

Senate Bill 323 - Chair Frederick, Vice Chair Weber, and Committee

Debbie Fery, Oregon Substitute Teachers Association

OSTA Supports this Legislation

This Bill is about Fiscal Accountability and Fiscal Transparency with School Districts needing to following Public Contracting Law. As most of you know, I am as well as OSTA a critic of Outsourcing Substitute Teachers.....This Bill is about this and these contracts. Half of Oregon School District and ESDs now have contracts with a third party staffing agencies and this means when these substitutes are in the classroom they are not considered school employees or public employees.

This Bill came out from the Joint Taskforce on Substitute Teachers with a passing vote of a quorum of taskforce members.

Senator Dembrow brought this proposal forward, to taskforce members **WHY?**

When selected school districts were asked from LPro staff for cost analysis, justification, and due diligence data regarding these contracts, the data was simply poor or did not exist.

Repeatedly those Taskforce Members who represent School Administrators/Boards and these Staff Agencies repeatedly said outsourcing saves money.....unfortunately they had no data to prove it. OSTA came to the table with Financial Data from public records requests that outlines outsourcing costs more, because of the number of substitute who work the hours required to get retirement and other benefits versus the number of substitutes that the staffing fee is paid upon. School Districts are not following public contracting law, and the fact that Senator Dembrow came to the Taskforce with this proposal means he was not confident school boards were following the law, as if they were this Bill would be moot.

This is a very simple math problem.....the staffing agency gets paid on every substitute teacher based on gross payroll, from 24 to 26%, a \$200 day substitute costs the school district \$250 - where does that \$50 bucks go and what does that \$50 bucks pay for? Retirement and other benefits are paid on what percent of the Pool? Answer 8-10%, this is nature of employment of Substitutes. School districts pay staffing fees on 100% of the substitute teacher pool, but only 8-10% of the pool work enough hours for retirement and other benefits. If ESS

and EDUstaff were not making a profit they would not be here.

This is what school districts need to clearly explain via this Bill to the community that they serve with oversight from Department of Education.

As outlined in public contract law, and explained to taskforce members via DAS Contracting, Cost is not the only factor to be considered. As OSTA learned from public records requests, districts who outsourced did not cut payroll or HR positions. Prior to outsourcing school districts did their own sub management or an ESD did, in some case this model still exist, for example: High Dessert ESD.

Outsourcing did not eliminate some cost as some cost were just shifted to another work unit. Like contract administration, accounting and information technology. The work of local school office manager did not go away, as there is no EDUStaff person who greeted me to pickup my classroom key and attendance sheets.

This Bill is a great intersection to SB322 and the Office of Substitute Teachers. This is new workload for the Department of Education, and would be good fit under the Office of Substitute Teachers as this office will need to be a conduit for school districts and Substitute Teachers.

The Oregon Substitute Teachers Association strongly supports this Bill and the level of Fiscal Accountability and Transparency it outlines but in order to report back to the Legislature there needs to leadership to ensure compliance and assignment of responsibility to that compliance. This means funding.

Please pass and fund SB323 and consider how it fits into the Office of Substitute Teachers. Thank you