



VENTURA COUNTY TAXPAYERS' ASSOCIATION

1068 EAST MAIN STREET

SUITE B

P. O. BOX 818

VENTURA, CALIFORNIA 93001 — TELEPHONE 643-6166

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NEWSLETTER.

EVALUATION OF SCHOOL DISTRICT COMPENSATION LEVELS IN VENTURA COUNTY.

Public School taxes traditionally account for about one-half the property tax bill. Until recently, public school expenditures, including public colleges, were "sacred cows" and tax rate raising bond issues were passed routinely by the taxpayers. Several years ago, schools fell on hard times, with taxpayers failing to approve overrides and capital raises. In the early 1970s, School Districts found they could adopt overrides without an election providing the monies were used for certain non-salary purposes. As a result, teachers' and classified employees' fringe benefits were raised substantially. Whereas about one-half to two-thirds of District revenues once were required for salaries and fringe benefits, including retirement, health insurance and leaves, now many Districts find that almost 90¢ of each \$1.00 in revenue is required.

Under present SB90 legislation, effective this year, most School Districts are permitted to raise their revenue 5% to 6%. Practically this entire amount is necessary to maintain existing salary schedules. To raise funds for pay increases, therefore, requires cutting educational programs, materials and services, which local Districts are doing. The result is a continued growing decline in quality education. In addition, traditional militant labor union tactics are increasingly being used by teachers' bargaining groups.

With these concerns in mind, the Ventura County Taxpayers' Association embarked on a major project this year to study and evaluate local public agencies' compensation policies and practices, including the larger School Districts in Ventura County. These school comparisons covered teachers and general (classified) employees only, and did not include management positions.

The major findings have been set forth in detailed 20 to 25 page reports, with ample documentation, for School Districts in Conejo Valley, Oxnard Union High, Oxnard Elementary, Simi Valley, Ventura, and the Ventura County Community College District.

Also, for the first time, comparisons have been made using a total compensation approach. This concept calls for (1) determining current total costs for both pay and benefits and (2) if existing cost levels are in balance with private sector prevailing practices and actual local labor market conditions.

Major findings can be summarized as follows:

1. Salary survey practices of all the School Districts have biases that skew pay levels higher than they should be, because:
 - . Local private sector prevailing pay and benefits data is almost completely ignored;
 - . The local County competitive labor market is not used to identify appropriate pay levels for jobs that can be recruited locally;
 - . The result is that School Districts set teacher pay levels based on levels required in the highly industrialized high cost area of Los Angeles and not the economy of Ventura County;
 - . Classified employee pay comparisons are less biased as job pay levels are at least compared with other local, and not Los Angeles, School Districts, although still ignoring private sector data.
2. The Districts surveyed significantly exceed prevailing private sector levels. As shown in the attached table and based on the standard that industry and commerce pay their employees 10% below wage levels in Los Angeles County, teacher pay levels for all Districts are an average of 8.5% higher than market conditions call for.
3. Pay levels for Classified employees, based on comparisons of medians of comparable school district and private sector jobs surveyed in Ventura County through the Merchants and Manufacturers Association, are averaging 9.2% higher than private worker wages.
4. Fringe benefit levels for all School Districts are enormous in comparison to prevailing practices of the private sector.
5. Total compensation, or pay and benefit costs, for the six major School Districts surveyed are estimated to cost about \$15 million more than local private labor market conditions call for, or an average of \$2.1 million per District.
6. Teacher salaries for all the six Districts average \$16,115 but about 40% to 50% of all teachers are paid at or near maximum or an average salary of \$20,212. Based on 180-day work year, teachers are paid the equivalent of \$26,273 for a regular full work year.

7. It is the conclusion of the Association that current teacher progressive salary schedules result in total compensation pay levels that exceed the capability of local taxpayers to pay. Progressive salary schedules grant 15 to 20 pay increases of 3.5% to 7% for step and column and longevity increases in a 25 to 30-year career of a teacher. As these step increases are paid so are increased costs of 5% to 10% to maintain current excessive benefits. These two costs to the taxpayers are further compounded by additional "across-the-board" pay increases which have averaged over 7% the last six years. Total compensation costs add up to a total ranging from 15.5% to 24% annual increases for teachers who receive step increases and 12% to 17% for those who do not. As more and more teachers reach top steps maximum salaries have to be paid and as one Superintendent puts it: "Each year the "noose" has drawn tighter, and will continue to do so".

Several School Superintendents now agree with our point of view. One has stated that present salaries schedules must be changed or they will bankrupt the District. He has received Board support to work for a new approach.

8. The Taxpayers' Association recommendations to these six District Boards are that a moratorium should be adopted against across-the-board pay increases or new benefits until:
- . Teacher salary levels drop to about 10% below Los Angeles-San Francisco industrialized levels;
 - . Limit increases to step increases only;
 - . Classified pay levels fall to local private sector job rates;
 - . Assess the increased costs to maintain current benefits against the employee (as the Oxnard School District is doing);
 - . Start to reduce benefits that are not exorbitant;
 - . Eliminate future percentage across-the-board increases that reward higher paid employees twice that of lower level workers in favor of lump sum increases;
 - . Adopt the concept of recognizing total compensation costs of both pay and benefits (including step increases, increased costs of existing benefits, costs of new benefits, and proposed new pay increases) before making annual adjustments.

This project would not have been possible without the very fine work of the Association's Officers and Members who participated in establishing an Industry-Government Compensation Advisory Committee, and

especially Mr. James L. Pauley, General Chairman, and Mr. Merl V. Tetley, Technical Committee Chairman. This Committee is another "first" in Ventura County, and has made substantial progress in cooperation with local public agencies in improving compensation policies and practices to the mutual benefit of industry, government and the public.

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NEW MEMBERS DURING JUNE, 1976

Hunnicuttt & Camp Drilling
Rio Vista, Ca.

Fairfield & Harrington
Oxnard, Ca.

Fowler & Myers
Saticoy, Ca.

Lloyd Allen
Camarillo, Ca.

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COMPARISON OF PAY AND BENEFITS LEVELS OF MAJOR SCHOOL DISTRICTS IN VENTURA COUNTY
IN COMPARISON TO LOCAL PRIVATE SECTOR LEVELS.

<u>School Districts</u>	<u>% Pay Levels Exceed Local Private Sector Standards</u>		<u>Est. \$ Amount Tot. Compens. (Pay & Benef.) Exceed Private Sector Levels 1975-76</u>	<u>Teacher Salaries being paid with- out Benefits</u>		<u>Total Maximum Salaries with Benefit Costs Included***</u>
	<u>Teachers*</u>	<u>Classified Employees**</u>		<u>Average Salaries</u>	<u>Maximum Salaries</u>	
Conejo Valley Unified	+ 8.8%	+ 9%	\$ 2,000,000	\$ 15,348	\$ 20,971	\$ 26,125
Oxnard Elementary	+ 7.7%	+ 4%	2,200,000	15,304	19,613	26,144
Oxnard Union High	+11.6%	+ 7%	2,000,000	15,916	19,513	25,160
Simi Valley Unified	+ 8%	+14.5%	2,804,000	15,366	19,824	24,556
Ventura Unified	+ 7%	+ 9%	1,931,000	15,025	18,645	24,459
Ventura County Community College	+ 8.7%	+12%	2,000,000	19,731	22,706	31,328
AVERAGE	+ 8.5%	+ 9.2%	\$ 2,155,000	\$ 16,115	\$ 20,212	\$ 26,295

* This standard is based on the fact that private sector pay levels are 10% lower for general employees in Ventura County, than in Los Angeles County, and using this to establish appropriate local teachers' salary levels.

** Comparable school district jobs were compared to private sector jobs surveyed in the M. & M. Survey done in Ventura County.

*** From 30% to 50% of teachers receive at or near maximum levels.