differ from their district peers in that they generally are exempt from state laws that govern school districts, except where the law specifically designates otherwise. Because of this general exemption, charter schools have greater fiscal and programmatic flexibility than traditional district schools. In return for this greater flexibility, a charter school must adhere to the tenets of its locally adopted charter, which must be initially approved and then renewed every five years thereafter by an authorizer. An authorizer, which is usually the school district where the charter school is located, also is required to provide ongoing oversight of its charter schools. Charter schools serve about 8 percent of all public K-12 students in California.

Credentialing Requirements for Teachers

State Law Authorizes Commission on Teacher Credentialing (CTC) to Issue Credentials and Permits. State law establishes CTC and authorizes it to issue credentials, permits, and other documents to teachers, as described below.

- ***Full Credentials.*** The CTC issues two types of full teaching credentials: preliminary credentials and clear credentials. To earn a preliminary credential, candidates must: (1) obtain a bachelor's degree, (2) complete a teacher preparation program, and (3) pass several state-required tests, including a test assessing basic skills and a test assessing subject-matter competency. Preliminary credentials are valid for five years. Teachers can convert their preliminary credential to a "clear" credential after completing a program of mentoring and support and fulfilling certain requirements

relating to specific areas, such as computer technology and student health. Clear credentials must be renewed every five years. According to CTC, about 280,000 teachers in the state are fully credentialed, which accounts for about 98 percent of the state's teaching workforce.

- ***Intern Credentials.*** While the above pathway is most common among teachers, state law also allows persons to earn a credential while completing an internship as a classroom teacher. The requirements for an intern credential are almost the same as the requirements for a preliminary credential, but instead of already completing a teacher preparation program, interns complete their preparation on the job over a period of two to three years. After completing their internship, interns can earn their preliminary credential. According to CTC, approximately 4,000 interns are currently teaching in district and charter schools, which is about 1.5 percent of the state's teaching workforce.
- ***Designated Subjects Credentials.*** The CTC also issues credentials to persons who are deemed qualified to teach trade or vocational courses on the basis of their work experience. The designated subjects career technical education (CTE) teaching credential authorizes persons to teach in 1 of 15 broad industry areas, including marketing and health science. The credential requires three years of work experience in one of these areas or one year of work experience plus 48 units of college coursework in the same area.
- ***One-Year Permits.*** The CTC also is authorized to issue provisional internship permits (PIPs) and short-term staff permits (STSPs), which allow noncredentialed persons to teach in a district that cannot find a fully credentialed or intern teacher. Whereas the PIP is designed for schools to meet anticipated staffing needs, the STSP is for unanticipated staffing needs. The requirements for PIPs and STSPs are the same: the applicant must have a bachelor's degree and pass a basic skills test. Unlike fully credentialed or intern teachers, permit holders have not fully satisfied state subject matter requirements. The PIPs and STSPs are valid for one year and cannot be renewed. Fewer than 1 percent of teachers in a given year are PIP or STSP holders.
- ***Substitute Permits.*** In addition, the CTC can issue a substitute teaching permit. Substitute teachers can substitute for a specific teacher for no more than 30 days in a year, but they are allowed to substitute for multiple teachers during the course of a year. Substitute permits are valid for one year and can be renewed annually.
- ***Waiver Documents.*** The CTC also can issue waiver documents that allow persons who lack a credential or permit to teach in a district that cannot find a credential holder. Waivers are typically issued to persons who are working toward a credential but have not yet completed the requirements. Waivers are valid for up to one year.

Most Teachers in District and Charter Schools Required to Hold Credential or Permit. In virtually all cases, state law requires teachers in district schools to hold a valid teaching credential or other CTC-issued document. For charter schools, statute requires teachers to hold a credential, permit, or other CTC-issued document "equivalent to that which a teacher in other

public schools would be required to hold,” though charter schools are provided flexibility for teachers of “noncore, noncollege preparatory classes.”

Credentialing Requirements for Administrators

State law also authorizes CTC to issue administrative services credentials to administrators who meet certain requirements, as described below.

Certain Administrators in District Schools Must Have Administrative Services Credential. Currently, the state requires employees of district schools who spend at least 50 percent of their time supervising teaching, curriculum design, or other specified school activities to hold an administrative services credential. These persons are often employed as principals and vice principals. (Administrators such as chief business officers who do not supervise these activities are not required to have this credential.) To earn an administrative services credential, candidates are required to: (1) already have a valid CTC-issued teaching or other credential (such as a counseling services credential), (2) serve at least five years as a teacher or other employee in a school, and (3) complete an administrator preparation program or one-year internship.

Administrators in Charter Schools Are Not Required to Have Credential. In contrast, current law does not require charter school administrators to hold any type of credential. (Though the law does not require a credential, some charter school administrators are credentialed.)

Other Types of Services Credentials. The CTC also issues other types of services credentials authorizing holders to serve in various school roles. For example, CTC issues specific credentials for employees working in pupil personnel services (such as school counselors) and in health services (such as school nurses).

California's Academic Performance Index (API)

State Assigns API Score to Nearly All District and Charter Schools. The state's accountability system for schools requires annual testing of students in most grades. Based on a school's overall performance on these tests, the vast majority of district and charter schools in the state receive an annual API score. Scores range from 200 (the lowest possible score for a school) to 1,000 (the highest possible score).

State Assigns API Rank to Most District and Charter Schools. Based on their API score, most district and charter schools receive an annual API rank. The API rank compares the school to all schools with the same grade span (elementary, middle, or high school) in the state. Schools are grouped into ten equal-sized groups, or deciles, and are assigned a number that corresponds to that decile. A school that scores in the lowest decile receives a rank of 1, while a top-scoring school receives a rank of 10.

PROPOSAL

Prohibits Persons With Intern Credentials From Teaching in Low-Ranking Schools. The measure would prohibit persons holding intern credentials from serving as a teacher in any public school (district or charter school) that was ranked in API deciles 1, 2, or 3 in either of the previous two years. In addition, CTC would be prohibited from issuing a waiver that allows any

intern to serve as a teacher in these schools. (Though the State Board of Education [SBE] can approve certain waiver requests, the measure also prohibits SBE from issuing waivers for interns to teach in these schools.)

Requires Certain Administrators in Low-Ranking Charter Schools to Hold a Credential. In addition, the measure would require administrators who oversee instruction and student services to hold a teaching or services credential (including administrative services, counseling, or other school services) if their school has been ranked in deciles 1, 2, or 3 in either of the previous two years. The CTC (and SBE) would be prohibited from waiving this credential requirement.

FISCAL EFFECTS

Fiscal Effect of Prohibiting Intern Teachers in Low-Ranking Schools

The fiscal effect of prohibiting intern teachers in low-ranking schools would depend on how schools responded to the measure. A school's flexibility in responding to the measure would depend on the proportion of teachers at the school that were serving on intern credentials. Schools that had more interns would face greater staffing challenges than schools with fewer interns.

Short-Term Solutions Suggest Little Immediate Fiscal Effect. At least in the short term, district and charter schools affected by the measure could respond in a number of ways that would be cost-neutral or generate small savings, including increasing class sizes, hiring teachers on one-year permits, hiring substitutes, and shifting interns to other schools in the district or charter school network.

In Long Term, Replacing Interns With Full Credential Holders Would Result in Small Added Costs. If an affected school were to exhaust the above options, it likely would have to hire teachers with a preliminary credential. Beginning teachers with a preliminary credential typically earn somewhat more than an intern. If affected schools eventually replaced all interns with fully credentialed teachers, this likely would result in additional annual statewide costs of up to the low tens of millions of dollars.

Fiscal Effect of Credential Requirement for Charter School Administrators

Small Local Costs to Respond to New Administrator Requirement. Based on an extrapolation of available data, we estimate up to 15 percent of administrators in low-ranking charter schools (roughly 100 administrators statewide) might lack a credential. Administrators and schools affected by the measure's credential requirement might respond in one of the following ways.

- ***Reassign Responsibilities Among Existing Staff.*** Available data suggest that charter schools typically employ more than one administrator. Affected charter schools could attempt to reassign responsibilities among existing staff so that no person who lacks a credential would spend 50 percent or more of his or her time overseeing instruction or student services. Schools that were able to implement this option would incur no cost.
- ***Require Administrators to Obtain Credential.*** Noncredentialed charter school administrators in API deciles 1, 2, or 3 could obtain a credential. Because most

charter school administrators have college degrees and work experience, some of them might qualify for a preliminary designated subjects CTE teaching credential (for example, in finance and business). The applicant would have to enroll in a CTC-approved preparation program, pay associated tuition, and pay the credential fee. The cost to charter schools could be up to \$100,000 statewide if some charter schools chose to cover these costs for interested administrators. These would be one-time costs for schools that pursued this option.

- ***Replace Administrator With Credential Holder.*** In cases in which administrators in low-ranking schools either cannot or do not wish to obtain a credential, affected charter schools could replace such staff with persons who hold a credential. The resulting cost to charter schools would depend on the extent to which the replacement administrators were compensated at a higher level than their noncredentialed predecessors. Strong reasons do not exist, however, to expect that the charter school would pay the new credentialed administrator notably more or less than the former noncredentialed administrator.
- ***Hire New Administrator and Reassign Noncredentialed Staff.*** Charter schools could reassign noncredentialed administrators to somewhat different roles that do not require a credential and hire credentialed staff to serve in the areas that would require a credential under the measure. The additional annual cost to charter schools of this option could be in the low hundreds of thousands of dollars statewide, depending on the number of charter schools selecting this option and the salary of the additional staff.


Overall, we estimate the statewide costs for charter schools to implement this provision likely would be a few hundred thousand dollars.

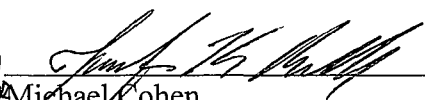
Summary of Fiscal Effects

The measure would have the following major fiscal effect:

- Annual costs up to the low tens of millions of dollars statewide for schools to replace many (but likely not all) interns with fully credentialed teachers.

Sincerely,


Mac Taylor
Legislative Analyst


Michael Cohen
Director of Finance