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BILL



ANALYSIS

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Senate Bill 358 (as enrolled)
Sponsor: Senator Goeff Hansen
Senate Committee: Appropriations
House Committee: Appropriations

Date Completed: 10-1-15

CONTENT

The bill would amend the Revised School Code to do the following with respect to requirements for, and the issuance of, teacher certificates and licenses:

- Remove the cap on the fees for the basic skills examination, the elementary certification examination, and the subject area examination for the Michigan Test for Teacher Certification (MTTC).
- Require a one-year notification to each teacher education institution in Michigan before any of those fees were increased.
- Cap the amount that the Department of Education could spend to develop an exam that had previously been contracted for in a competitive bid process.

The current fee cap is \$50 for the basic skills examination and \$75 for the elementary certification examination and subject area examination. The bill would strike the cap. This would allow the State to set the testing fee rate at the amount that would pay for updates made by the testing vendor and for Department of Education oversight. The bill also would require the Department to notify teacher education institutions one year before the examination fees were increased. The institutions would have to notify each of their affected students of the timing and amount of the increase.

In addition, if the Department developed for use an examination that had previously been contracted for in a competitively bid process, the Department could not spend more on the development of the exam than it previously spent on procuring the most recent competitively bid version of the exam.

MCL 380.1531i

BACKGROUND

The fee cap has been in place since it was established in 1992 and has not been increased. Currently, Michigan has the lowest teacher certification fee cap in the country. There is only one vendor that offers the examination at the current rate, which limits the bargaining power of the State to increase the quality of the examination.

In FY 2013-14, 11,200 basic skills examinations were taken and 14,500 elementary certification and subject area examinations were taken. The amount of revenue generated from teacher tests totaled \$1.6 million in FY 2013-14. The number of examinations being taken in a given year has declined over the decade. In FY 2014-15, the Michigan Department of Education received \$1.8 million for MTTC assessments to move from providing teaching certificates to individuals who

are "minimally acceptable teacher candidates" to those who are "adequately prepared to be effective teachers". The appropriations covered changes to seven of the approximately 72 MTTC assessments. The Department has additional changes that need to be made to the assessments, including: updating the content area questions, adding constructed answer responses, including questions that involve real teacher situations, and allowing vendors to develop computer-based tests.

The Department has indicated that assessment fees need to be increased or the Department needs to receive additional State appropriations in order to revise all of the assessments in a timely manner. Currently, the Department receives \$5 from each examination, which funds 1.0 FTE position (\$129,000) that oversees the MTTC. This amount is decided by the contracting agreement and the Department does not see a need to increase the amount that it receives.

FISCAL IMPACT

The bill would result in additional revenue that the Department could use to enter into contracts for creating and administering the examinations. Any revenue raised by teacher testing fees is statutorily required to be spent solely for administrative expenses the Department incurs in implementing the teacher certification program. The additional revenue could be used to enter into contracts with vendors to provide assessments that would be designed to indicate which candidates are adequately prepared to be effective teachers. The Department would first need to seek contracts through an RFP process in order to establish the total costs for updating the assessments, and then would have to establish a new assessment fee to be paid by prospective teachers. If the Department were to create and administer the examination entirely within the Department, it could not spend more than the current contracted amount.

The costs for some subject areas might be greater than the costs for other areas. An example of a subject area that is more costly is American Sign Language, which would include the assessment of signing competency. Depending on the costs, with the enactment of this bill, the Department could either raise the fee for an individual subject area or increase all the assessment fees. At this time, there is not a need for the Department to increase the portion of the examination fee that goes to the Department in order to ensure that the assessments are being modified to Michigan standards. Since the bill would require at least a year between the decision to increase a fee and its implementation, the amount of costs the Department and teaching institutions would incur to inform teachers of the changes would be minimal.

The most common teacher tests in other states are Praxis tests. For those exams, the basic skills test is \$150 and the subject area test is \$130. If those prices were applied to the number of exams taken in FY 2013-14, the amount of revenue generated would be \$3.6 million. However, given that the number of teacher tests being taken has declined over the last 10 years, the actual amount generated would likely be less than the \$3.6 million. Even if the total amount were less than \$3.6 million, the revenue generated still would likely be twice as much as what is currently being brought in.

The bill would have no fiscal impact on local school districts.

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