

These minutes paraphrase and/or summarize statements made during this meeting. Text enclosed in quotation marks reports the speakers exact words. For complete context of proceedings, please refer to the tape recording.

These minutes paraphrase and/or summarize statements made during this meeting. Text enclosed in quotation marks reports the speakers exact words. For complete context of proceedings, please refer to the tape recording.

Discussion of cost of educating students
Tapes 9-10 A & B

House Committee on
State and School Finance
March 9, 1995 Page

These minutes paraphrase and/or summarize statements made during this meeting. Text enclosed in quotation marks reports the speakers exact words. For complete context of proceedings, please refer to the tape recording.

HOUSE STATE AND SCHOOL FINANCE COMMITTEE
SCHOOL FINANCE SUB COMMITTEE

March 9, 1995 8:30 AM HEARING ROOM A STATE CAPITOL BUILDING

Members Present: Chair Jim Welsh
Vice Chair Anita Rasmussen
Rep. Jane Lokan (10:12 am unexcused late arrival)
Rep Ken Strobeck

Staff: James Scherzinger, Legislative Revenue Officer
Terry Drake, Legislative Revenue Office
Rhonda Wehler, Committee Assistant

Witnesses Present: Ron Chastain, Economic Consulting
Jerry Bennett, Superintendent, Linn-Benton ESD
Jim Breithaupt, Economic Consulting
John Young, Washington ESD
Wilma Wells, Confederation of Oregon Superintendents Association

(COS)

TAPE 9 SIDE A
004 Chair Welsh -calls the meeting to order at 8:37 am and conducts
administrative business
009 Ron Chastain -refers to Exhibit A, Cost Efficiency Study of Selected ESD
Services
053 -summarizes history of ESD
101 -notes significant changes in funding with passage of Measure 5
119 -refers to page 4, Exhibit A, Reasons to Have ESDs
-promoting equalization of services for smaller districts
-enabling local flexibility
-promoting cost-efficiency
-providing leverage of limited resources
-promoting administrative efficiency
174 -refers to Appendix A, Exhibit A, explaining services provided by ESDs
235 -refers to state mandated services and activities, pages 7-9, Exhibit A
288 -refers to page 12, Exhibit A, Ratio of All Funds to Property Tax
345 -refers to Department of Education Audit Data
TAPE 10 SIDE A
005 Jim Breithaupt -defines terms (page 14, Exhibit A)
Breithaupt -cost efficiency - attempt to analyze how productively service is
being produced compared to alternative method
-cost benefit - compares cost of providing service compared to calculated
value good or service brings
-cost effectiveness - start with goal or objective, then look at how
productively service is achieved in outcome
057 -notes alternative mode of production used was private sector production

-cites limited range of case examples, because many things ESD does has no
private sector counterpart
-lists examples chosen - media library services, audio visual and computer
repair services, courier van service, occupational therapy and physical
therapy
148 Jerry Bennett -says Linn-Benton ESD invests \$1 million in main frame,
which is used for over 100 districts
170 Breithaupt -explains cost differences between ESDs and other sources,
page 5,6, Exhibit A
384 -explains cost category definitions, page 16-19, Exhibit A
-employee costs
-available work hours
-fixed assets annual replacement cost
-annual vehicle replacement cost
-building/space costs

-materials and services
-indirect costs

TAPE 9 SIDE B

080 Bennett -stresses economies can't be compared with occupational therapies
-explains difficulty securing services of specialists (autism, speech therapy)

109 All -questions and discussion

129 John Young -says Washington County ESD using data to require itemization of costs, provide new level of accountability

155 Bennett -says ESD and district mandated to collaborate

181 Young -says Washington County receives only 7 cents per thousand, formula

and methodology important to them
-says every district in Washington County uses ESD services
-working to eliminate duplication of services

230 Bennett -informs every district unanimous with resolution services
-Linn-Benton has greater demand for services from larger districts due to flat funding and compression

262 -defines resolution services
-all districts vote on resolutions (services offered)
-requires 50% of student population and 2/3 of districts to pass any service

Bennett -notes strong local control with School Board's requests and votes
-small districts benefit from services requested by large districts

369 Wilma Wells -informs 2% weight funds not available to ESDs
-districts pay for portion of service charge

396 Young -special ed program funded by contracts with districts

TAPE 10 SIDE B

046 Young -says ESDs research with consultant to determine feasibility of adding new programs

096 Chastain-explains few understand school finance data, which was why his group was chosen to complete study
-compensation for study was \$15,000

126 Rep Strobeck -says Sec. of State's Office should contact Moore, Breithaupt & Chastain agency to save \$ on upcoming audit of school districts

145 Chair Welsh -adjourns meeting at 10:19 am

Rhonda Wehler, Committee Assistant

Kimberly Taylor James, Office Manager

Exhibit Summary

A. Cost of Educating Students, Moore, Breithaupt, Chastain, Cost Efficiency Study of Selected ESD Services, 11/10/94