

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: SB 1594 (Proposed Committee Substitute)

SHORT TITLE: Education Board Sets Certification Fees

SPONSOR(S): Senator Lee

FISCAL IMPACT					
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 1998-99</u>	<u>FY 1999-00</u>	<u>FY 2000-01</u>	<u>FY 2001-02</u>	<u>FY 2002-03</u>
REVENUES					
DPI receipt	\$208,790	\$208,790	\$208,790	\$208,790	\$208,790
EXPENDITURES					
DPI budget	\$160,000	\$124,948	\$124,948	\$124,948	\$138,948
POSITIONS:	4				
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: State Board of Education; Department of Public Instruction					
EFFECTIVE DATE: The act is effective when it becomes law.					

BILL SUMMARY: The act establishes a schedule for teacher certification fees.

ASSUMPTIONS AND METHODOLOGY:

Revenue

SB 1594 establishes a fee schedule for the initial certification, renewal, and extension of all teaching certificates for the State Board of Education. In fact, the State Board of Education adopted such a fee schedule for teacher certification in 1975. The current fee schedule charges \$45 for first time in-state licenses, upgrades, additions, and renewals; \$65 for out-of-state applicants, Junior ROTC, lateral entry, vocational, and provisional licenses; and \$30 for miscellaneous administrative changes. This bill gives statutory authority to what the Board has done administratively up till now.

The bill reflects the Board's intention to raise the fees beginning in FY 1998-99 to fund additional certification specialist positions. The Board proposes to increase the \$45 fee to \$55 and increase the \$65 fee to \$85 as shown in the chart below. The proposed revenue from SB

1594 was included on page 18 of the Governor's Recommended Changes to the 1998-99 State Budget. Based on FY 1996-97 data, the increased fees will raise an additional \$208,790 in receipts each year.

<u>Description</u>	<u>FY 1996-97 Requests</u>	<u>Current Fee</u>	<u>Current Revenue</u>	<u>Proposed Fee</u>	<u>Proposed Revenue</u>
New Out-of-state	4,519	\$65	\$293,735	\$85	\$384,115
Additional Experience	1,290	\$45	\$58,050	\$55	\$70,950
Employed Alternative Program	5,350	\$45	\$240,750	\$55	\$294,250
In-State Additional Educational Level	1,298	\$45	\$58,410	\$55	\$71,390
Renewal Non-Employed	1,519	\$45	\$68,355	\$55	\$83,545
Employed Validation	410	\$45	\$18,450	\$55	\$22,550
Initial In-State	1,974	\$45	<u>\$88,830</u>	\$55	<u>\$108,570</u>
Total Revenue			\$826,580		\$1,035,370
Net Revenue Gain					\$208,790

Expenditure

The additional revenue will be used to add four Certification Specialists (Grade 65) to the Teacher Licensure Section to handle the 6 to 8 week backlog in teacher certification requests. These four positions are requested in the Governor's Recommended Changes to the 1998-99 State Budget. The projected budget for these positions is as follows:

	<u>FY 1998-99</u>	<u>FY 1999-00</u>	<u>FY 2000-01</u>	<u>FY 2001-02</u>	<u>FY 2002-03</u>
Salaries	\$97,232	\$97,232	\$97,232	\$97,232	\$97,232
Social Security	7,440	7,440	7,440	7,440	7,440
Retirement	10,532	10,532	10,532	10,532	10,532
Medical Insurance	6,944	6,944	6,944	6,944	6,944
Transportation ground - in state	11,052				
Telephone	1,200	1,200	1,200	1,200	1,200
General Office Supplies	1,600	1,600	1,600	1,600	1,600
Furniture - Office	10,000				
Equipment - Computers	14,000				14,000
Total	\$160,000	\$124,948	\$124,948	\$124,948	\$138,948

The salary of a Certification Specialist is budgeted at the minimum level of \$24,308 per year. No increase in salary or benefits is included in the projection, but receipts are sufficient to cover any increases. The first year budget includes one time cost for furniture, computers and transportation. The budget reflects that the computers will be replaced in four years.

FISCAL RESEARCH DIVISION (733-4910)

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