

OKLAHOMA STATE DEPARTMENT OF  
**EDUCATION**  
— CHAMPION EXCELLENCE —

FY 2017 Budget Hearing

December 15, 2015

Joy Hofmeister

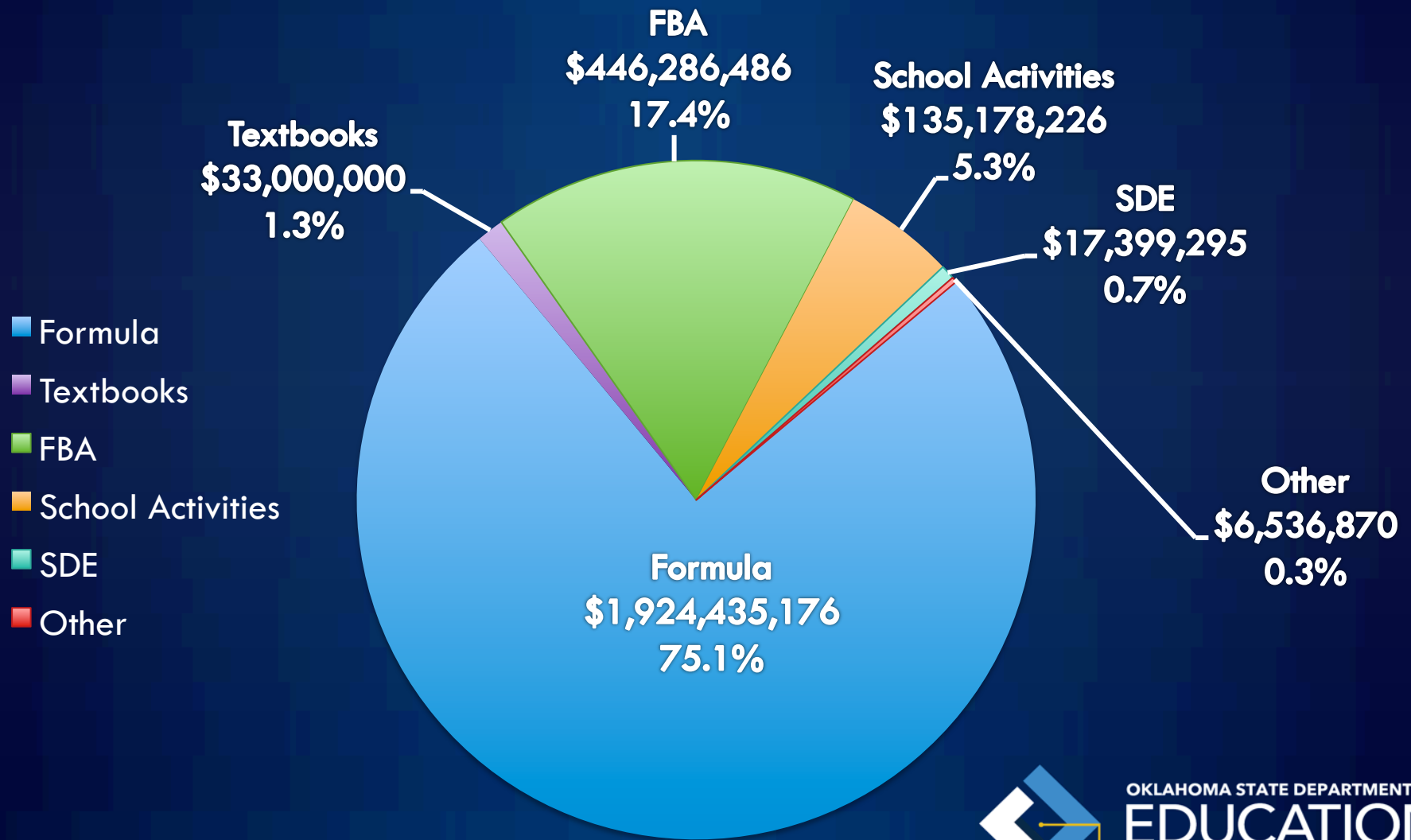
State Superintendent of Public Instruction

# Oklahoma State Department of Education

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- **MISSION:** To champion excellence for all Oklahoma students through leadership, engagement and service.
- **VISION:** We will ensure all students have access to a high-quality education leading to success and individual opportunity.

# FY 17 Budget Request



# Seven Sources of Formula Revenue

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## *LOCAL AND COUNTY REVENUES:*

1. AD VALOREM TAXES
2. COUNTY 4-MILL

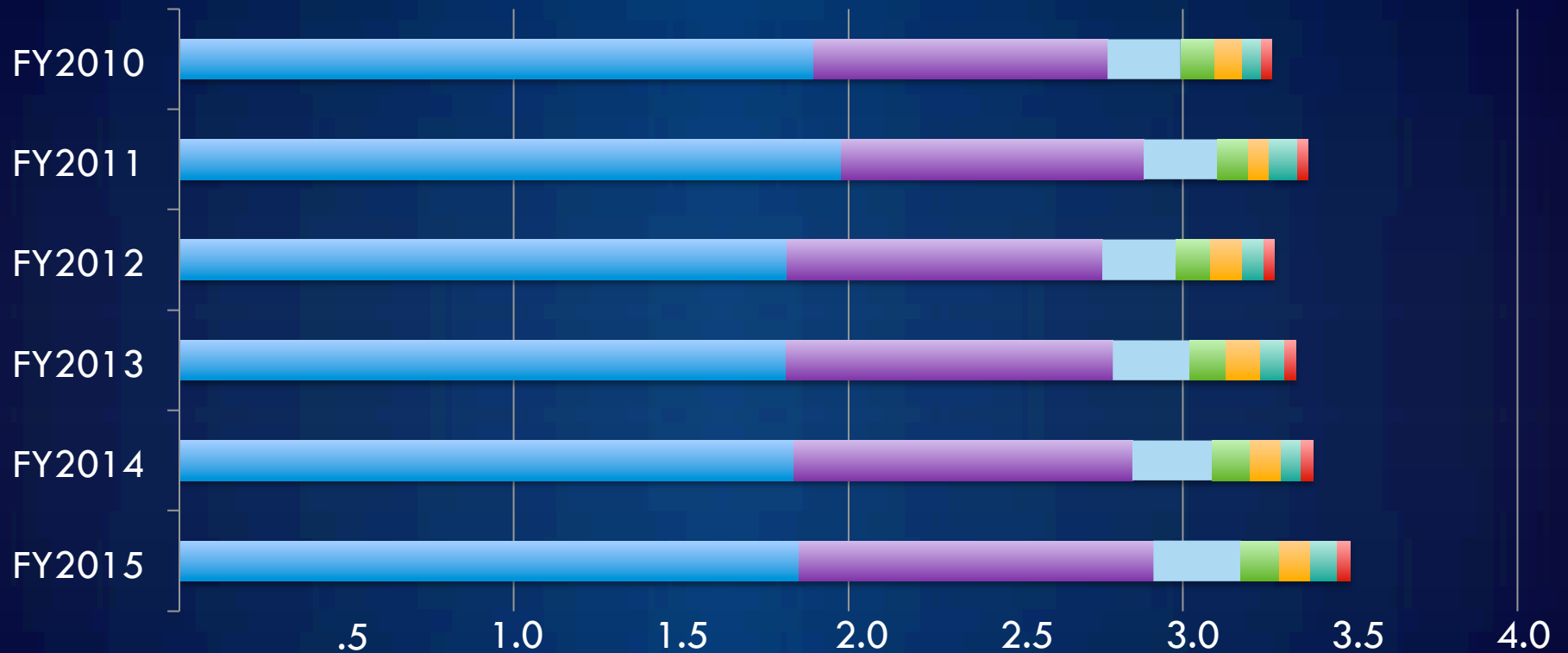
## *STATE – DEDICATED REVENUES:*

3. STATE SCHOOL LAND EARNINGS
4. GROSS PRODUCTION
5. MOTOR VEHICLE COLLECTIONS
6. RURAL ELECTRIFICATION ASSOCIATION (REA) TAX

## *STATE APPROPRIATED:*

7. FINANCIAL SUPPORT OF SCHOOLS (FORMULA FUNDING)

# Seven Sources of State Formula Revenue



In Billions

- Financial Support (appropriations)
- Ad Valorem
- Motor Vehicle
- County 4-Mill
- School Land
- Gross Production
- Rural Electrification Association



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# Financial Support of Public Schools

(estimate to meet current needs of students)

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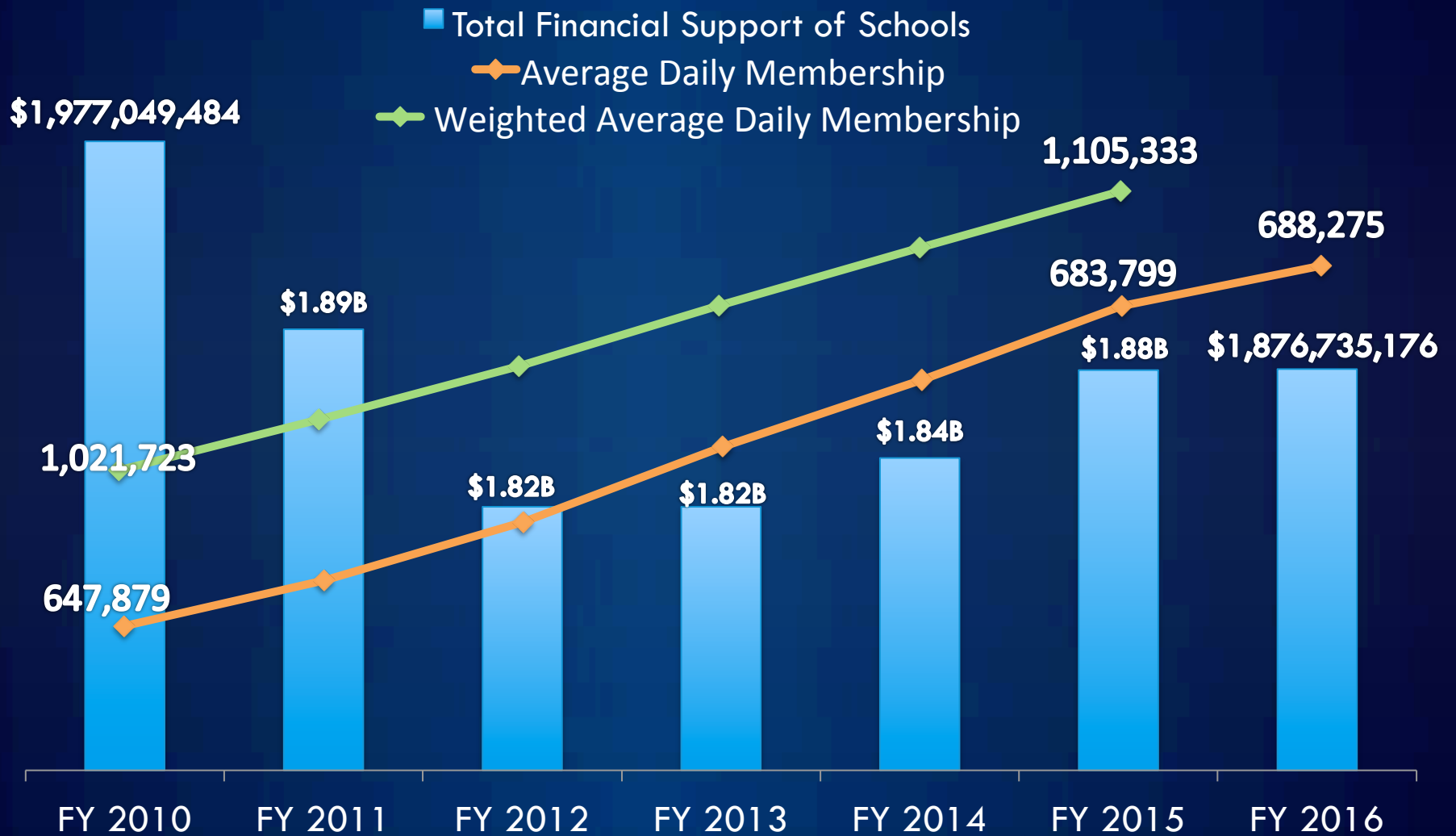
FY2016 Appropriation	FY2017 Budget Request
\$1,876,284,000	\$1,924,435,176

Increase of  
**\$47,700,000**  
formula dollars

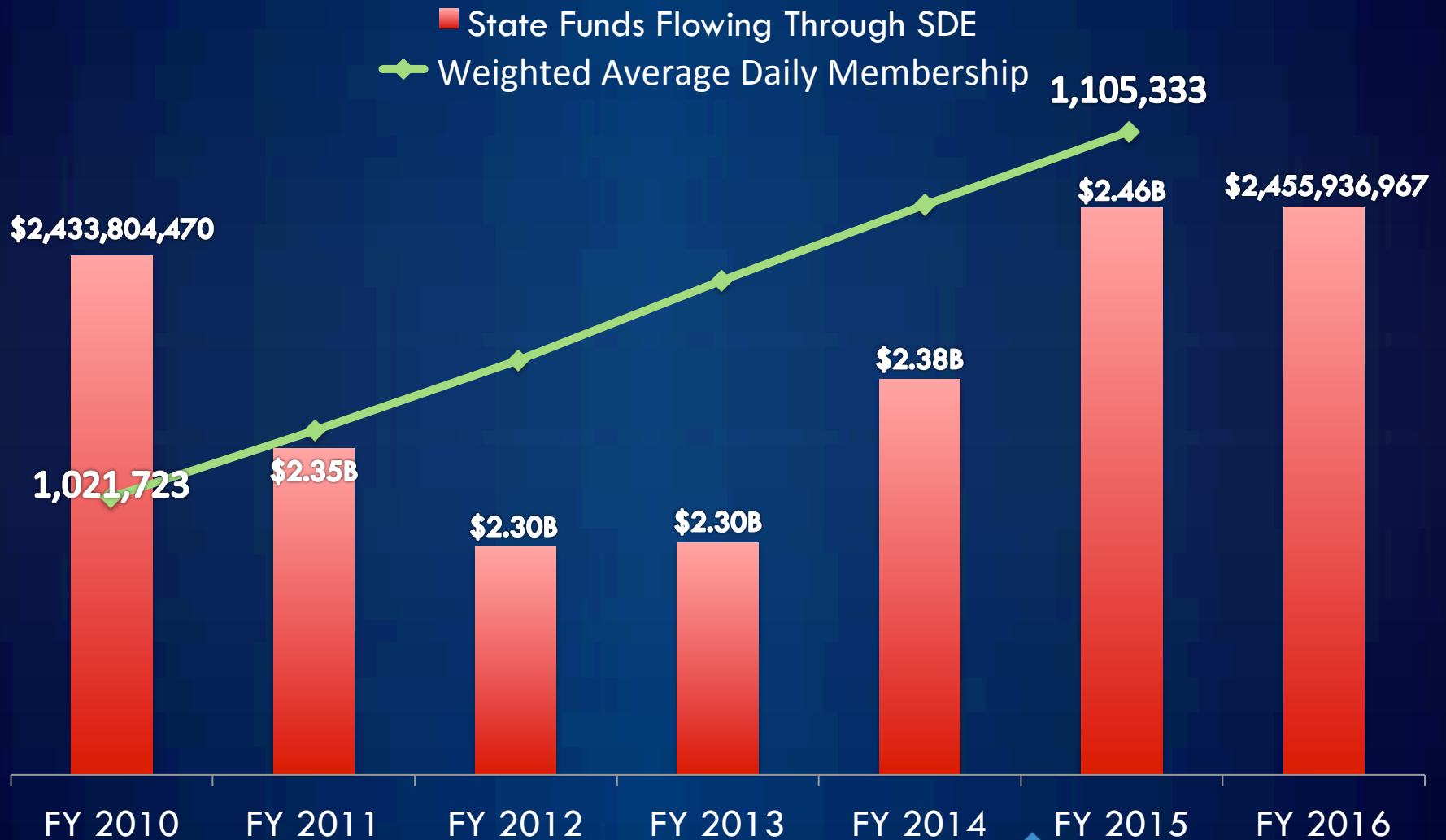


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# Total State Appropriations for Financial Support of Schools FY 2010 – FY 2016



# Total State Appropriations and Weighted Average Daily Membership (WADM) FY 2010 – FY 2016



\*Funding Formula plus Teacher Retirement, FBA and Line Items



# Flexible Benefit Allowance

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Flexible Benefit Allowance Appropriation Total  
for Fiscal Year 2016 = \$416,023,565

Flexible Benefit Allowance Appropriation  
Request for Fiscal Year 2017 = \$446,286,486

Increase of

 **\$30,262,291**



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# Flexible Benefit Allowance Allocation

(Providing Health Insurance to over 83,000 Oklahoma Educators)

(In Millions \$)



# Public School Activities Summary (Line Items)

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- Total Request for PSA: \$135,178,226
- State/Federal mandates: \$125,558,921
- Non-mandated programs: \$9,619,305

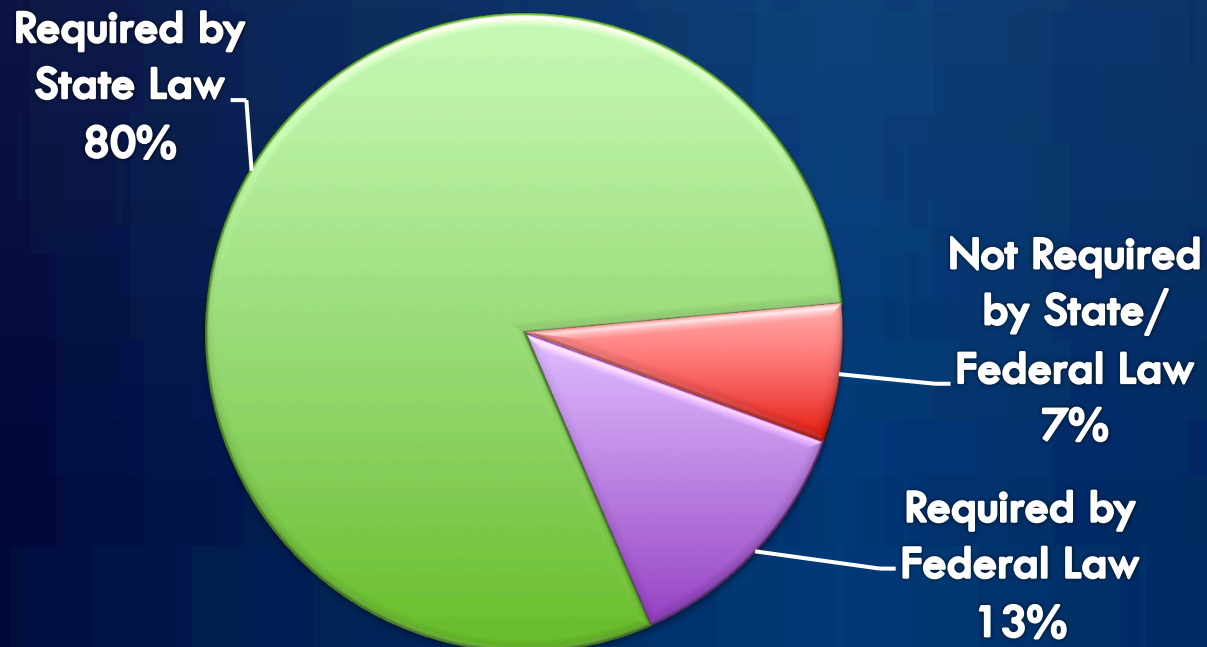
State mandates “contingent upon availability  
of funds”

**= \$36,681,851**



# Support of Public School Activities (Line Items)

Purpose	FY 2017 Request	% Of PSA
Total Items Required by Federal Law	\$16,954,240	13%
Total Items Required by State Law	\$108,604,681	80%
Total Items Not Required by State/Federal Law	\$9,619,305	7%
Total	\$135,178,226	100%



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# Changes in Public School Activities (Line Items)

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## Required by State/Federal Law

- Standards Implementation: \$500,000
  - \$436,000 more than in FY16
- Teacher and Leader Effectiveness: \$2,500,000
  - \$1,500,000 more than in FY16
- Teacher Residency Program: \$1,000,000
  - \$750,000 more than in FY16

## Not Required by State/Federal Law

- SCORE Grants: No funding, program completed
  - \$189,000 less than in FY16
- School Competitive Grants Pool: \$4,061,636
  - \$2,000,658 less than in FY16

# ELA/Math Standards Implementation

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- Request: \$500,000
- Implementation of new standards once approved:
  - Transition teams
    - develop recommendations for supporting districts/teachers for PD and curriculum frameworks
  - Regional Summits
    - bring teachers together to provide options on how to implement standards in classrooms
  - PD on Your Plan
    - develop high-quality PD modules teachers can use around effective teaching and learning practices
  - Assessment Committee
    - make recommendations for formative assessments aligned to new standards

# Teacher and Leader Effectiveness

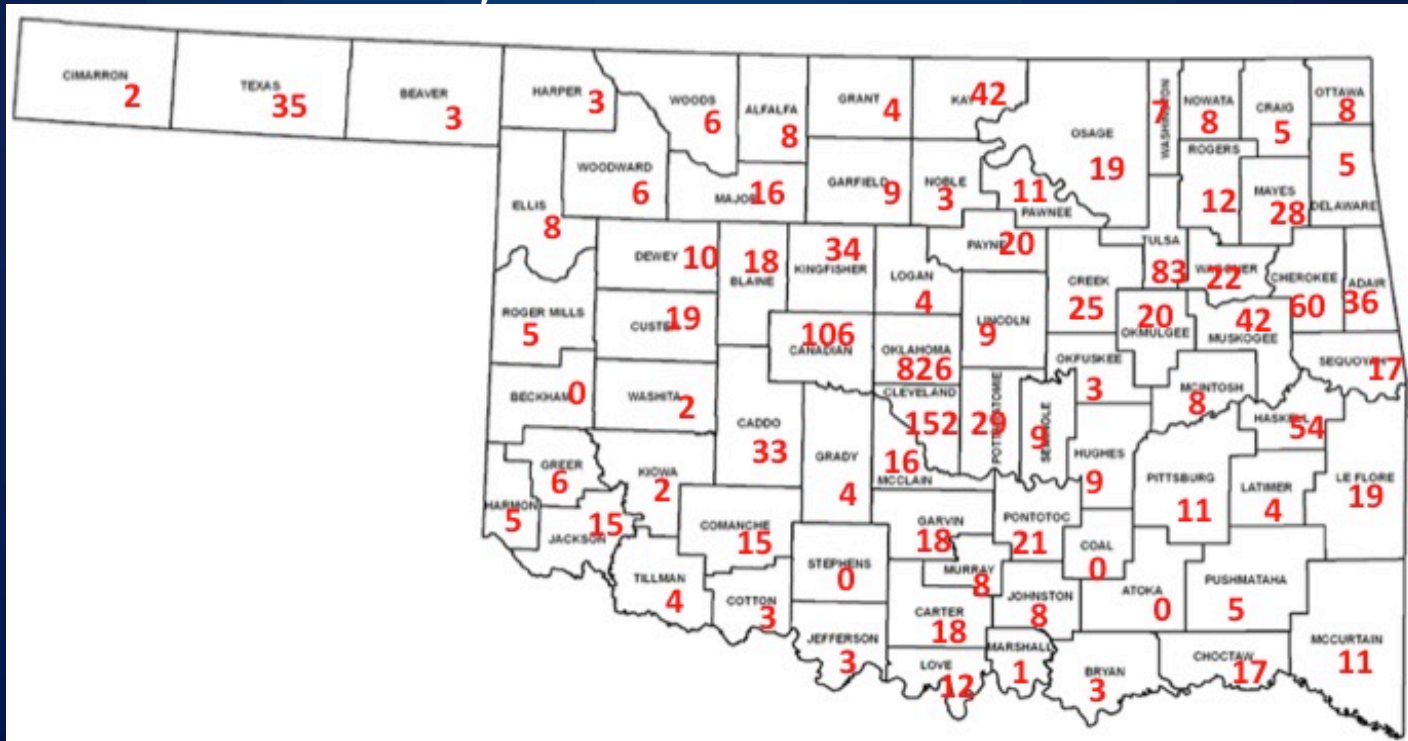
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- Request: \$2,500,000
- TLE Quantitative Measures adopted by SBE
  - Teacher-created benchmark assessments
  - OSDE-approved diagnostic assessments
  - Teacher Portfolios
- Leadership Development
  - “L2S – Lead To Succeed” High Performing Principals
- Equity Plan Highlights
  - Meaningful professional development for principals and teachers
  - Partnership to improve teacher preparation

# Teacher Residency Program

## Estimated Number of First Year Teachers in 2015-2016

- Request: \$1,000,000
- 2,156 teachers new to the profession and 1,100 new to the role/position for a total of 3,256



\*Results based on survey responses.  
Not all districts represented.



# FY 2017 Estimated Testing Costs

<b>Math/ELA (3-8 gr)</b>	<b>\$8,127,750</b>
<b>Science &amp; Social Studies (5-8 gr)</b>	<b>\$3,354,124</b>
<b>EOIs</b>	<b>\$7,308,302</b>
<b>Total</b>	<b>\$18,790,176</b>

<b>Federal Funds</b>	<b>\$3,800,000</b>
<b>State Funds</b>	<b>\$14,990,176</b>
<b>Total</b>	<b>\$18,790,176</b>



# OCCT General Assessments for Grades 3-8

Grade	Math	Reading	Science	Geography	Social Studies/ U.S. History	Writing
Grade 3	★	★				
Grade 4	★	★				
Grade 5	★	★	★		★	★
Grade 6	★	★				
Grade 7	★	★		★		
Grade 8	★	★	★		★	★



Federal and State mandated tests



State mandated tests



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# OCCT General Assessments End-of-Instruction

ACE Algebra I	ACE English II	ACE Biology I	ACE U.S. History	ACE Algebra II	ACE Geometry	ACE English III
						



Federal and State mandated tests



State mandated tests



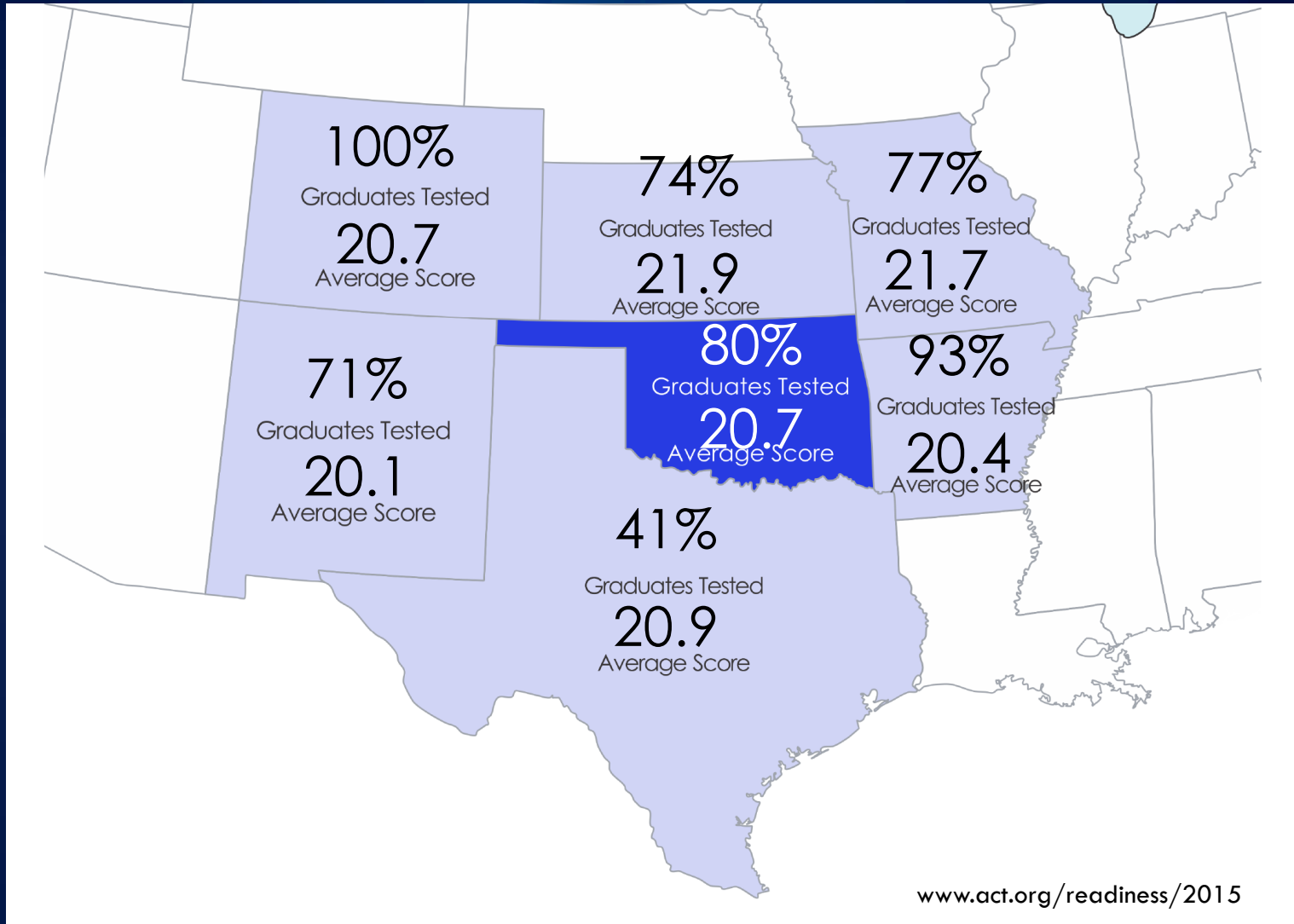
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# FY 2017 Estimated Costs for Federally-Mandated Tests Only

<b>Math/ELA (3-8 gr)</b>	<b>\$7,059,444</b>
<b>Science (5-8 gr)</b>	<b>\$1,891,296</b>
<b>EOIs</b>	<b>\$3,189,054</b>
<b>Total</b>	<b>\$12,139,794</b>

<b>Federal Funds</b>	<b>\$3,800,000</b>
<b>State Funds</b>	<b>\$8,339,794</b>
<b>Total Estimated Savings</b>	<b>\$6,000,000</b>

# ACT Regional Comparison



# Cost to Fully Fund ACE Remediation & RSA

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## ACE Remediation:

$$\begin{aligned} & \$180 \times 90,357 \text{ limited knowledge students} \\ + & \underline{\$240 \times 94,681 \text{ unsatisfactory students}} \\ & \underline{\$38,987,700} \text{ Total if Fully Funded} \\ & \text{Currently Funding at } \$7,990,245 \text{ (20.5\%)} \end{aligned}$$

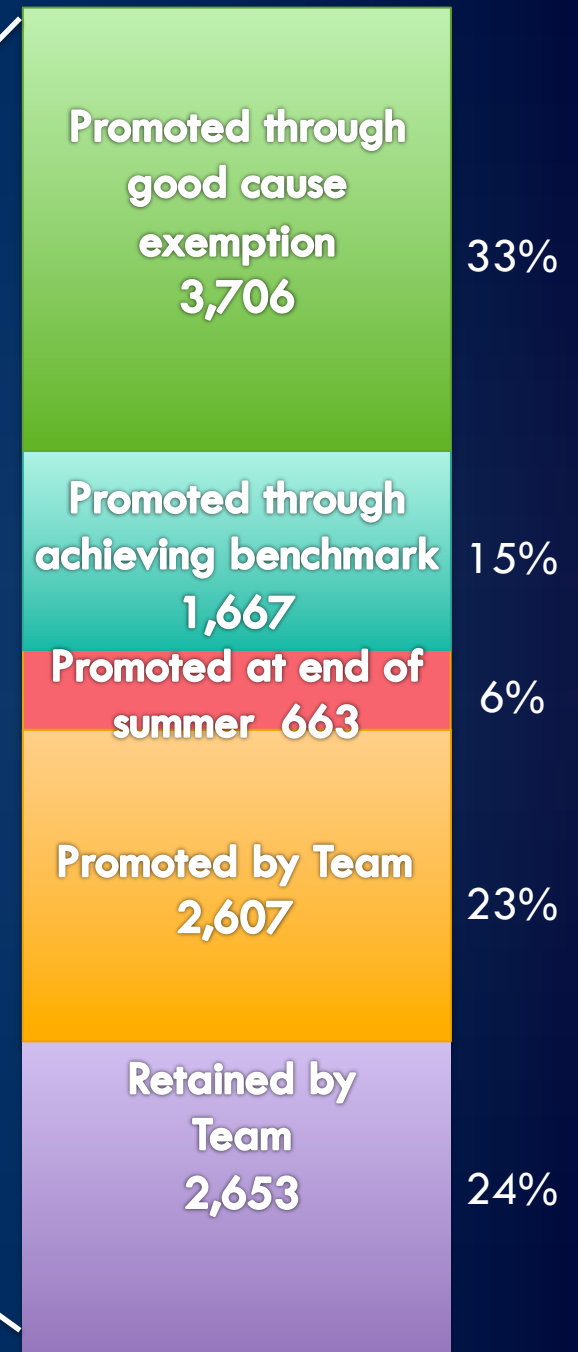
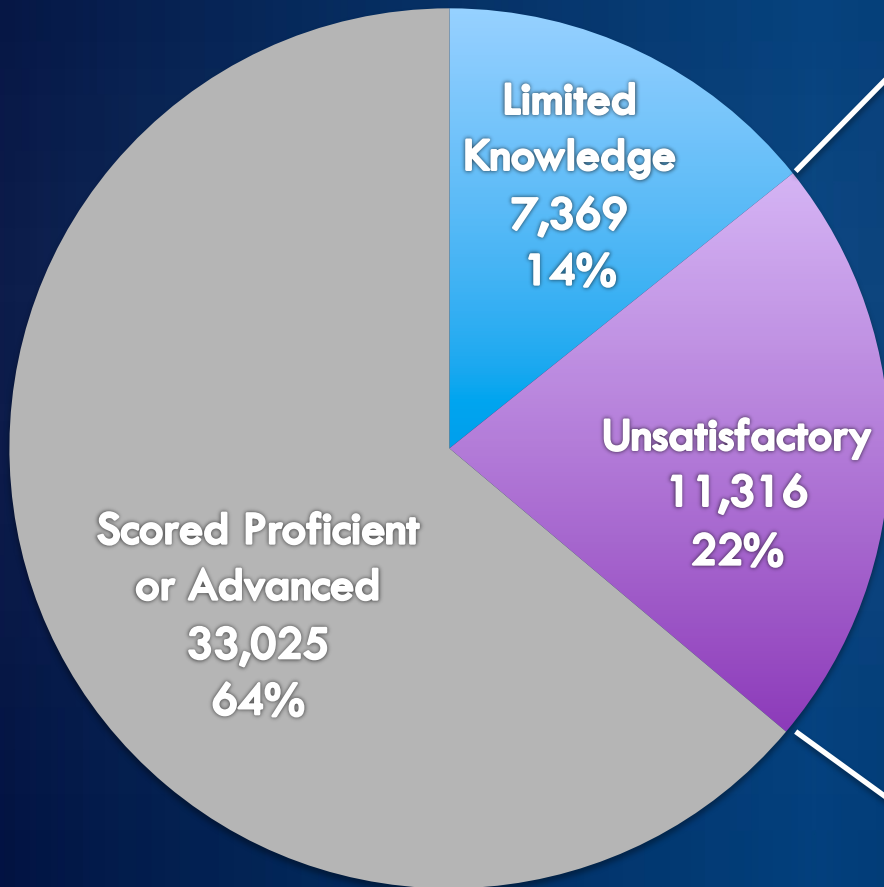
## Reading Sufficiency Act:

$$\begin{aligned} & \$150 \text{ per student} \\ & \times \underline{84,454 \text{ students}} \\ & \underline{\$12,668,100} \text{ Total if Fully Funded} \\ & \text{Currently Funding at } \$6,492,074 \text{ (51.25\%)} \end{aligned}$$



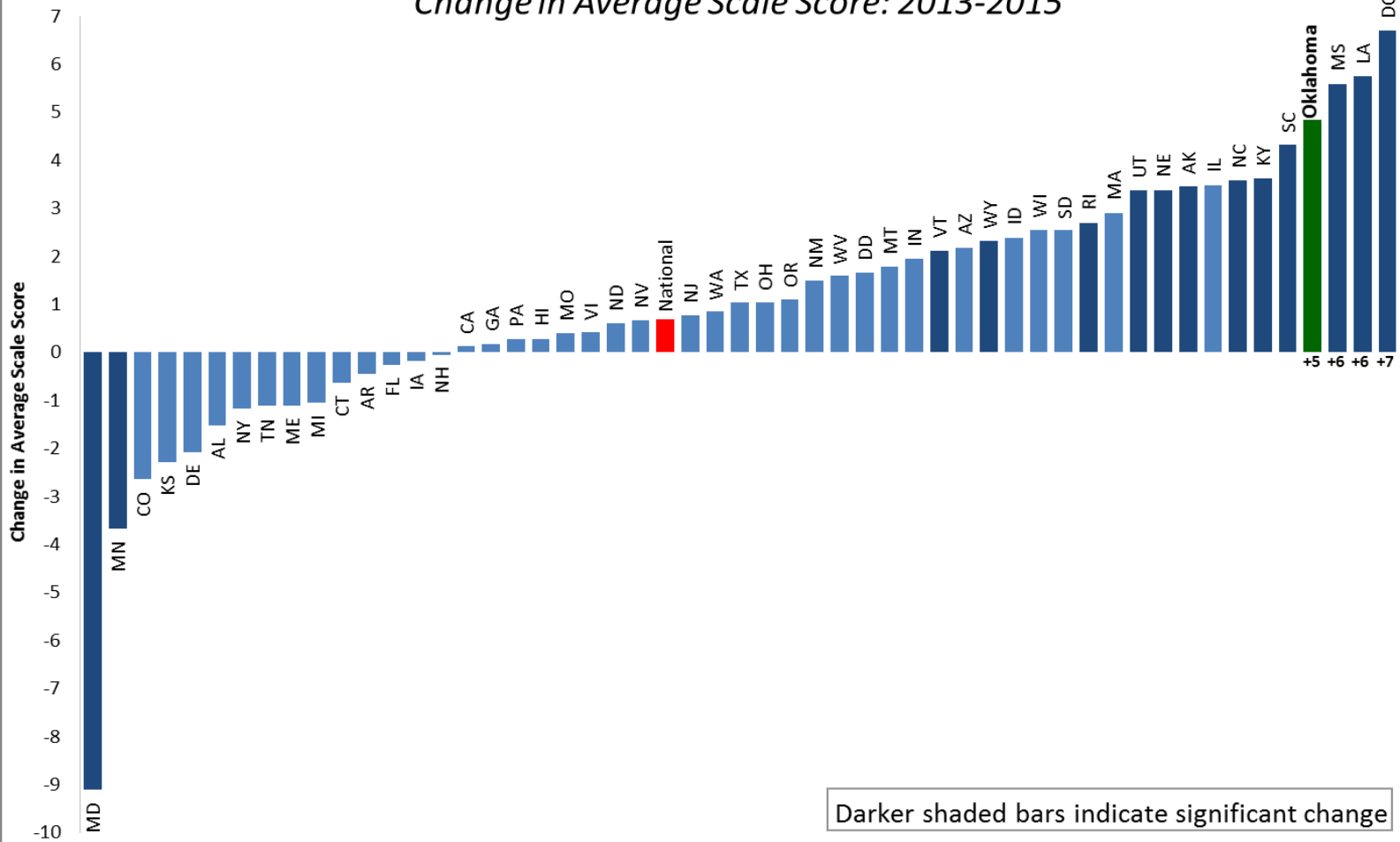
# RSA Performance

51,710 - 3<sup>rd</sup> Grade Students Enrolled



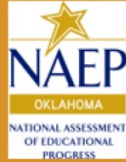
# Reading Performance

NAEP Reading Grade 4 – Overall  
Change in Average Scale Score: 2013-2015





# NAEP Regional State



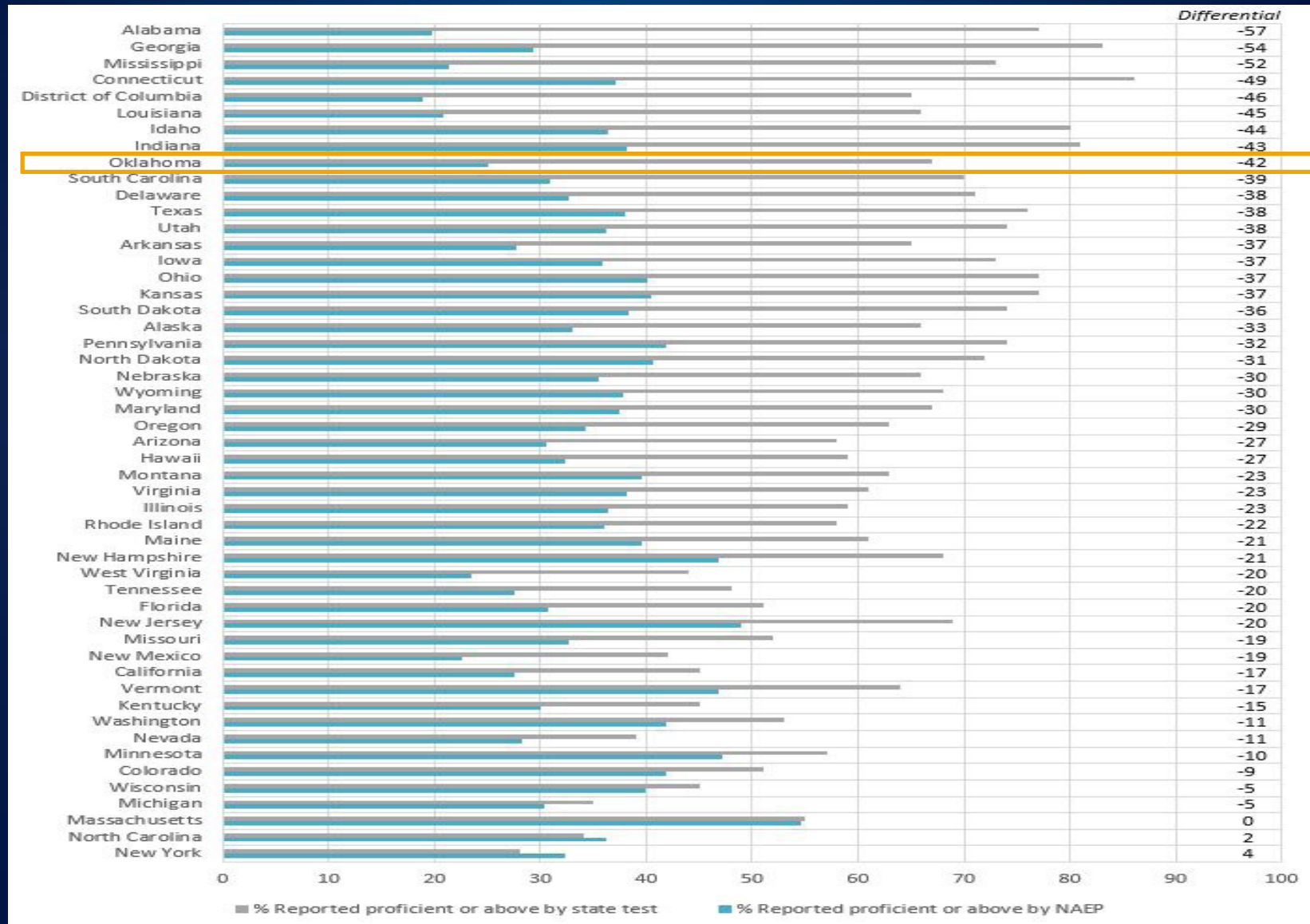
## Border State Performance



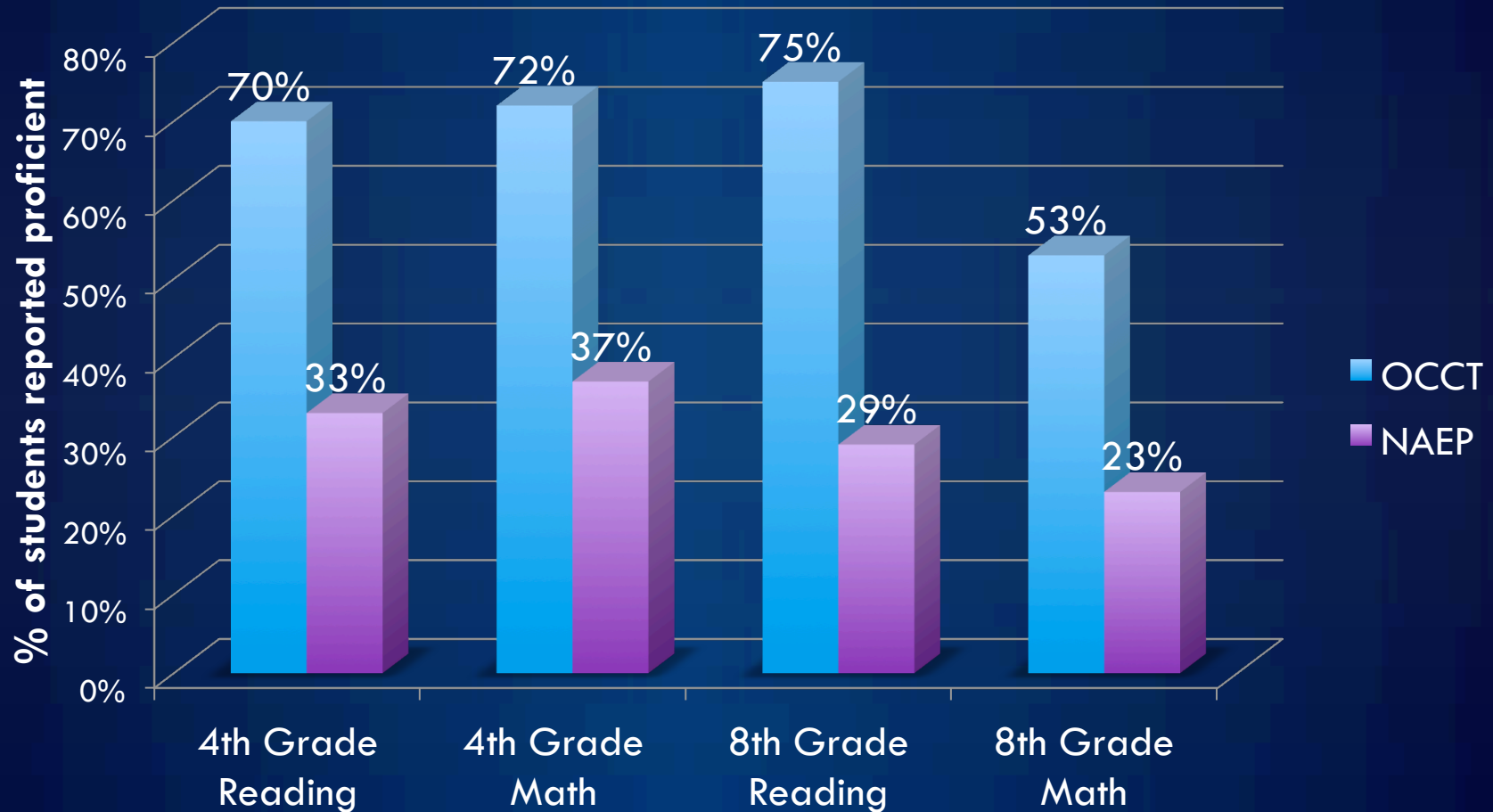
Scale Scores	Reading 4	Reading 8	Math 4	Math 8
<b>Oklahoma</b>	222	263	240	275
Arkansas	218	259	235	275
Colorado	224	259	242	286
Kansas	221	267	241	284
Missouri	223	267	239	281
New Mexico	207	253	231	271
Texas	218	261	244	284



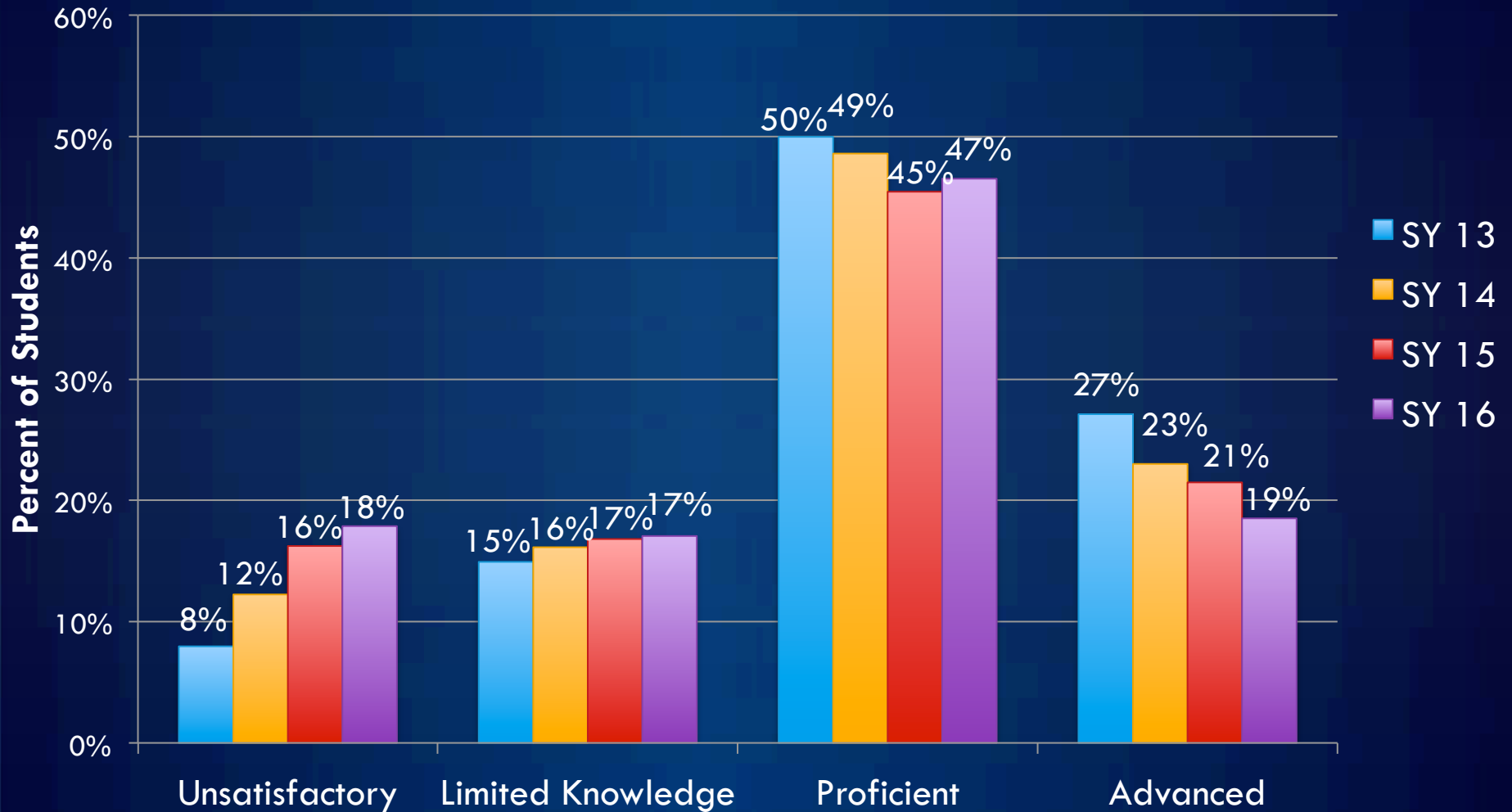
# Proficient vs. Prepared 8<sup>th</sup> Grade Math, 2012-2013



# Importance of Comparability: Comparison of 2015 Proficiency Scores



# ACE Remediation



# Advanced Placement

## Students earning college credit Through AP tests



## Students Receiving test fee assistance (total spent: \$354,406)



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# FY 17 Budget Increase Request

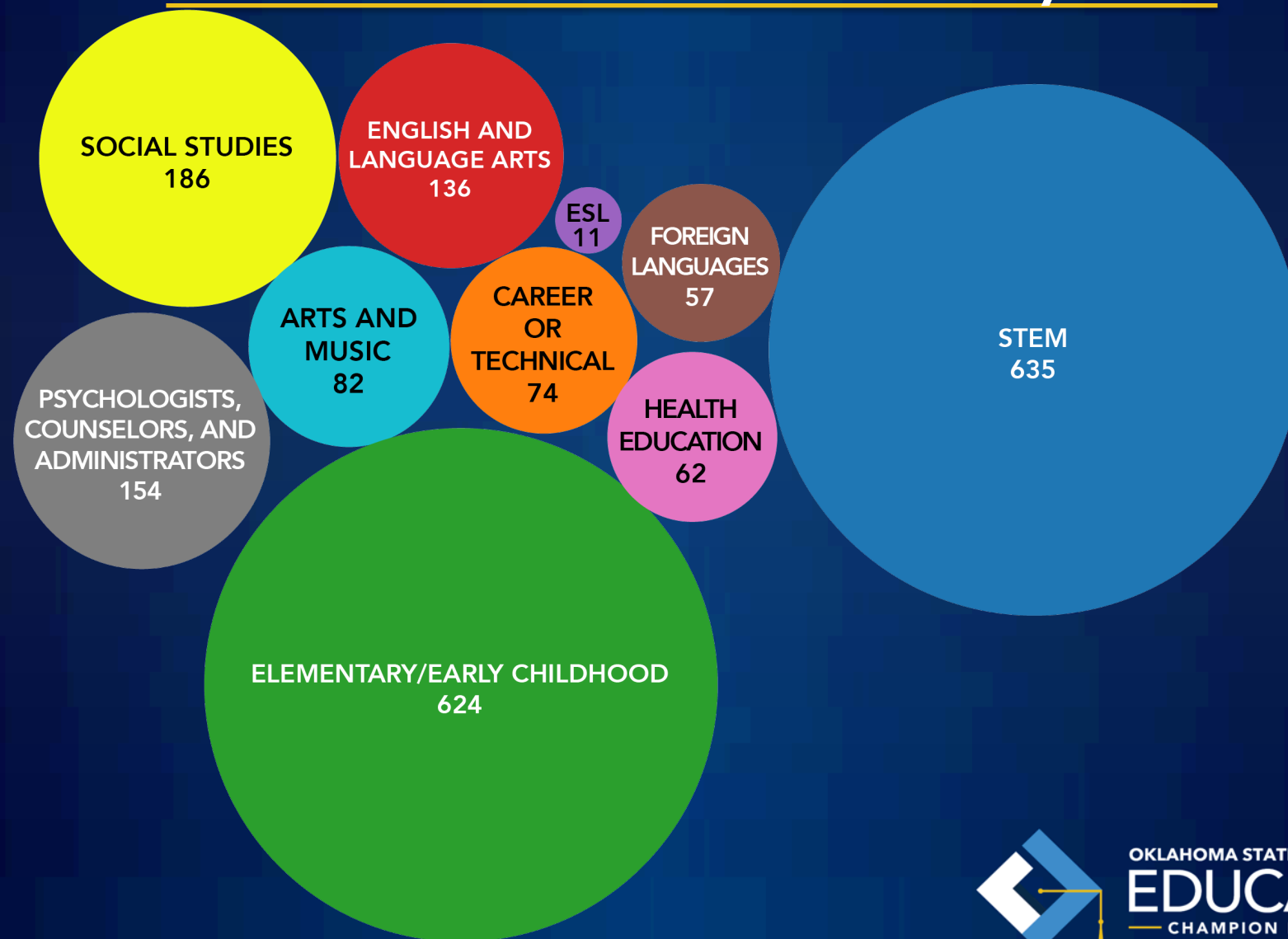
<b>Financial Support of Schools</b>	<b>\$47,700,000</b>
<b>Flexible Benefit Allowance</b>	<b>\$30,262,921</b>
<b>TOTAL</b>	<b>\$77,962,921</b>

<b>Addendum: Teacher Compensation</b>	<b>\$60,000,000</b>
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# Emergency Certificates

(Temporarily Non-Certified in Field of Need)

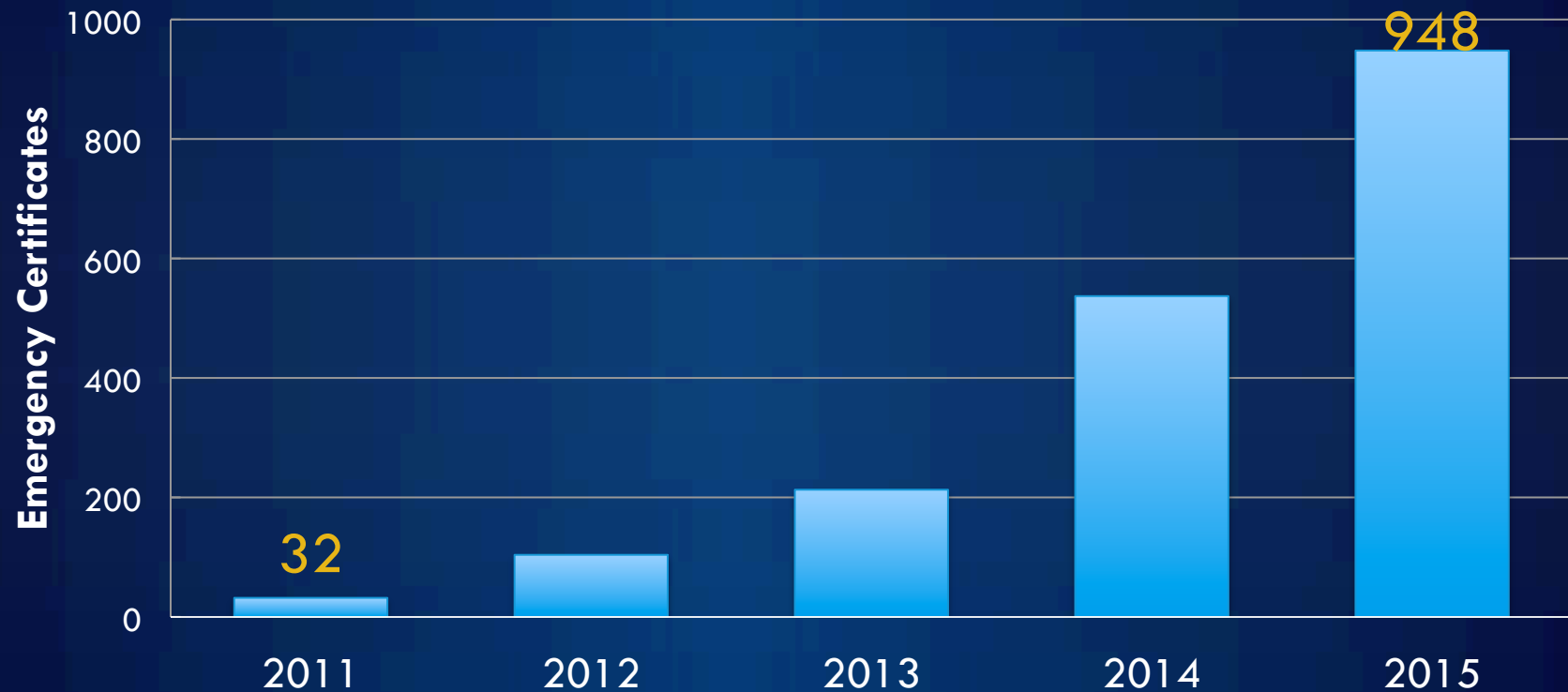
## Issued 2008-November 2015 by Field



# Emergency Certificates

(Temporarily Non-Certified in Field of Need)

Issued 2011-November 2015 by Year

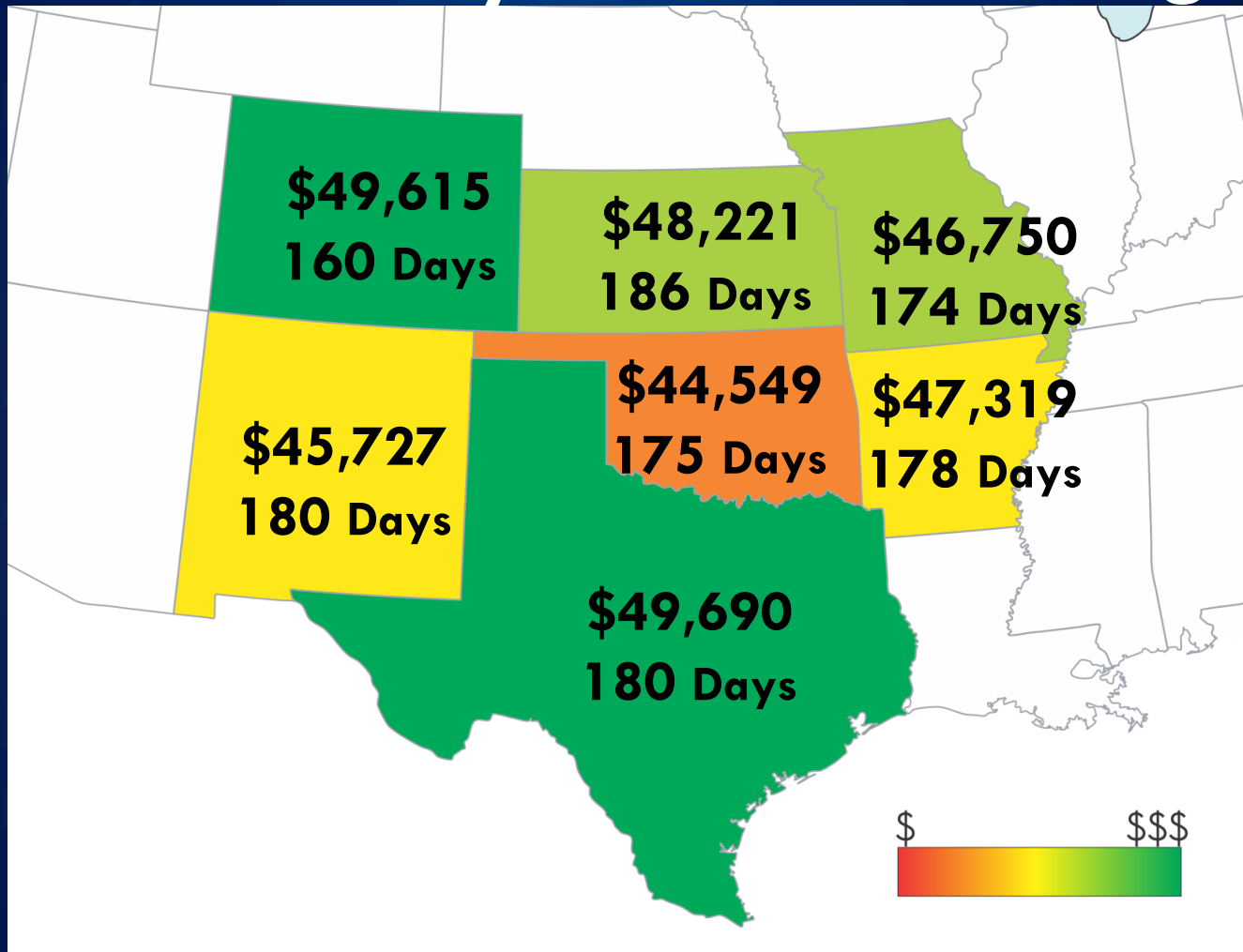




# Student Population Growing while Teacher Population Fluctuates



# Average Teacher Salary and Number of Instructional Days in Surrounding States

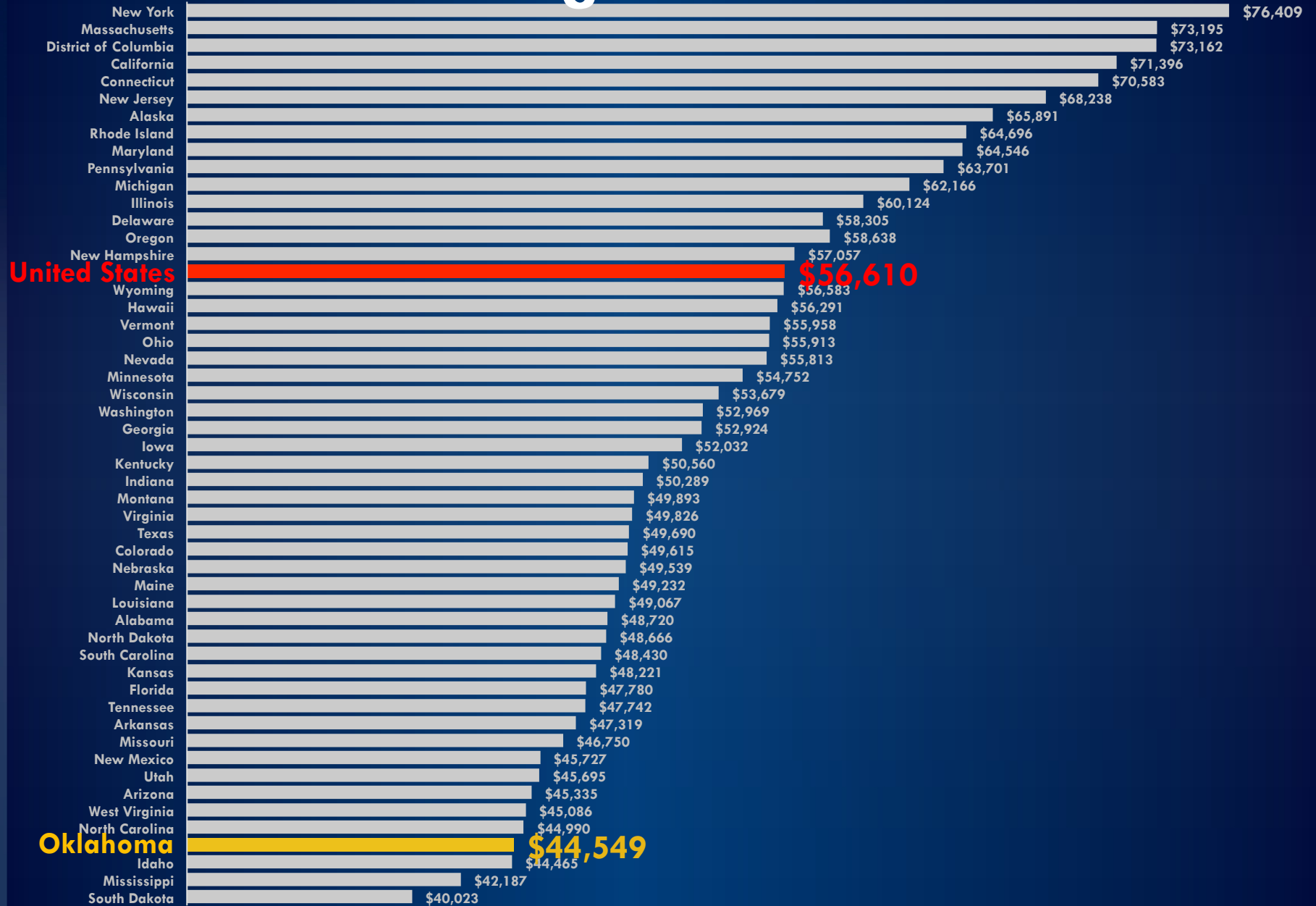


Source: <http://www.nea.org/home/rankings-and-estimates-2014-2015.html>  
<http://www.ecs.org/clearinghouse/01/15/05/11505.pdf>



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# National Average of Teachers' Salaries



# Teacher Costs FAQs

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## Estimated Costs For:

- \$1,000 increase in Teacher Salary: **\$59,160,750**
- One additional day of Instruction: **\$22,494,676**
- Teacher Salary with Benefits:

**\$38,322 Salary**

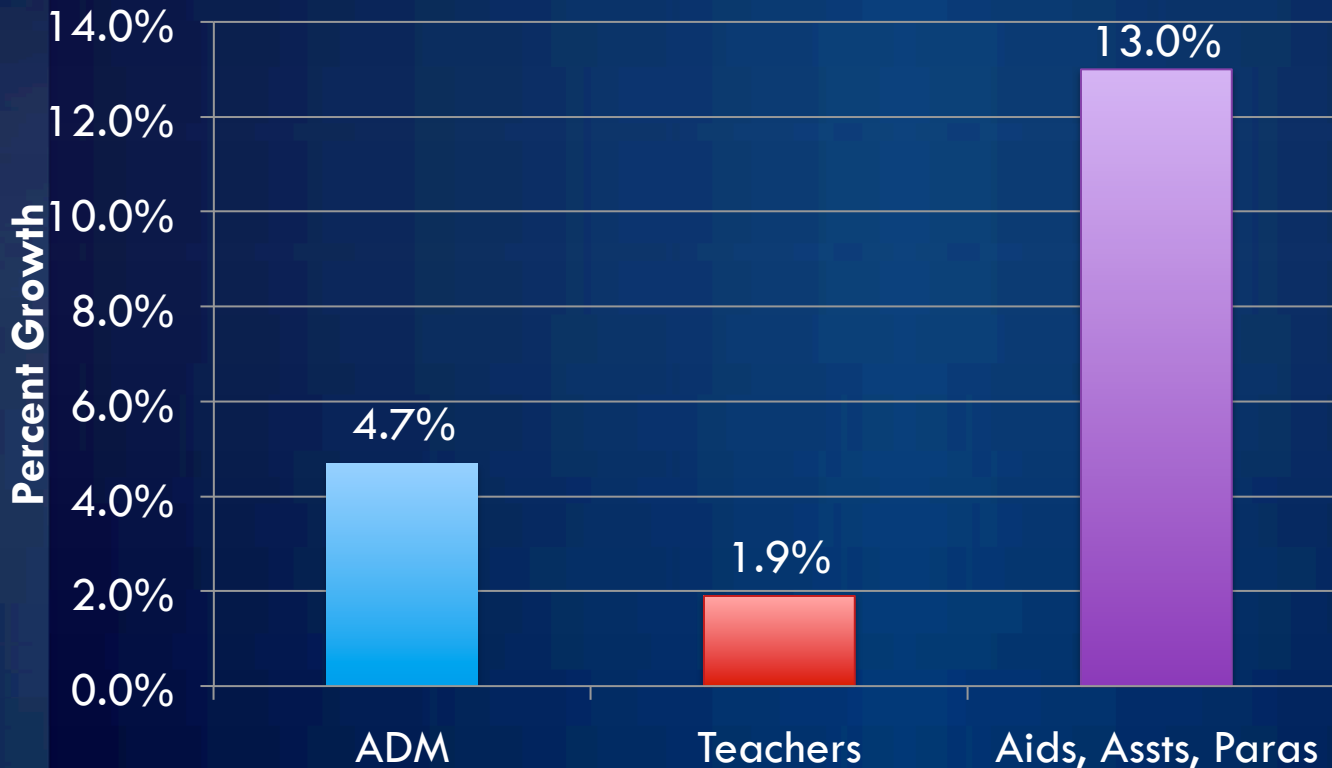
**+ \$6,227 FBA & other benefits**

**= \$44,549**

(Total includes FBA, Teachers' Retirement that districts pay in lieu of the employee, and any other health benefits covered by the district.)

# Growth in Classroom Support Staff Since 2011

In the midst of a teacher shortage, we see evidence that schools are turning to teachers' aides, teachers' assistants and paraprofessionals to help fill the gap.



# Teacher Shortage Task Force

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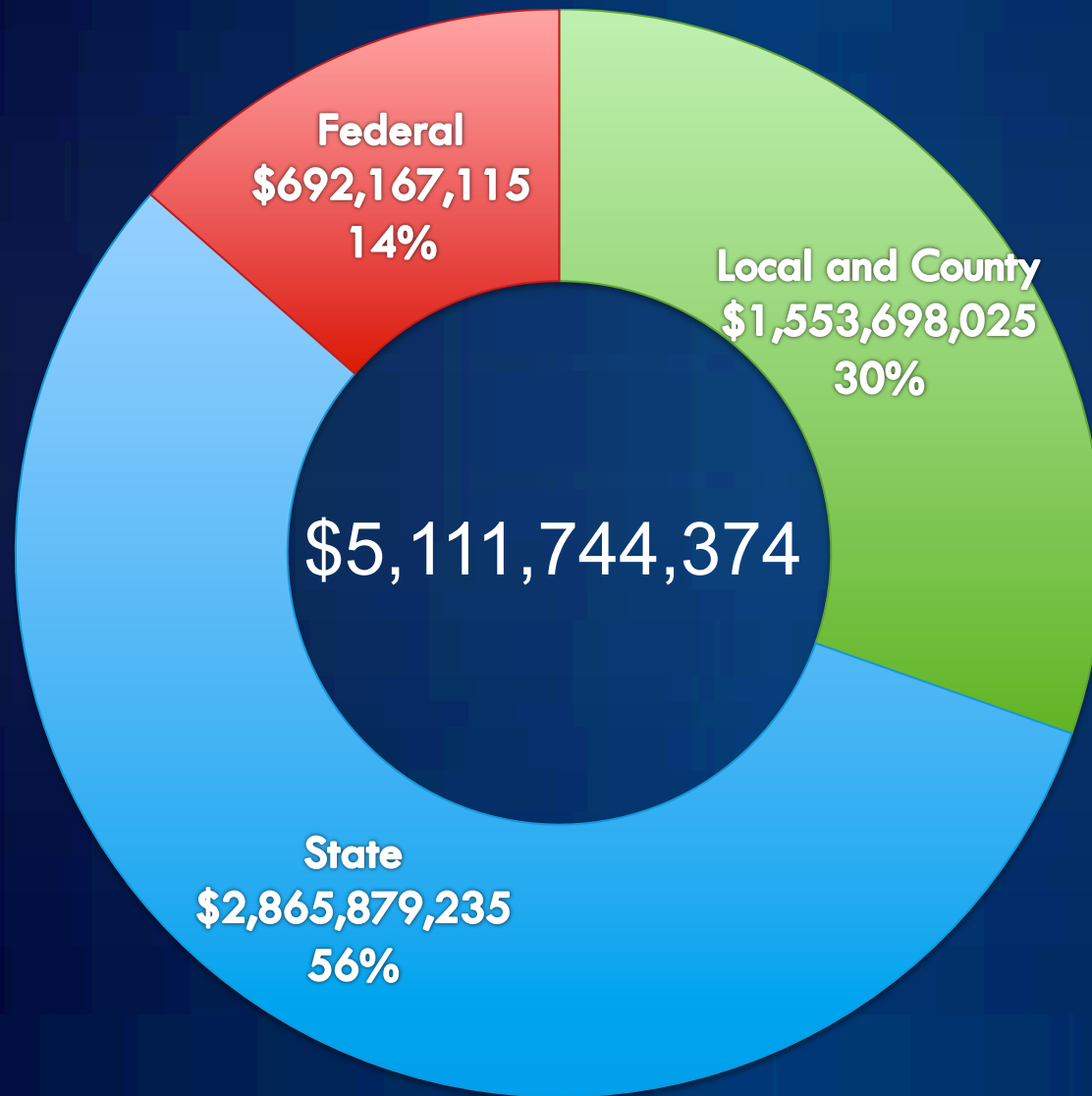
- 9 Recommendations to Legislature
  - Support Teachers (Teacher Residency Program)
  - Remove Barriers to Certification (testing, reciprocity, alternative certification, adjunct teachers)
  - Recruit and Incentivize (Teacher Recruitment Program, incentives to demographic areas, teacher/leader models)

# Deeper Look at District Revenues

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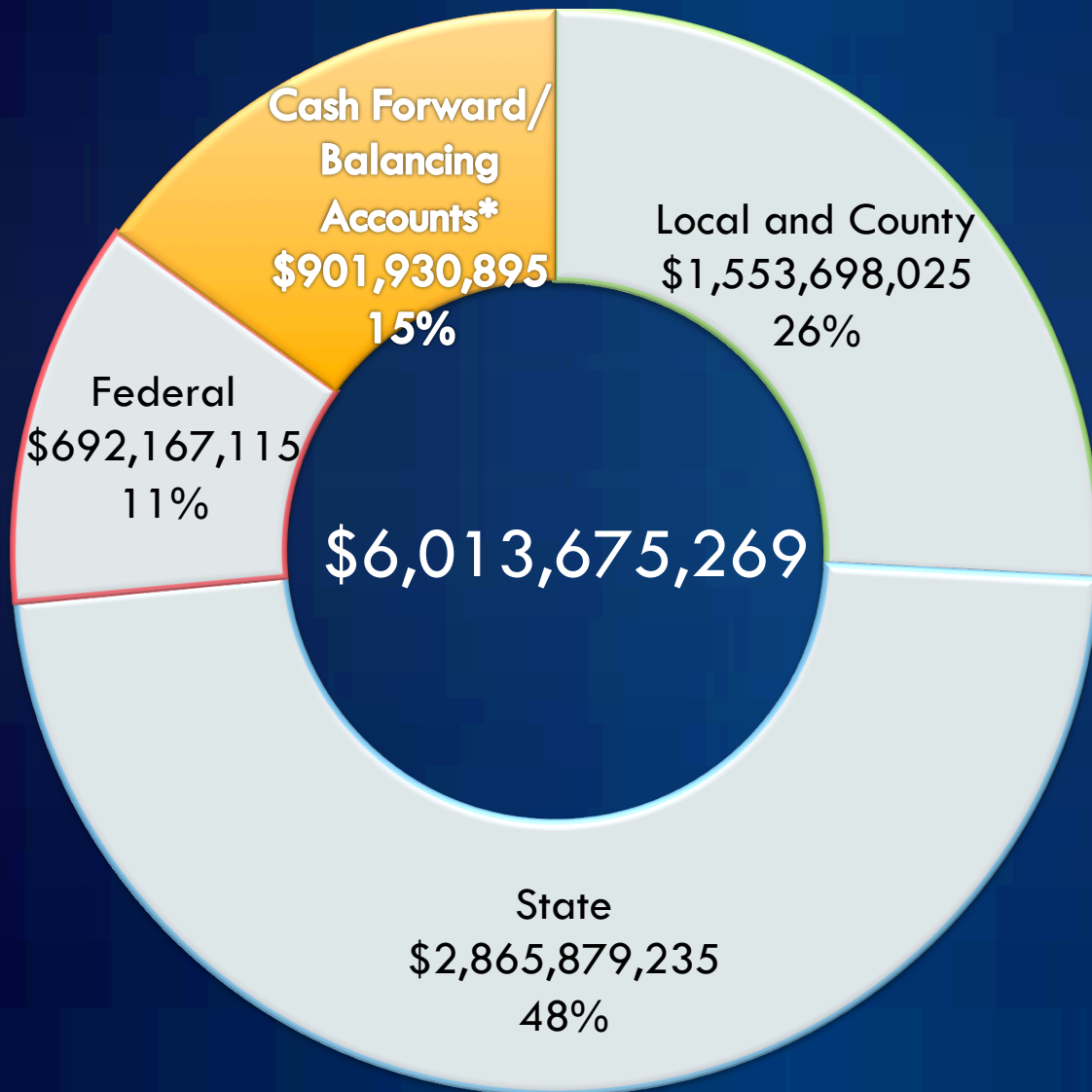
# District Recurring Revenue



**FY 2015  
Statewide District  
Revenue Using**  
- General Funds  
- Building Fund  
- Child Nutrition Fund  
(as reported in OCAS)



# New Revenue with Fund Balance



**FY 2015  
Statewide District  
Revenue Using**  
- **General Funds**  
- **Building Fund**  
- **Child Nutrition Fund**  
(as reported in OCAS)

\* Balancing Accounts  
Include Lapsed  
Appropriations  
Estopped Warrants  
Fund Transfers

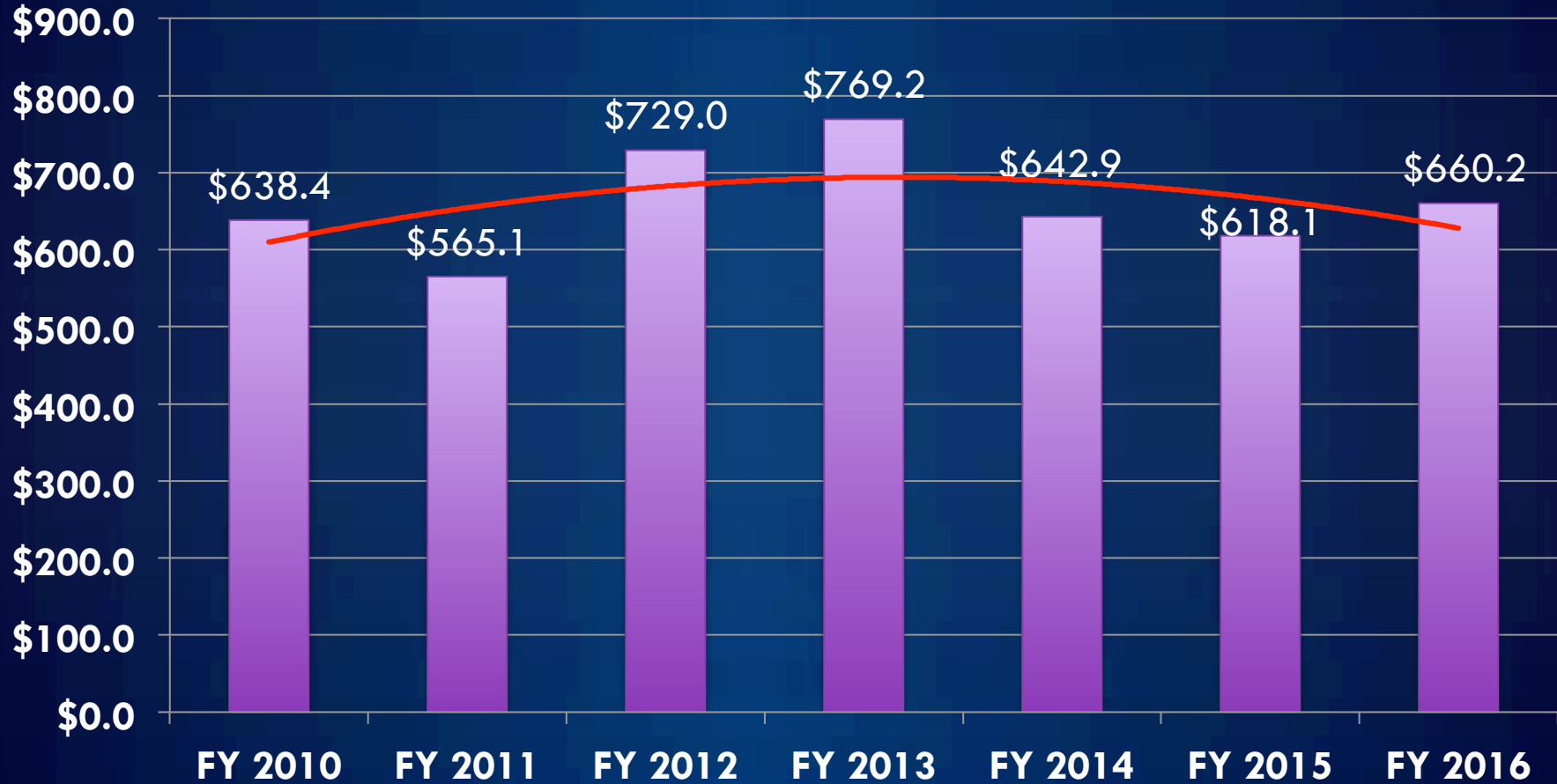


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# School District General Fund Beginning Balance FY 2010 – 2016

## Reported by Districts through OCAS

In Millions



Estimate



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# Deeper Look at District Expenditures

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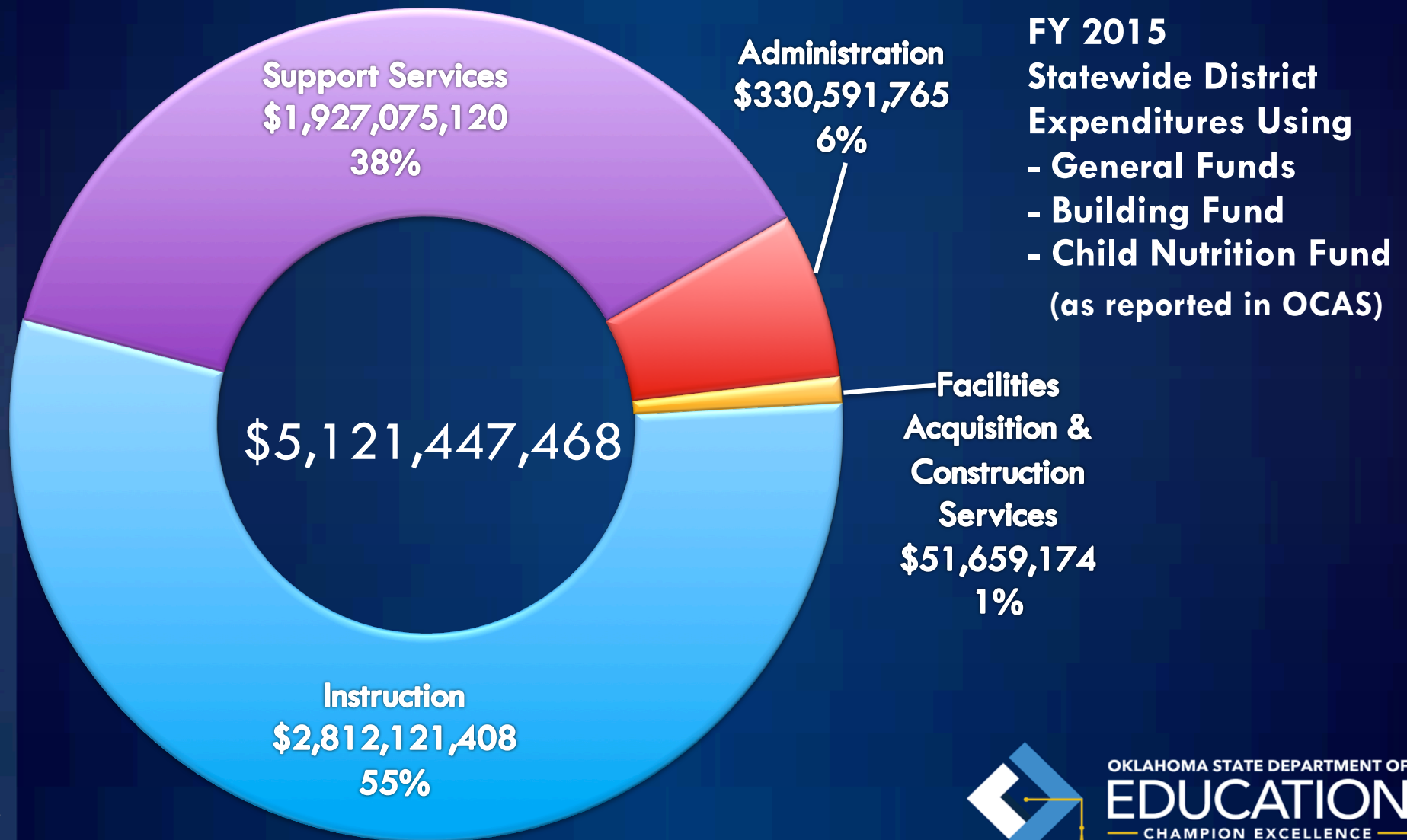
# Statewide District Expenditures FY 2010 - 2015

Statewide district expenditures  
using

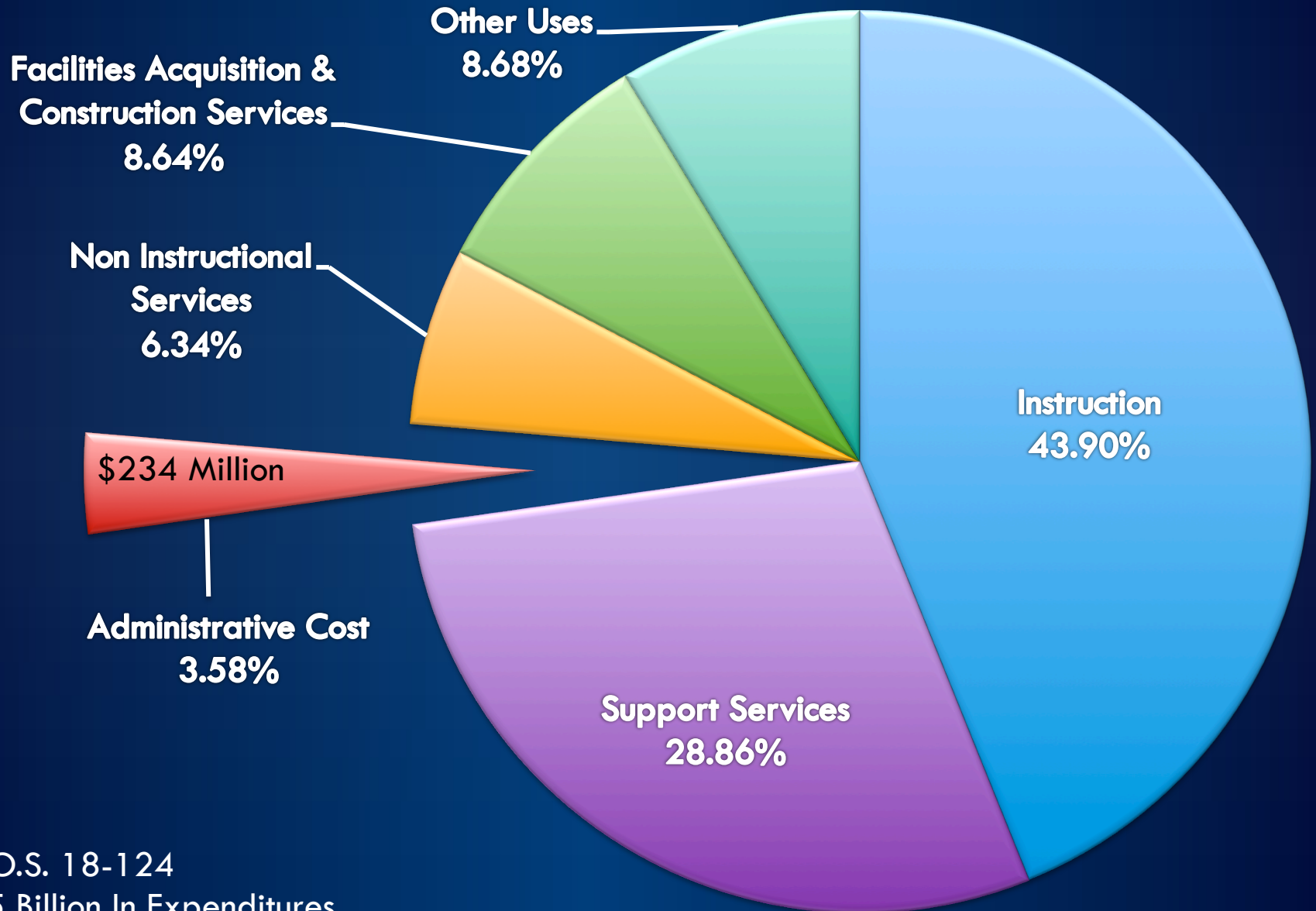
- General Funds
- Building Fund
- Child Nutrition Fund



# Statewide District Expenditures by OCAS



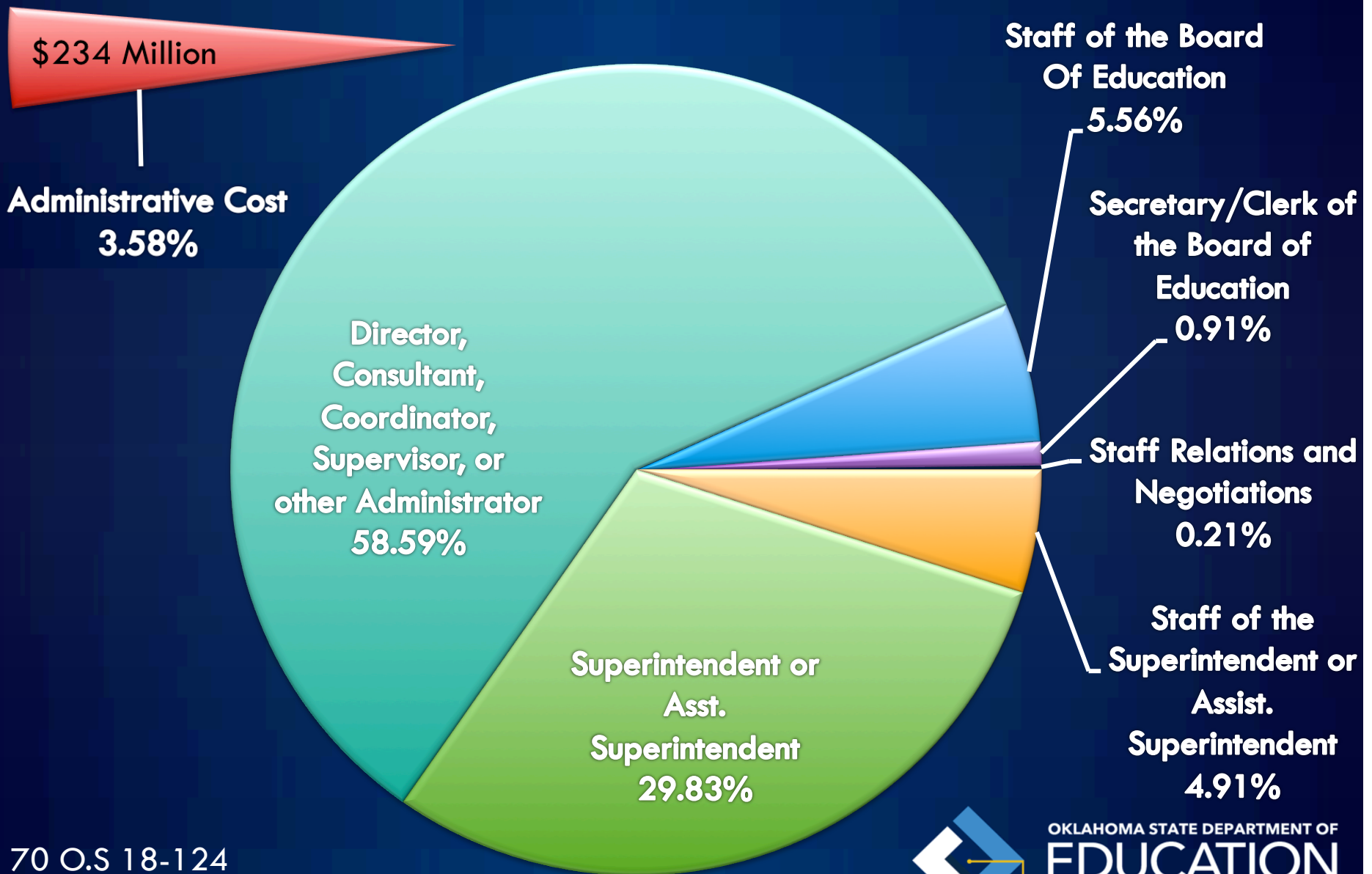
# Total District Expenditures by Statute for FY 2015



70 O.S. 18-124

\$6.5 Billion In Expenditures

# Administrative Cost by Statute



70 O.S 18-124

3.58% of \$6.5 Billion in Expenditures



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# Growing Salaries for Instructional & Non-Instructional Directors/Managers FY2010-2015

