

Tapes 43-44, (A\B)
Work Session -
School Distribution
SENATE COMMITTEE ON REVENUE AND SCHOOL FINANCE

February 14, 1991 1:00 PM Hearing Room A State Capitol Building

Members Present: Senator Jane Cease, Chair
Senator Joan Dukes, Vice Chair (arrived 1:23)
Senator John Brenneman (departed 2:00)
Senator Shirley Gold (departed 2:05, returned 2:25)
Senator Ron Grensky (arrived 1:21)
Senator Bill McCoy (arrived 1:22, departed 2:47)
Senator Tricia Smith (arrived 1:20)

Staff Present: Jim Scherzinger
Mary Ann Zimmermann, Committee Assistant

Witnesses Present: Ron Chastain, Chastain Economic Consulting
Frank McNamara, Portland Public Schools
Chris Dudley, Oregon School Boards Association (OSB A)
Ozzie Smith, Confederation of Oregon School Administrators (COSA)

TAPE 43. SIDE A

005 CHAIR CEASE called the meeting to order at 1:18 P.M. as a subcommittee until a quorum was reached at 1:22 P.M. Nurses from various schools around the state belonging to the Associate Degree of Nursing were welcomed. Administrative business was conducted.

047 FRANK MCNAMARA explained how Chastain Economic Consulting helped Portland Public Schools with forecasting of revenue and budget.

069 RON CHASTAIN presented a Cost of Living Index produced by the American Chamber of Commerce Researchers Association offering comparative data for 295 urban areas. Differences were pointed out in the cost of living among school districts and cost adjustments should be addressed when referring to equity. EXHIBIT 1

104 RON CHASTAIN pointed out that other states are using cost adjustment factors. Readily available data for Oregon can be seen in EXHIBIT 1 with three cities being represented: Eugene, Salem, and Klamath Falls. The data was explained by Mr. Chastain.

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140 SEN. GRENSKY argued the fact that the cost of living is in direct correlation with cost of education.

155 Discussion follows regarding the connection between the cost of living and the cost of education.

174 JIM SCHERZINGER reviewed the cost of living was one adjustment factor

to consider in funding education.

193 SEN. DUKES asked if there was a factor for salaries in the cost of living index. The response was no because expenditures are addressed and not revenue. Discussion follows regarding salaries affecting the cost of living.

244 RON CHASTAIN continuing presenting figures in the Cost of Living Index. EXHIBIT 1

270 JIM SCHERZINGER clarified the difference between the cost of living index and the consumer price index.

292 RON CHASTAIN refereed to figures on home price and mortgage rate. Discussion addresses the home price figures with placing Portland higher in relation to the other three Oregon cities in the index.

340 RON CHASTAIN continued the presentation with reference to the Public School Finance Program in Florida. EXHIBIT 2

400 Discussion follows regarding the tax structure for the state of Florida which has no income tax. Reference was made to comparing all the state's tax ranking.

TAPE 44 SIDE

A

013 Discussion follows regarding the Florida Public School Finance Program. EXHIBIT 2

053 RON CHASTAIN explained the Public School Finance Program for Ohio. EXHIBIT 2, Page 3

074 RON CHASTAIN presented information on the Public School Finance Program for Texas. EXHIBIT 2, Page 5

100 Discussion continues regarding the finance program from Texas.

115 CHAIR CEASE asked if each state has a selective model for addressing various factors. The use of different models was discussed. Reference was made to the court struggle in Texas in relation to the educational funding system.

143 RON CHASTAIN suggested if the Committee decides to use the cost of living as a factor, a regional index would need to be gathered but much of the data can be obtained from the State.

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184 RON CHASTAIN presented a regional approach offering data displaying variation in estimated current expenditures per Average Daily Membership (ADM) by county and region. The inequitable system is reflected in the figures but the difference in range is presented. EXHIBIT 3

205 Discussion and questions follow regarding figures in EXHIBIT 3.

231 RON CHASTAIN explained how the county average figures were obtained giving the effect on the region.

256 SEN. DUKES voiced concern in the wide variation in the figures.

260 SEN. GRENSKY addressed the factors involved in the cost of living related to cost expenditures per child.

285 RON CHASTAIN continued discussing figures in EXHIBIT 3.

365 CHRIS DUDLEY presented the 1990-91 Survey: Salaries, Economic Benefits and Selected Policies for Teachers in Oregon School Districts. Discussion and questions relate to the information depicted in the survey. Common characteristics in a salary schedule were addressed. EXHIBIT 5

TAPE 43 SIDE

B

035 CHRIS DUDLEY referred to a statewide summary of salary percentiles by

district Average Daily Membership (ADM). EXHIBIT 5, Pages 6-7

044 CHRIS DUDLEY explained a certified salary schedule for a particular district. Reference was made to collective bargaining.

085 CHRIS DUDLEY referred to pages 14-15 offering additional information about the various school districts.

100 Discussion continues related to extended contract provisions. The question was asked if the average annual salary include the normal contract period or is the extended salary also included.

117 CHRIS DUDLEY continued discussing information relating to the various school districts on page 15 of the Survey.

130 CHRIS DUDLEY pointed out that insurance is a large factor in the total costs.

166 CHRIS DUDLEY presented an overview of remaining information in the Survey. EXHIBIT 5

190 Discussion and questions follow regarding extra duty pay offered in addition to salary such as coaching.

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250 CHRIS DUDLEY offered the 1990-91 Survey: Salaries and Economic Benefits for Administrators in Oregon School Districts. The information is similar as that in Exhibit 5. The range in salaries is addressed. EXHIBIT 6

289 CHRIS DUDLEY presented results of consolidation studies of the Wasco Unification Plan and the Hillsboro Union High School Unification Study.

315 CHRIS DUDLEY referred to the Wasco study showing a considerable amount of money could be saved but the vote was not to consolidate. EXHIBIT 7

340 CHRIS DUDLEY presented the Hillsboro study and the results showed a savings in cost but little difference in program offering. The district decided not to have a vote on the issue. EXHIBIT 8

364 Discussion and questions follow regarding the consolidation study. Reference is made to teacher salary.

416 CHRIS DUDLEY pointed out the conclusion reached from the studies reorganization through consolidation saves little money and a different reason for consolidating needs to be addressed.

TAPE 44 SIDE

B

006 SEN. DUKES referred to an educational formula and asked if a specific factor could be offered that would account for teacher salaries.

017 CHRIS DUDLEY responded that policy implications are present and how the salary is computed would alter the factor.

030 SEN. DUKES asked if the various policy implications could be submitted to the Committee in writing.

035 SEN. GOLD voiced a concern that the Committee has been acting like a local school board.

051 CHRIS DUDLEY agreed the local districts are still the employer but there are policy questions when the state begins funding large portions of education.

062 JIM SCHERZINGER referred to the Wasco Study pointing out the list of cost saving components would be ongoing savings. EXHIBIT 7

083 CHAIR CEASE invited future testimony relating to different versions of a future funding formula.

091 OZZIE ROSE presented some additional comments on the consolidation issue with reference to tax equity. The various Union High Schools in the

state display considerable disparity in the tax load across the district.

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118 OZZIE ROSE addressed the issue of building needs in relation to consolidation.

140 CHAIR CEASE adjourned the meeting at 2:55 P.M.

Mary Ann Zimmermann, Committee Assistant
Kimberly Taylor, Office Manager

EXHIBIT SUMMARY

1. Cost of Living Index, Ron Chastain, 2/14/91 - School Distribution
2. Public School Finance Report, Ron Chastain, 2/14/91 - School Distribution
3. Estimated Current Expenditures per ADM by County and Region, Ron Chastain, 2/14/91 - School Distribution
4. State Tax Rankings, LRO, 2/14/91 - School Distribution
5. 1990-91 Survey: Salaries, Economic Benefits and Selected Policies for Teachers in Oregon School Districts, OSB A, 2/14/91 - School Distribution
6. 1990-91 Survey: Salaries and Economic Benefits for Administrators in Oregon School Districts and ESDs, OSB A, 2/14/91 - School Distribution
7. Wasco Unification Plan, OSB A, 2/14/91 - School Distribution
8. Hillsboro Union High School Unification Study, OSB A, 2/14/91 School Distribution
9. Page 6 of "A Dollars & Sense Look at Oregon School Finance" by T.K. Olson, LRO, 2/14/91 - School Distribution

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