

**MINUTES OF THE  
FUNDING OF PUBLIC EDUCATION TASK FORCE  
Monday, July 10, 2000 - 1 p.m. - Room 405 State Capitol**

**Members Present:**

Rep. Kevin S. Garn, Chair  
Sen. Lyle W. Hillyard, Chair  
Sen. Michael G. Waddoups  
Sen. Paula F. Julander  
Rep. Patrice Arent  
Rep. Greg J. Curtis  
Rep. Brad King  
Rep. David Ure

**Staff Present:**

Mr. Bill Asplund, Research Analyst  
Mr. Bryant R. Howe, Research Analyst  
Mr. James L. Wilson, Associate General Counsel  
Mr. Dee S Larsen, Associate General Counsel  
Ms. Alicia Gambles, Legislative Secretary

**Note:** A list of others present and a copy of materials distributed in the meeting are on file in the Office of Legislative Research and General Counsel.

**1. Call to Order -** Rep. Hillyard called the meeting to order at 1:15 p.m.

**2. Committee Business -**

**MOTION:** Sen. Julander moved to approve the minutes of the June 29, 2000 meeting. The motion passed unanimously, with all those present voting in favor.

**3. A Panel Discussion of School Superintendents on Cost Concerns -**

Supt. Jacobsen, Provo City School District, expressed his concerns about teacher and administrator salaries. He explained that the district is losing quality teachers because they are unable to provide sufficiently for their families. He noted that Utah's salaries for school teachers are not comparable to other states and that teachers are leaving to go elsewhere or to enter into private businesses with a substantial increase in salary. He also stated that quality graduates from the university are choosing to go to other states to teach, particularly Nevada.

Sen. Hillyard commented on the fact that Utah offers a benefit package to teachers that is comparable if not better than other states offer. He also indicated that a study was done by the Fiscal Analyst's Office to compare teacher salaries and that the outcome was that Utah's teacher salaries including benefits are comparable to surrounding states.

Rep. Ure commented on how important the benefit package offered by Utah is to teachers with families.

Supt. Ronnenkamp, Granite School District, said that education is currently in a transition stage. He said a few years ago salaries were very low and benefits were very cheap, so everyone was

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provided with many benefits, especially health insurance, but today most districts are having to make adjustments by moving health benefits into salary. He explained that in the Granite School District, which is self-insured, the health benefits are being reduced yearly.

Rep. Ure inquired if as school districts shift benefits into salaries they are keeping track of doctor visits. He explained that the higher the co-pay the less the doctor visits and the lower the premium.

Rep. Arent noted that with respect to Nevada, when we are comparing teacher salaries we don't factor in the fact that Nevada doesn't have a state income tax. She expressed concern for how this would impact education. Supt. Jacobsen stated that his concern is the fact that when they have spoken with different universities in the state and asked them where their graduates are going it is apparent many are being lost to Clark County.

Rep. Curtis asked the superintendents what the average teacher salary is in the state. Supt. Jacobsen said that in Provo School District it is about \$22,000 for new teachers to \$35,000 for experienced teachers. He suggested that teacher's contracts be increased to 11 months and pay them 2 months to do educator training which is a vital part of the job. Supt. Ronnenkamp indicated that the issue is simply supply and demand. He explained that other states are taking the cream of the crop because they are able to offer more.

Rep. King inquired about how many of the teachers in each school district are 55 and older. Supt. Jacobsen explained that if a teacher starts teaching at age 22, you can retire at age 52. He noted that it depends more on their years of experience, than what their ages are. He said the majority of teachers in his district have more than 20 years experience. Rep. King commented that when you are looking at the issue of supply and demand, the whole state is in the same situation. He explained that in the next five years, close to a third of the teachers in the state will be eligible for retirement. He also indicated that when he graduated, he did not focus upon the benefits offered by the school district, only what the salary was. He said that he also went to Clark County to teach because of the salary difference.

Supt. Ronnenkamp noted that it is just as important to a teacher to hear that he or she will only be teaching 15 students or they are also going to have a reading specialist, a math specialist, and a counselor to help them. These are benefits also. He explained that the working environment is almost as important as the salary. He said there have got to be incentives beyond just salary.

Supt. Thorn, Sevier School District, commented on a handout distributed to the task force members. He expressed his concern about good, quality teachers that are leaving to enter new professions.

Rep. Ure inquired about what would make teachers want to go from a public school to a private school. Supt. Ronnenkamp explained that there are many reasons why a teacher would want to

be in a private school system. He also commented on paying teachers differently, indicating that over the years there has been resistance through the negotiation process to have a differentiated salary. He said the feeling of teachers and those that negotiate is that the perception of low salaries for teachers is a reality. He said that for school districts to have greater flexibility, they would need to have cooperation from the teacher's association.

Sen. Hillyard explained that when discussing funding of education, the state is at the top with sales tax and income tax burdens on citizens. He explained that he thought local school districts have the power, either with a voted leeway of the people or by board rule to raise money themselves.

Supt. Jacobsen explained that these levies are definitely options, but when they tried to pass a voted levy last year, it failed. He explained that in 1997 a \$23 million bond was passed to build schools and upgrade other facilities, with 84% voting "yes". He stated that people are willing to fund brick and mortar, but aren't willing to fund instruction through voted leeways. Supt. Thorn explained that in a district with a very low assessed evaluation to build new facilities takes a high tax rate; hence, the difficulty of passing a voted leeway.

Supt. Kearl, Rich School District, explained that in Rich County there is a slow, but steadily declining enrollment. She thanked the legislature for passing H.B. 166. She explained that the voted leeway passed helped her district to maintain their programs, but with H.B. 166 Rich County was able to improve their programs.

Rep. Garn spoke about the difficult issues of the funding task force. He explained that the legislature will probably not be able to raise state taxes to significantly fund education. He indicated that the state is at its capacity with taxes, except with property taxes. He said that the legislature has granted taxing authority to local districts and he explained that the legislature has talked about giving additional taxing authority at the local level to solve the unique problems that arise in each area. He asked the superintendents to give their thoughts on how they could raise revenue.

Supt. Jacobsen and Supt. Ronnenkamp recommended that the school board be given the authority and not to do it by referendum.

Supt. White, Davis School District, commented that his district is not afraid to raise its levy and that a leeway passed three years ago and it is in the process of raising its voting leeway to the maximum now. He reinforced that the voted leeway, even with the state guarantee, has dramatic inequity in it. He explained that his district raised only about a third or a fourth of what the wealthiest school district raised without receiving any state guarantee money. He stated that any local authority that is not fully equalized creates dramatic inequity among school districts. He indicated that the only fully equalized property tax is the basic levy. He recommended that equity for all students within the state be insured. He recognized that education is a state issue and requested that the State Board of Education consider the local incentive option. He said that his district is willing to work with the Legislature.

Jim Wilson commented on the leeways. He explained that during the last few years, the legislature has put additional state funds into these programs and that also the percentage of the tax that receives state support has increased. He stated that the issue has been raised many times in the past for even greater increases in terms of dollar amounts for equity issues on voted leeways.

Rep. Garn asked what each superintendents' district budget is and how much of the budgets goes to teacher compensation. Supt. Kearl stated that her total budget is \$3.2 million with 60% going to teacher funding. Rep. Garn asked how much flexibility there is after teacher compensation.

Ms. Susan Kuziak, Utah Education Association, stated that politically the idea of tax increases or additional fees are difficult to discuss because there are many reasons not to increase them for any particular segment of the population. She commented on the need to focus on options in addition to the property tax. She said that there are many other things that could be done. She noted that when the huge growth in student population comes, education will need to be prepared to meet that obligation. She suggested that sales tax on services not be forgotten, and that too low of fees are being asked for in the depositing of hazardous wastes in Tooele County. There could also be a better investment on the rainy day fund to earn more money there. She expressed her concern about the task force's willingness to discuss these issues in an election year, but she indicated that if we don't look to the future the system will implode.

Rep. Garn responded that the task force has to temper this issue with reality. He explained that one of the three major taxes would have to be doubled to match the national average for per pupil spending. Rep. Garn said he hoped that unrealistic expectations aren't created with the funding task force. He indicated that Utah simply cannot do what other states are doing because of our demographics. He stated that when 25% of the population is enrolled in Kindergarten through 12<sup>th</sup> Grade, there is a demographic issue that has to be dealt with modestly.

Sen. Hillyard said that a global approach is needed. He noted that it will take everyone working together to resolve this issue.

Supt. Ronnenkamp recognized the issue of demographics, but presented the issue of teacher shortage. He explained that there is a tremendous demand for finding good teachers. He said each time teachers leave, he worries about finding quality replacements. He asked that the task force recognize this shortage as a reality.

Rep. Arent suggested that we could keep good teachers in Utah by having a reduced tuition if there is a commitment to stay and teach in Utah. She also asked about the issue that has been raised of fee-waivers. She asked the superintendents to comment on these issues and how it affects their budget.

Supt. Ronnenkamp explained that his approach is to reduce student fees and not increase them. He noted that the requirement is that all schools receive equal money for each student.

Sen. Hillyard explained that there are people in this state that will not give more taxes for public education. He asked if the fees are required to enhance the program or are needed for the basic program. Rep. Ure asked someone to define the basic program. He explained that Rich County does not have the same programs that South Summitt has. Sen. Hillyard explained that the concept is that we fund the WPU as the basic program and anything above that is enhancement of the program. Supt. Ronnenkamp expressed his concern and the battle they are having with trying to find enough substitutes. Rep. Garn asked if there is a lot of teacher absenteeism and if it is normal to have 10% of your teachers needing substitutes.

Supt. Ronnenkamp stated that he felt 10% is not an excessive amount of absenteeism. Supt. Kearl explained that there is difficulty in attracting substitute teachers. She said that districts don't have the ability to require certification or there wouldn't be anyone to substitute. She indicated that they have tried to have training to try and equip people to come into a substitute teaching experience and make it more positive. She said most times the districts are just grasping to find someone to help out when teachers can't be there. Ms. Kearl indicated that having substitutes is not a hurdle because they don't pay their substitutes that much.

Sen. Waddoups asked why there is so much staff development going on during the school year. Supt. Ronnenkamp explained that one of the most critical issues is that substitute teachers are used while teachers are in staff development training. He noted that in local schools in Texas teachers have five to ten paid days for staff development.

Rep. Arent asked if all substitutes are paid the same. Supt. Ronnenkamp explained there is a difference, but it is not much. Supt. Jacobsen stated that the best substitute teachers are teachers who have retired but are willing to come back.

Supt. Thorn spoke on the issue of textbooks. He explained that his district is on an adoption cycle, where they use books for about 5 years. He said there is a significant expenditure to do that and that all students have their own. He indicated that in his district \$350,000 a year is spent on textbooks. He stated that the cost of these textbooks increases each year.

Supt. Ronnenkamp stated that an audit has been done on certain schools, but that there are not enough updated textbooks for students. He also indicated that school districts feel strongly about textbooks and technology which they are focusing on funding. He reiterated that his district could definitely use more funding for textbooks.

Supt. Jacobsen stated that the cost of textbooks and insurance have exceeded inflation for a number of years.

Rep. Ure asked if the legislature needs to change the policy for the State Textbook Review Committee to where school districts have greater latitude in choosing some of these textbooks that

may be cheaper or may be more applicable to each school. Supt. Ronnenkamp explained that he did not feel restricted by the process that is currently in place.

Sen. Hillyard expressed concern about health insurance costs and how that affects major employers and their employees. He asked what school districts are doing to control health insurance costs.

Supt. Thorn explained that there are cost increases every year in health insurance. He said Sevier County opted for the lowest plan and allowed employees to buy up for an enriched plan. He said that employees are realizing that the district is putting all of their money into health insurance which affects their retirement. He indicated that his employees voted to pay the increase, then they will run that through flex spending, which will cost about \$80 a month for a family. He explained that they have an insurance committee that is constantly discussing the issue and trying to educate their employees.

Supt. Ronnenkamp stated that in his district a transition is shifting more into salary and less into health benefits. He said he thought prescription drugs are rising rapidly and that those costs must be monitored. He indicated that his district is constantly looking at ways to contain costs.

#### **4. Cost Savings from Standardizing School Designs (Estimated of 107 needed) -**

Mr. Larry Newton, State Office of Education, explained that if school districts want to repeat projects then they will negotiate up front what the cost may be for repeating the project. He said that the fee will vary, but in general the design fee is about 6% for new projects, and to repeat it is anywhere from 3 - 4%. He stated that you could save as much as 50% of the design costs, but it would vary between a third and a half. He indicated that in Utah, Davis, Jordan, and Alpine, are the three districts who do develop with architectural firms prototypical, standardized types of projects, but there are several dangers you have to be very cautious about. He indicated that getting into the habit of using a prototypical design too long isn't favorable because programs change, technology changes, security changes, etc. He explained that all of these things in a mix could cause a problem if you use a design too much. He indicated that Jordan School District has a general process that they don't want to use more than ten to twelve times. He stated that you need to look at the number of students per school and students per classroom.

Mr. Randy Haslam, District Architect, Jordan School District, explained that to put a prototypical type school across the state would be almost impossible. He said that he has designed schools in about twelve different school districts in Utah, as well as several other states, and each school district has its own specific way of doing business. He stated that creating a prototype would mean changing the curriculum of each school district. Mr. Haslam also explained that the mechanical systems are different which varies depending on the climate of each school district. He recommended that to save money we must be more specific about how each district does business so that the schools that are built can be more functional for their particular program.

Ken Nye, State Division of Facilities Construction Management, observed that the cost of the original construction, particularly with schools, is a very small portion of the total cost which ends up being expended for that school over the life of that building. Mr. Nye explained that he did think it was possible to have savings through standard plans, but that it depends on the specifics of what you are dealing with. He said to achieve the savings you need to have a consistent use and acceptance of those standard plans. He identified three areas where saving money is possible: 1) design fee; 2) control of programmatic and design features that are desired to be unique to each building, and 3) centralized procurement of the components of the building.

**5. Property Tax and the Funding of Education** - To be discussed next meeting.

**6. Other Task Force Business** -

The task force confirmed the next meeting to be held on Friday, July 28, 2000 at 1 p.m. and tentatively set the following meeting for Monday, August 14, 2000 at 1 p.m.

**7. Adjourn**

**MOTION:** Rep. Curtis moved to adjourn the meeting. The motion passed unanimously. The meeting was adjourned at 3:53 p.m.

