

BACKGROUND

The Redmond School district is located in Central Oregon and consists of six elementary schools, two middle schools, and two high schools that served 5,667 students in School Year 2000-2001. The district's enrollment has grown steadily over the past decade.

The District's share of special education students (12.1 percent) is slightly below the state average but above state's 11 percent threshold for enhanced funding. The District's rates of minority, English-learning, and poor students are all below the state average.

The distribution of licensed staff (teachers), instructional assistants, administrators, and support staff is closely in line with state averages.

Table 1: District Profile, 2000-2001 School Year

	Redmond Level	Redmond Percent	State Percent or Level
Students			
Enrollment	5,667		
Average Daily Membership	5,432	95.9%	95.8%
Special Ed Students	683	12.1%	12.4%
ESL Students	147	2.6%	9.4%
Students in Poverty	544	9.6%	14.4%
Teen Parents	19	0.3%	0.5%
Minority Students	307	5.4%	20.9%
Staffing			
Licensed Staff	300.2	58.3%	55.0%
Instructional Assistants	60.8	11.8%	14.5%
School Administrators	15	2.9%	2.9%
Central Administrators	6	1.2%	1.5%
Classified Support Staff	132.9	25.8%	26.0%
Instructional Days			
K-K	164	na	131
1-8	168	na	163
9-12	170	na	171
Computer Infrastructure			
Students per Computer	6.1	na	5.7
Students per Internet Connection	6.2	na	6.0
Student Performance (8th Grade)			
Reading	na	52%	62%
Writing	na	61%	68%
Math	na	51%	56%
Math Problem Solving	na	54%	58%

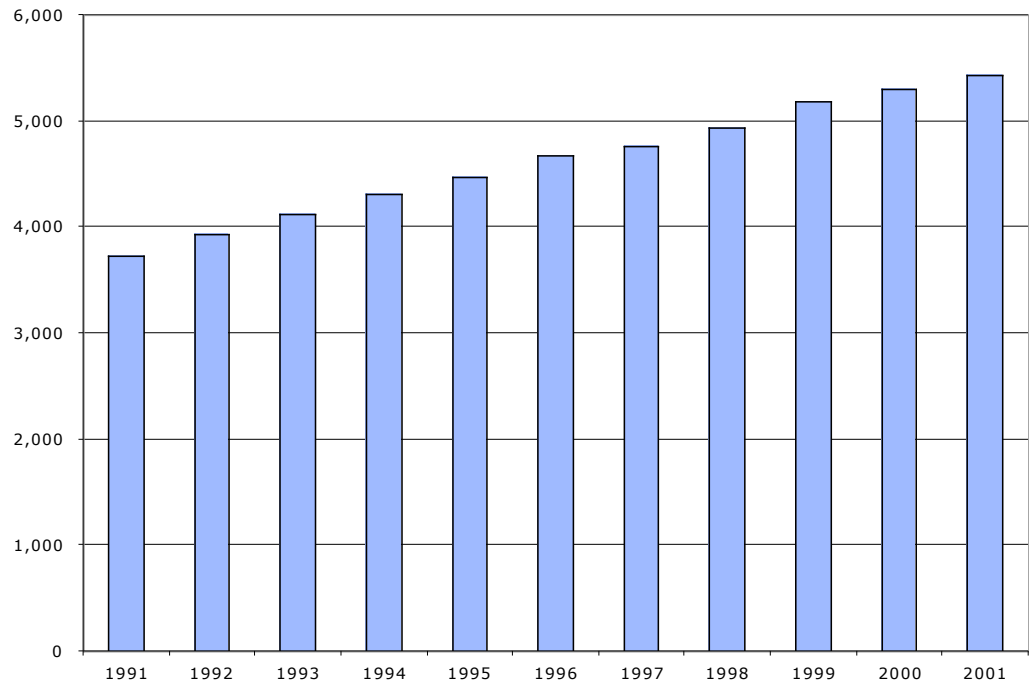
Source: Oregon Department of Education.

The number of instructional days is higher than the state average at the kindergarten, elementary, and middle school levels and a day less than the state average for high school. The District's computer-related infrastructure is slightly below the state average with 6.1 and 6.2 students per computer and internet connection, respectively. Finally, the

District's eighth graders were outperformed by their state counterparts on all statewide tests.

The District's student population grew rapidly throughout the past decade (Figure 1) and, according to district officials, is expected to continue to rise through the next decade. There were 1,700 more student in the District in 2001 than there were in 1990 – a 46 percent increase. Comparatively, the general population of Redmond grew by 88 percent between 1990 and 2000.

Figure 1: Average Daily Membership, Redmond School District, 1991-2001



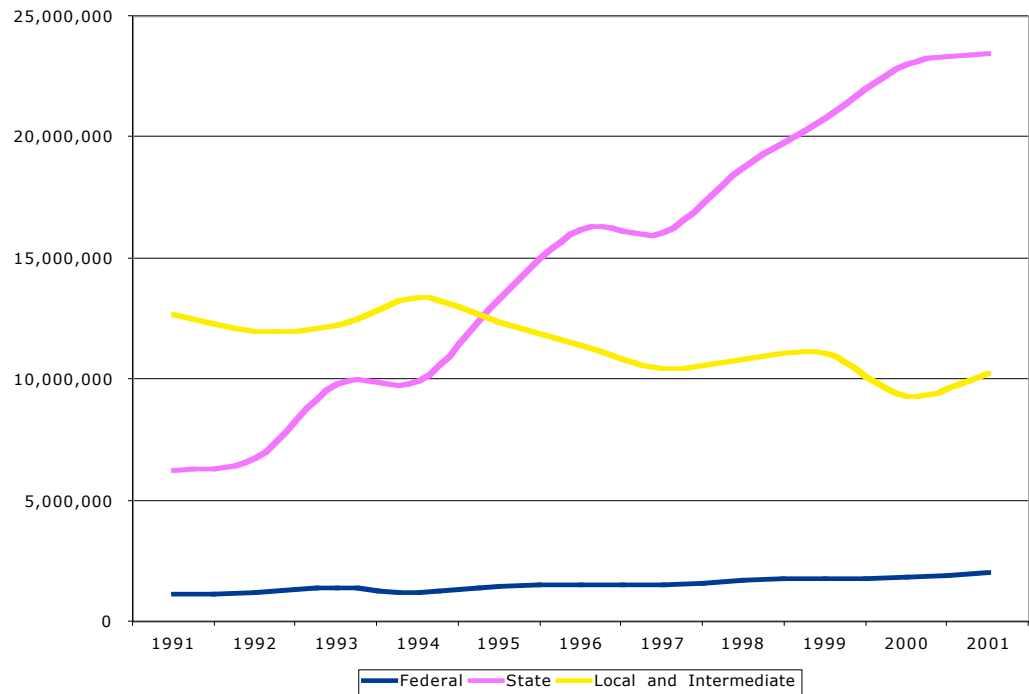
Source: Oregon Department of Education.

REVENUE TRENDS

As stated above, Redmond School District has seen considerable growth during the 1990s and is expected to see similar growth through the next decade. This growth has been instrumental in Redmond SD being financially better off today than it was in 1992. District officials credit Measure 5 with not only funding the increased student population, but also increasing the funding per child.

Prior to Measure 5, almost two thirds of the District's revenue came through local property taxes (\$12.7 million). In 2001 local tax revenue made up less than one third of revenue (\$10.3 million). Over this same period state funding increased almost four fold, from \$6.2 million to \$23.5 million (from 31 percent to 66 percent). Over the 10-year study period, federal payments have held fairly steady at 5 to 6 percent of total funding.

**Figure 2: Revenue Sources, Redmond School District, 1991-2001
Current Year Dollars**



Source: Oregon Department of Education.

EXPENDITURE TRENDS

TOTAL AND CURRENT EXPENDITURES

For this expenditure analysis, we adopt the National Education Association (NEA) definitions of school expenditures. Under the NEA definition, total expenditures include current expenditures for the on-going operation and maintenance of District programs and facilities, as well as capital outlays for the construction of new buildings or remodeling of old ones¹. Total expenditures for 2000-20001 increased 5.6 percent over comparable expenditures for 1999-2000 and 88.9 percent over the amount spent in 1990-1991 (see Table 2). The relatively high expenditure in 1994-1995 is due to new building construction.

¹ In addition to current and capital outlays, the NEA includes interest payments related to debt service, which typically represent 5 percent or less of district outlays. The Oregon Department of Education's reporting system did not provide a detail breakdown of payments to principal for fiscal years 2000 and 2001, so we did not include the amounts in our analysis.

Table 2: Total Expenditures, Redmond School District, 1990-2001

School Year	Total Expenditures	Percentage Change	
		From 1990-1991	From previous year
1990-1991	19,629,027		
1991-1992	20,386,219	3.9	3.9
1992-1993	22,917,925	16.8	12.4
1993-1994	28,630,492	45.9	24.9
1994-1995	41,515,573	111.5	45.0
1995-1996	28,831,625	46.9	-30.6
1996-1997	28,199,594	43.7	-2.2
1997-1998	28,834,047	46.9	2.2
1998-1999	30,482,011	55.3	5.7
1999-2000	35,091,390	78.8	15.1
2000-2001	37,072,395	88.9	5.6

Source: ECONorthwest calculated from Oregon Department of Education data.

Table 3 shows total spending per student – defined as average daily membership – rose from \$5,259 to \$6,825 during 1991-2001. The increase in spending (29.8 percent) was completely offset by price inflation, as measured by the US Consumer Price Index, over the same period. Again, the high relative expenditure for 1994-1995 is due to new building construction.

Table 3: Total Expenditure per ADMr, Redmond School District, 1990-2001

School Year	Total Expenditures per ADMr	Percentage Change from 1990-1991	Percentage Change
			in US CPI-U since 1990-1991
1990-1991	5,259		
1991-1992	5,183	-1.5	3.0
1992-1993	5,557	5.7	6.1
1993-1994	6,650	26.4	8.8
1994-1995	9,276	76.4	11.9
1995-1996	6,159	17.1	15.2
1996-1997	5,915	12.5	17.8
1997-1998	5,844	11.1	19.7
1998-1999	5,873	11.7	22.3
1999-2000	6,621	25.9	26.4
2000-2001	6,825	29.8	30.0

Source: ECONorthwest calculated from Oregon Department of Education data.

Current expenditures for elementary and secondary schools consist of amounts paid for the general control, instructional service, operation, maintenance, and other reoccurring school services. They include all District contributions to the Public Employees Retirement System (PERS) and health benefits, as well as a host of school supporting services, including transportation, health services, psychological services, and speech programs. Unlike the legislature’s comparable “net operating expenditure” category, the NEA definition of current expenditures incorporates spending on extracurricular instructional activities, including school assemblies, band, choir, speech, debate, and athletics.

Except for the spending on the new elementary and middle schools and the technology wing to the high school in the mid 1990s, trends for current expenditures are similar to those discussed for total expenditures. Current expenditures rose 7.5 percent during 2000-2001 and 92.1 percent over the decade (see Table 4).

Table 4: Current Expenditures, Redmond School District, 1990-2001

School Year	Current Expenditure	Percentage Change	
		From 1990-1991	From previous year
1990-1991	19,103,233		
1991-1992	19,982,684	4.6	4.6
1992-1993	21,861,208	14.4	9.4
1993-1994	22,651,468	18.6	3.6
1994-1995	24,230,629	26.8	7.0
1995-1996	25,155,080	31.7	3.8
1996-1997	27,469,723	43.8	9.2
1997-1998	27,973,655	46.4	1.8
1998-1999	29,922,245	56.6	7.0
1999-2000	34,139,059	78.7	14.1
2000-2001	36,696,441	92.1	7.5

Source: ECONorthwest calculated from Oregon Department of Education data.

Current spending per student lagged behind the general rate of inflation during the early to mid 1990s (Table 5). Expenditure per student increased much faster than inflation from 1996-1997 through 2000-2001, resulting in a slight real increase in current spending per student for the decade.

Table 5: Current Expenditures per ADMr, Redmond School District, 1990-2001

School Year	Current Expenditures per ADMr	Percentage Change from 1990-1991	Percentage Change
			in US CPI-U since 1990-1991
1990-1991	5,118		
1991-1992	5,080	-0.7	3.0
1992-1993	5,300	3.6	6.1
1993-1994	5,262	2.8	8.8
1994-1995	5,414	5.8	11.9
1995-1996	5,373	5.0	15.2
1996-1997	5,762	12.6	17.8
1997-1998	5,669	10.8	19.7
1998-1999	5,765	12.6	22.3
1999-2000	6,441	25.8	26.4
2000-2001	6,756	32.0	30.0

Source: ECONorthwest calculated from Oregon Department of Education data.

The difference between total and current expenditures, in Tables 2 and 4 respectively, represents capital outlays. New school construction represents the major deviations between total and current expenditures during the 1993-1994, 1994-1995, and 1995-1996 school years. Despite the new elementary and middle schools, officials report the District is approximately 10 percent over capacity, and most schools have been forced to add portable classrooms. District officials report the relatively modest capital outlays during the non-construction years are due to deferred maintenance on older buildings.

INSTRUCTIONAL SPENDING

Oregon Department of Education data on instructional spending can be separated into spending on regular programs and special programs (hereafter, referred to as special education). So-called regular instructional programs include traditional reading, writing, math, history, and in high school, elective courses offered to the majority of District students. Special and alternative education is a second major instructional category and consists of courses designed for students with physical or mental disabilities, alternative programs for students at risk of dropping out of school, and English as a Second Language classes. In addition to regular and special education, districts report spending on adult and continuing education, but we do not discuss them in detail here.

Table 6 shows that instructional spending per student on regular programs increased from \$2,579 to \$3,287 during 1991-2001, failing to keep pace with inflation for the decade. Spending per student did rise faster than inflation during the late 1990s.

Table 6: Expenditures on Regular Instruction per ADMr, Redmond School District, 1991-2001

School Year	Regular Instruction per ADMr	Percentage Change from 1990-1991	Percentage Change in US CPI-U since 1990-1991
1990-1991	2,579		
1991-1992	2,660	3.2	3.0
1992-1993	2,696	4.6	6.1
1993-1994	2,731	5.9	8.8
1994-1995	2,761	7.1	11.9
1995-1996	2,796	8.4	15.2
1996-1997	2,920	13.2	17.8
1997-1998	2,944	14.2	19.7
1998-1999	3,015	16.9	22.3
1999-2000	3,233	25.4	26.4
2000-2001	3,287	27.5	30.0

Source: ECONorthwest calculated from Oregon Department of Education data.

Table 7 shows expenditures for special education varied little during the 1990-1998 period. In fact, the increase in spending during the period was far less than the rate of inflation. Spending for special education rose sharply during the 1999-2000 school year, increasing by 46.4 percent for the decade. Special education represented 9.5 percent of current expenditures in 1991. In 2001, it represented 10.4 percent of current expenditures.

A 1977 federal mandate to serve children with severe mental and physical disabilities is a factor underlying the sharp increase in special education spending in recent years. Since the passage of the law, parents of disabled children have become increasingly aware of the services school districts are required to provide under the law.

Education officials around the state recognize the need and strongly support the provision of special education but note that the rate of growth in special education spending has put pressure on the entire budget. When passing the 1977 federal mandate, Congress signaled that the federal government would fund 40 percent of the resulting costs but have yet to come close to providing that level of support. Without enhanced

federal or state funds, officials see continued growth in the area will force tradeoffs with spending on regular instruction and support services.

Table 7: Expenditures on Special Education per ADMr, Redmond School District, 1991-2001

School Year	Special Education Instruction per ADMr	Percentage Change from 1990-1991	Percentage Change in US CPI-U since 1990-1991
1990-1991	480		
1991-1992	482	0.5	3.0
1992-1993	532	10.9	6.1
1993-1994	491	2.3	8.8
1994-1995	506	5.5	11.9
1995-1996	476	-0.7	15.2
1996-1997	516	7.6	17.8
1997-1998	513	7.0	19.7
1998-1999	535	11.5	22.3
1999-2000	690	43.8	26.4
2000-2001	703	46.4	30.0

Source: ECONorthwest calculated from Oregon Department of Education data.

SALARIES AND BENEFITS

Spending per student on staff salaries and benefits kept pace with inflation in the early 1990s, grew at a slower rate than inflation in the mid 1990s, caught back up with inflation during the 1999-2000 school year, and grew at the same rate as inflation during the 2000-2001 school year. District officials expect increases in teacher education requirements will lead to higher salary costs for the District. In an attempt to slow the growth in benefit costs, the District has imposed caps on employee health benefits.

Table 8: Salaries and Benefits per ADMr, Redmond School District, 1991-2001

School Year	Salaries and Benefits per ADMr	Percentage Change from 1990-1991	Percentage Change in US CPI-U since 1990-1991
1990-1991	4,228		
1991-1992	4,353	3.0	3.0
1992-1993	4,559	7.8	6.1
1993-1994	4,513	6.8	8.8
1994-1995	4,553	7.7	11.9
1995-1996	4,541	7.4	15.2
1996-1997	4,852	14.8	17.8
1997-1998	4,789	13.3	19.7
1998-1999	4,820	14.0	22.3
1999-2000	5,370	27.0	26.4
2000-2001	5,506	30.2	30.0

Source: ECONorthwest calculated from Oregon Department of Education data.

PROGRAM IMPACTS

LONG-TERM TRENDS

Due to increased enrollment over the past decade and the desire to lower the student-instructor ratio, the District increased instructional staff levels from 261.9 in 1994-1995 to 336.2 in 2000-2001, a 28.4 percent increase (see Table 9). The student-instructor ratio decreased from 17.1 to 16.2 students per instructor, During this same period student service staff grew very little, from 172.3 to 179.9 positions, a 4.3 percent increase.

Table 9: Staff Levels, 1994-1995 and 2000-2001, Redmond School District

Staff Category	1994-1995 School Year	2000-2001 School Year	Change
Teachers and Instructional Assistants			
Pre-Kindergarten Teachers	0.0	1.0	1.0
Kindergarten Teachers	8.5	10.5	2.0
Elementary Teachers	121.0	102.8	-18.2
Secondary Teachers	55.1	126.4	71.3
Teachers of Ungraded Classes	41.6	33.7	-7.9
Educational Assistants	35.3	60.8	25.5
Instructional Coordinators and Supervisors	0.4	1	0.6
Subtotal	261.9	336.2	74.3
Student -Instructor Ratio	17.1	16.2	-0.9
Student Service Staff			
Elementary Guidance	4.7	6.8	2.1
Secondary Guidance	7.0	10.7	3.7
Librarians/Media Specialists	1.0	1.5	0.5
Library and Media Support Staff	8.5	6.8	-1.7
District Administrators	3.5	6	2.5
District Support Staff	12.9	15	2.1
School Administrators	14.5	15	0.5
School Administrative Support Staff	50.3	32.5	-17.8
Student Support Staff	5.0	12.8	7.8
All Other Support Staff	64.9	72.6	7.7
Subtotal Student Service Staff	172.3	179.7	7.4
Student-Service Staff Ratio	26.0	30.2	4.3
Total District Staff	434.2	515.9	81.7
Student-Total Staff Ratio	10.3	10.5	0.2
ADMr	4,476.0	5,432.0	956.0

Source: ECONorthwest calculated using data from the Oregon Department of Education data and the Redmond School District.

According to District officials, funding for extracurricular activities has remained flat over the period or has grown slightly due to Title 9 provisions. Funds raised by the district's boosters and gate receipts from athletic events have paid for many of the extracurricular activities.

CURRENT FISCAL POSITION

State budget shortfalls are impacting school districts across the state. Redmond is no exception. There is concern in the District that the current state budget shortfall may lead to reductions in extracurricular activities in the next few years. Fees paid by students for extracurricular activities have increased over the past decade and there is less support from the operating fund for extracurricular expenses such as field trips. Still, Redmond's growing student population has insulated it from some of the budget woes of districts with static or declining student populations.

FINDINGS

The key findings for the District are:

- District's student population has experienced strong growth over the past decade and is expected to grow at a similar rate over the next decade.
- Equalization has led to increased per student funding.
- Spending on special education instruction increases at an average annual rate of 4.6 percent during the past decade. Meanwhile, spending on regular instruction grew at only 2.8 percent, not keeping pace with inflation.
- The District built a new elementary and middle school, but is still over capacity.
- The district has not made major cuts to extracurricular activities over the past 10 years.