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JOINT COMMITTEE ON WAYS AND MEANS

Senator Lieber, Senate Co-Chair
Representative Sanchez, House Co-Chair

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Representative Gomberg, House Co-Vice Chair
Representative Smith, House Co-Vice Chair

To: Education Subcommittee

From: Wendy Gibson, Legislative Fiscal Office

Date: June 5, 2025

Subject: HB 5037 – Teacher Standards and Practices Commission
Work Session Recommendations

Teacher Standards and Practices Commission				
Agency Totals				
FUND TYPE	2021-23 ACTUAL	2023-25 LEGISLATIVELY APPROVED	2025-27 CURRENT SERVICE LEVEL	2025-27 LFO RECOMMENDED
General Fund	1,127,899	2,005,295	769,493	769,493
Other Funds	13,641,555	18,273,044	16,400,133	18,046,699
TOTAL FUNDS	14,769,454	20,278,339	17,169,626	18,816,192
Positions	35	38	28	37
FTE	31.75	33.00	27.50	35.75

The Teacher Standards and Practices Commission (TSPC) licenses educators, maintains and enforces professional standards for educators, and approves educator preparation programs in Oregon. The agency's three statutory responsibilities are:

- Establishing rules and issuing licenses and registrations to teachers, administrators, school nurses, school counselors, and school psychologists;
- Maintaining and enforcing professional standards of competent and ethical performance and proper assignment of licensed educators through investigations and sanctions; and
- Establishing standards for college and university teacher education preparation programs and approving those programs that meet standards.

The LFO recommendation makes the following adjustments:

- Adds \$2.1 million Other Funds expenditure limitation and establishes nine permanent positions (8.25 FTE) to address a backlog of investigations into complaints of educator misconduct.
- Adds \$1.5 million in one-time expenditure limitation to pay for the completion of the Educator Data System, the replacement of the previous eLicensing system.
- Eliminates the \$2.0 million transfer from the Educator Advancement Fund for the Administrator Scholar Program. The May 2025 Oregon Economic and Revenue Forecast, conducted by the Department of Administrative Services' Office of Economic Analysis, projects the available Corporate Activity Tax resources to total \$3.16 billion for the 2025-27 biennium. This represents a decrease of \$195.3 million from the current service level budget. At this revenue level, the Fund for Student Success (FSS) is not able to sustain the 2025-27 current service level budget, which includes funding transferred to the Educator Advancement Fund. Reductions were taken across the education agencies to balance the Fund for Student Success.

Adjustments to Current Service Level

See attached "Work Session Presentation Report."

Note: Statewide adjustments and six-year capital construction expenditures are not included in these recommendations. Any needed adjustments will be made in end of session bills.

Accept LFO Recommendation

MOTION: I move the LFO recommendation to HB 5037. *(vote)*

OR

Modify LFO Recommendation

MOTION: I move the LFO recommendation to HB 5037, with modifications. *(vote)*

Performance Measures

See attached "Legislatively Proposed 2025-27 Key Performance Measures."

Accept LFO Recommendation

MOTION: I move the LFO recommendation on Key Performance Measures. *(vote)*

OR

Modify LFO Recommendation

MOTION: I move the LFO recommendation on Key Performance Measures, with modifications. *(vote)*

Budget Notes

#1 Budget Note: Revenue Increase.

The Teacher Standards and Practices Commission is directed to undertake a comprehensive review of the Commission's fee amounts and schedules. The fees collected through licensure provide the primary revenue to support the Commission's operations. By January 2026, the Teacher Standards and Practices Commission shall submit a report to the Interim Joint Committee on Ways and Means with a recommended solution to a nearing revenue shortfall. At minimum, the report should include:

- A list of all fees collected by the Commission;
- Current financial information, including 3 biennia of expenditure and revenue estimates; History of licensing fee amounts and schedules;
- History of revenue collection and licensure volumes;
- Assessment of how different funding levels effect customer service, licensure processing, and investigation backlogs;
- Proposed fee structures and renewal timelines that both increase revenue and streamline licensure fees;
- Evaluation of any alternative revenue streams or solutions to provide a more stable funding model; and
- Any other considerations that support improvements toward a more stable and functional fee model.

Accept LFO Recommendation

MOTION: I move the LFO recommendation on Budget Notes. *(vote)*

OR

Modify LFO Recommendation

MOTION: I move the LFO recommendation on Budget Notes, with modifications. *(vote)*

Amendment

LFO recommends a budget of \$769,493 General Fund, \$18,046,699 Other Funds, and 37 positions (35.75 FTE), which is reflected in the –2 amendment.

MOTION: I move adoption of the –2 amendment to HB 5037. *(vote)*

Final Subcommittee Action

LFO recommends that HB 5037, as amended by the –2 amendment, be moved to the Ways and Means Full Committee.

MOTION: I move HB 5037, as amended, to the Full Committee with a do pass recommendation. *(vote)*

Carriers

Full Committee: _____

House Floor: _____

Senate Floor: _____

LFO102 - Work Session Presentation Report
2025-27 Biennium

Version: L - 01 - LFO Analyst Recommended

Cross Reference: 58400-000-00-00-00000

Teacher Standards & Practices Comm

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2023-25 Agy. Leg. Adopted	1,926,257	-	14,839,855	-	-	-	16,766,112	30	28.00
2023-25 Ebds, SS & Admin Act	79,038	-	3,433,189	-	-	-	3,512,227	8	5.00
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2023-25 Leg Approved Budget	2,005,295	-	18,273,044	-	-	-	20,278,339	38	33.00
2023-25 Leg Approved Budget (Base)	2,005,295	-	16,273,044	-	-	-	18,278,339	38	33.00
Summary of Base Adjustments	(44,468)	-	(446,244)	-	-	-	(490,712)	(9)	(5.50)
2025-27 Base Budget	1,960,827	-	15,826,800	-	-	-	17,787,627	29	27.50
010: Non-PICS Pers Svc/Vacancy Factor	(4,860)	-	24,664	-	-	-	19,804	-	-
020: Phase In / Out Pgm & One-time Cost	(1,188,041)	-	(27,055)	-	-	-	(1,215,096)	-	-
030: Inflation & Price List Adjustments	1,567	-	523,039	-	-	-	524,606	-	-
060: Technical Adjustments	-	-	52,685	-	-	-	52,685	(1)	-
2025-27 Current Service Level	769,493	-	16,400,133	-	-	-	17,169,626	28	27.50
Adjusted 2025-27 Current Service Level	769,493	-	16,400,133	-	-	-	17,169,626	28	27.50
Total LFO Recommended Packages	-	-	1,646,566	-	-	-	1,646,566	9	8.25
2025-27 Legislative Actions	769,493	-	18,046,699	-	-	-	18,816,192	37	35.75
Net change from 2023-25 Leg Approved Budget	(1,235,802)	-	(226,345)	-	-	-	(1,462,147)	(1)	2.75
Percent change from 2023-25 Leg Approved Budget	(61.6%)	0.0%	(1.2%)	0.0%	0.0%	0.0%	(7.2%)	(2.6%)	8.3%
Net change from 2025-27 Adj Current Service Level	-	-	1,646,566	-	-	-	1,646,566	9	8.25
Percent change from 2025-27 Adj Current Service Level	0.0%	0.0%	10.0%	0.0%	0.0%	0.0%	9.6%	32.1%	30.0%

LFO102 - Work Session Presentation Report
2025-27 Biennium

Version: L - 01 - LFO Analyst Recommended

Cross Reference: 58400-001-00-00-00000

General Program

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2023-25 Agy. Leg. Adopted	1,926,257	-	14,839,855	-	-	-	16,766,112	30	28.00
2023-25 Ebds, SS & Admin Act	79,038	-	3,433,189	-	-	-	3,512,227	8	5.00
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2023-25 Leg Approved Budget	2,005,295	-	18,273,044	-	-	-	20,278,339	38	33.00
2023-25 Leg Approved Budget (Base)	2,005,295	-	16,273,044	-	-	-	18,278,339	38	33.00
Summary of Base Adjustments	(44,468)	-	(446,244)	-	-	-	(490,712)	(9)	(5.50)
2025-27 Base Budget	1,960,827	-	15,826,800	-	-	-	17,787,627	29	27.50
010: Non-PICS Pers Svc/Vacancy Factor	(4,860)	-	24,664	-	-	-	19,804	-	-
020: Phase In / Out Pgm & One-time Cost	(1,188,041)	-	(27,055)	-	-	-	(1,215,096)	-	-
030: Inflation & Price List Adjustments	1,567	-	523,039	-	-	-	524,606	-	-
060: Technical Adjustments	-	-	52,685	-	-	-	52,685	(1)	-
2025-27 Current Service Level	769,493	-	16,400,133	-	-	-	17,169,626	28	27.50
Adjusted 2025-27 Current Service Level	769,493	-	16,400,133	-	-	-	17,169,626	28	27.50
Total LFO Recommended Packages	-	-	1,646,566	-	-	-	1,646,566	9	8.25
2025-27 Legislative Actions	769,493	-	18,046,699	-	-	-	18,816,192	37	35.75
Net change from 2023-25 Leg Approved Budget	(1,235,802)	-	(226,345)	-	-	-	(1,462,147)	(1)	2.75
Percent change from 2023-25 Leg Approved Budget	(61.6%)	0.0%	(1.2%)	0.0%	0.0%	0.0%	(7.2%)	(2.6%)	8.3%
Net change from 2025-27 Adj Current Service Level	-	-	1,646,566	-	-	-	1,646,566	9	8.25
Percent change from 2025-27 Adj Current Service Level	0.0%	0.0%	10.0%	0.0%	0.0%	0.0%	9.6%	32.1%	30.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 104 Educator Data System

Package Description This package adds one-time Other Funds expenditure limitation to pay for the completion of the Educator Data System, the replacement of the previous eLicensing system.

LFO Recommendation Approve as modified.

LFO Recommended	-	-	1,500,000	-	-	-	1,500,000	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 581 EL-Literacy Position Reclass

Package Description The proposal changes the classification of an existing 1.00 FTE Oper. & Policy Analyst 3 to 1.00 FTE Oper. & Policy Analyst 4 in Educator Preparation and Pathways to assist in the early literacy initiative.

LFO Recommendation Approve.

LFO Recommended	-	-	33,026	-	-	-	33,026	-	-
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LFO102 - Work Session Presentation Report
2025-27 Biennium

Version: L - 01 - LFO Analyst Recommended

Cross Reference: 58400-001-00-00-00000

General Program

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 801 LFO Analyst Adjustments

Package Description This package provides \$2.2 million Other Funds expenditure limitation and establishes nine permanent positions (8.25 FTE) to address a backlog of investigations into complaints of educator misconduct.

LFO Recommendation Approve.

LFO Recommended	-	-	2,158,777	-	-	-	2,158,777	9	8.25
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 806 FSS Shortfall

Package Description The May 2025 Oregon Economic and Revenue Forecast, conducted by the Department of Administrative Services' Office of Economic Analysis, projects the available Corporate Activity Tax resources to total \$3.16 billion for the 2025-27 biennium. This represents a decrease of \$195.3 million from the current service level budget. At this revenue level, the Fund for Student Success (FSS) is not able to sustain the 2025-27 current service level budget. Reductions were taken across the education agencies to balance the FSS, including a \$2.0 reduction to the Administrator Scholar Program.

LFO Recommendation

LFO Recommended	-	-	(2,045,237)	-	-	-	(2,045,237)	-	-
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LFO102 - Work Session Presentation Report
2025-27 Biennium

Version: L - 01 - LFO Analyst Recommended

Cross Reference: 58400-002-00-00-00000

Teacher Education Program Accreditation

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2023-25 Agy. Leg. Adopted	-	-	-	-	-	-	-	-	-
2023-25 Ebds, SS & Admin Act	-	-	-	-	-	-	-	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2023-25 Leg Approved Budget	-	-	-	-	-	-	-	-	-
2023-25 Leg Approved Budget (Base)	-	-	-	-	-	-	-	-	-
Summary of Base Adjustments	-	-	-	-	-	-	-	-	-
2025-27 Base Budget	-	-	-	-	-	-	-	-	-
2025-27 Current Service Level	-	-	-	-	-	-	-	-	-
Adjusted 2025-27 Current Service Level	-	-	-	-	-	-	-	-	-
2025-27 Legislative Actions	-	-	-	-	-	-	-	-	-
Net change from 2023-25 Leg Approved Budget	-	-	-	-	-	-	-	-	-
Percent change from 2023-25 Leg Approved Budget	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net change from 2025-27 Adj Current Service Level	-	-	-	-	-	-	-	-	-
Percent change from 2025-27 Adj Current Service Level	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Legislatively Proposed 2025 - 2027 Key Performance Measures

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Agency: Teacher Standards and Practices Commission

Mission Statement:

To ensure Oregon schools have access to well trained, effective and accountable education professionals so all students have the opportunity to reach their full potential.

Legislatively Proposed KPMs	Metrics	Agency Request	Last Reported Result	Target 2026	Target 2027
1. EMAIL CUSTOMER SERVICE - Percent of emails responded to within 3 days.		Approved	19.20%	85%	85%
2. APPLICANT CUSTOMER SERVICE - Percent of license applications initially processed within 30 days.		Approved	11%	60%	60%
3. INVESTIGATION SPEED - Percent of investigated cases resolved in 180 days (unless pending in another forum).		Approved	19%	75%	75%
4. Program Approval Customer Service - Percentage of new program and major modification proposals processed within 30 days of formal submission to the Commission.		Approved	100%		
5. CUSTOMER SATISFACTION - Percent of customers rating their satisfaction with the TSPC customer service as "good" or "excellent": Overall customer service, timeliness, accuracy, helpfulness, expertise, and availability of information.	Customer Service Overall	Proposed New		80%	80%
	b) Timeliness			80%	80%
	c) Accuracy			80%	80%
	d) Helpfulness			80%	80%
	e) Expertise			80%	80%
	f) Availability of Information			80%	80%
5. CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent" overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.		Proposed Delete	75%		

LFO Recommendation:

The Legislative Fiscal Office recommends KPM #5, customer service, is deleted and replaced with a customer satisfaction measurement that delineates the six statewide customer service elements required to be measured individually. KPM #1-4 are recommended for approval as presented.

SubCommittee Action: