



# OKLAHOMA STATE DEPARTMENT OF EDUCATION FY 2013 BUDGET REQUEST

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For Discussion by the  
State Board of Education  
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State Superintendent of Public Instruction

## FISCAL YEAR 2013 BUDGET REQUEST SUMMARY

This budget request summary provides a brief program description and funding information for all agency programs that require state appropriation. It also includes the budgetary needs to implement the programs in fiscal year 2013. The budget for many of these programs was either reduced or eliminated in FY 2012 as compared to FY 2011 due to revenue shortfalls experienced by the State and the resulting budget cuts to this agency. The FY 2012 Public School Activities budget was cut by 4.42% and the Financial Support of Schools and the Agency budgets were cut by 4.13% and 4.10% respectively. The agency is also required by law to fully fund Teachers Retirement and matching requirements for federal grants.

Many of the funding requests described herein are aimed to restore funding to FY 2011 level. Additional funding is also requested to expand existing programs and to implement new initiatives.

Following the narrative summary is a detailed funding request worksheet listing the programs and line items within the program.

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FINANCIAL SUPPORT OF PUBLIC SCHOOLS

Financial Support of Public Schools (State Aid Formula Funding) – (70 O.S. §§ 18-200.1 and 201.1) – State funds appropriated for local school districts are distributed through the state aid formula. These funds are to ensure that all children receive a free and appropriate education.

State Appropriation for FY 2012 was reduced by 4.13%. The schools incur increasing operating costs every year. Additional funds are requested to restore funding to FY 2011 level.

Fiscal Year 2013 Requested Funding	\$1,894,269,216
Current State Funding	<u>\$1,816,091,355</u>
<b>Proposed Increase</b>	<b>\$ 78,177,861</b>

INSTRUCTIONAL EXPENSES

Instructional Expenses - (70 O.S. § 16-114a) - This program funds instructional expenses and textbooks for the schools to use to teach students. In accordance with HB 3029, textbooks means instructional materials that are designed for use by pupils as a learning resource, including printed or non-printed materials, technology-based and other educational materials. Funding has remained constant since calculated 9 years ago on Average Daily Attendance (ADA) at \$55 per student for a total of \$33,000,000. Since 2008, instructional expenses funding was prorated to districts. In fiscal year 2010 funding was prorated to \$54.12 based upon an ADA of 603,402.51. In fiscal year 2011 funding was prorated to \$53.59 based upon an ADA of 609,376.62.

For fiscal years 2011 and 2012, a school district may elect to expend any monies allocated for textbooks, including any monies carried over, for any purpose related to the support and maintenance of the school district as determined by the board of education of the school district.

FY 2013 budget request includes amount needed to fully fund the program based on a projected ADA of 628,943.

Fiscal Year 2013 Requested Funding	\$34,591,881
Current State Funding	<u>\$33,000,000</u>
<b>Proposed Increase</b>	<b>\$ 1,591,881</b>

ACHIEVING CLASSROOM EXCELLENCE (ACE) REMEDIATION

ACE Remediation – (70 O.S. § 1210.522) – The *Achieving Classroom Excellence Act of 2005* (ACE), as amended, requires remediation opportunities be provided to all 7<sup>th</sup> and 8<sup>th</sup> grade and high school students (beginning with students who entered the 9<sup>th</sup> grade in the 2008-09 school year) who do not score at or above the satisfactory/proficient performance level on the Oklahoma Core Curriculum Tests in reading and mathematics or on End-of-Instruction (EOI) exams. The amount requested allocates funding on a per-student basis in accordance with current state law,

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which specifies that districts receive up to \$240 for each student scoring at the lowest performance level of unsatisfactory and up to \$180 for each student scoring at the limited knowledge performance level. Remediation counts for 2011 include 56,894 students at the limited knowledge performance level and 32,856 students at the unsatisfactory performance level. Due to limited funding, the allocation to school districts was prorated at 41% in FY 2011 and FY 2012. The proposed increase included in the FY 2013 request will provide additional funding to the districts for this program.

Fiscal Year 2013 Requested Funding	\$9,200,000
Current State Funding	<u>\$ 7,611,577</u>
<b>Proposed Increase</b>	<b>\$1,588,423</b>

### ADULT EDUCATION MATCHING

**Adult Education Matching** – The purpose of this program is 1) to assist adults in the completion of a secondary school education, 2) to assist adults who are parents to obtain the educational skills necessary to become full partners in the educational development of their children, and 3) to assist adults in gaining the basic skills necessary for employment and self-sufficiency. As stated in Title II of the Workforce Investment Act of 1998, Section 222 (b) 1B, this request represents the amount of the mandatory 25% state match required in order to receive the federal adult education grant funds. These funds provide services to approximately 22,000 Oklahoma adult learners each year. This program was not funded in FY 2012.

Fiscal Year 2013 Requested Funding	\$2,315,297
Current State Funding	<u>\$ 0</u>
<b>Proposed Increase</b>	<b>\$2,315,297</b>

### ADVANCED PLACEMENT INCENTIVES

**Advanced Placement Incentives** - (70 O.S. § 120.02) - Funding provides opportunities for high school students to participate in the College Board's Advanced Placement (AP) program by taking college level academic courses while in high school. Students who show mastery of the material earn college credit by taking end-of-course AP exams. Funding is for AP and Pre-AP teacher training, administrator and counselor training, student exam fee assistance for students in financial need, student exam fee subsidy for students (who are not in financial need) taking more than one AP exam in a year, score incentives to schools for AP program development and grants for AP courses, Vertical Teams Development and AP/Pre-AP training. In 2011, there were 13,777 students who took AP exams and 266 Oklahoma public schools offering Advanced Placement or International Baccalaureate courses. FY 2013 budget request includes amount needed to restore funding to FY 2011 level and an additional \$1 million to increase focus on professional development for grades 6-9 teachers for transition to Common Core State Standards.

Fiscal Year 2013 Requested Funding	\$4,111,169
Current State Funding	<u>\$2,002,700</u>
<b>Proposed Increase</b>	<b>\$ 2,108,469</b>

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**AG IN THE CLASSROOM**

**AG in the Classroom** – The purpose of Oklahoma AG in the Classroom is to promote agricultural literacy among students and educators. The curriculum uses agricultural concepts and background information to provide lesson plans for classroom teachers. It is estimated that the program will serve 40,000 students, teachers and school administrators in FY 2012.

Fiscal Year 2013 Requested Funding	\$38,675
Current State Funding	<u>\$38,675</u>
<b>Proposed Increase</b>	<b>\$ 0</b>

**ALTERNATIVE AND HIGH CHALLENGE EDUCATION**

**Alternative and High Challenge Education** - (70 O.S. § 1210.566 and 1210.568) - This program serves high challenge children and youth who are at risk of failing to complete a high school education. Funding for alternative and high challenge education was reduced during the past two fiscal years due to revenue shortfalls experienced by the state and the resulting budget cuts to the agency. Funding served 11,000 students in 251 programs in 2011. The fiscal year 2013 budget request seeks to restore funding to the FY 2011 level for education programs and provide funding for professional development in Alternative Education.

Statewide Education Programs	\$15,612,886
Professional Development	\$ 450,000
Truancy Diversion	\$ 200,000
Administration	<u>\$ 72,000</u>
Total	\$16,334,886

Fiscal Year 2013 Requested Funding	\$16,334,886
Current State Funding	<u>\$14,877,366</u>
<b>Proposed Increase</b>	<b>\$ 1,457,520</b>

**CHARTER SCHOOLS INCENTIVE**

**Charter Schools Incentive** – (70 O.S. § 3-130 to 3-144) – Charter Schools are public schools established by contract with a board of education of a school district, an area vocational technical school district or by comprehensive or regional institution that is a member of The Oklahoma State System of Higher Education pursuant to the Oklahoma Charter Schools Act. These funds are allocated to the agency for transfer to an incentive fund for use pursuant to the provisions of the law. No funding was provided in FY 2012. This budget request includes amount needed to restore funding to FY 2011 level.

Fiscal Year 2013 Requested Funding	\$50,000
Current State Funding	<u>\$ 0</u>
<b>Proposed Increase</b>	<b>\$50,000</b>

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**EARLY CHILDHOOD INITIATIVE**

**Early Childhood Initiative** – (70 O.S. § 10-105.4) The Early Childhood Initiative is a pilot early childhood program to be established by the State Board of Education, consisting of private donations and state funds for serving at-risk children in at least one urban area and one rural area of this state to be selected by the Board. Qualifying children are those children aged birth to three years, who are identified as at-risk as determined by Federal Poverty Guidelines. The Board shall solicit applications from the private sector for the program and require applicants to match state funds on a two-to-one basis and commit a minimum investment of ten million dollars (\$10,000,000) in the program.

Fiscal Year 2013 Requested Funding	\$10,000,000
Current State Funding	<u>\$10,000,000</u>
<b>Proposed Increase</b>	<b>\$ 0</b>

**EARLY INTERVENTION**

**Early Intervention (SoonerStart)** – (70 O.S. § 13-124, 25) – This program identifies infants and toddlers with developmental delays from birth to 36 months of age. SoonerStart staff work with the family and child to attain essential skills and accomplish the goals developed on the Individualized Family Service Plan (IFSP). Services are provided in cooperation with SoonerStart program staff from this agency (OSDE) and the Oklahoma State Department of Health (OSDH) via a master service delivery contract. This budget request would provide funding to ensure continuation of essential program services to Oklahoma’s infants and toddlers. Funds available for SoonerStart Early Intervention Services are to be expended for direct services (i.e. speech language therapy, occupational therapy, physical therapy) to infants and toddlers and their families. FY 2013 budget request includes amount needed for the agency to meet its maintenance of effort requirement in order to receive federal funds.

Fiscal Year 2013 Requested Funding	\$14,417,922
Current State Funding	<u>\$14,417,922</u>
<b>Proposed Increase</b>	<b>\$ 0</b>

**EDUCATION LEADERSHIP OKLAHOMA**

**Education Leadership Oklahoma** – (70 O.S. § 6-204 and 6-206) – Pursuant to statute and subject to the availability of funds, the State Board of Education shall provide teachers and others yet to be announced who attain National Board certification a bonus in the amount of \$5,000 annually. This is to be paid no later than January 31 for as long as they maintain their National Board certification and are teaching in the classroom full-time in an Oklahoma public school, and as long as they meet all State Board of Education rules. Oklahoma law also states that the State Board of Education shall not provide a bonus in the amount of \$5,000 to any teacher who attains National Board certification after June 30, 2010 through June 30, 2012. However, the Board shall provide a bonus to any teacher who attains National Board

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certification after June 30, 2010, if the teacher was selected for the Education Leadership Oklahoma program before June 30, 2010, or the teacher has submitted an application for National Board certification to the National Board for Professional Teaching Standards before June 30, 2010. This budget request does not encompass those individuals who are yet to be announced for National Board certification. It also does not include scholarships which were placed on hold from June 30, 2010 through June 30, 2012. In fiscal year 2011 scholarship payments amounted to \$980,000. This amount is included in the current budget request.

Pursuant to statute and subject to the availability of funds, the State Board of Education shall also provide certified school psychologists, speech language pathologists and audiologists a bonus in the amount of \$5,000 annually. The total projected cost for this program is \$16,130,000.

Bonuses National Board Certified Teachers	\$11,375,000
Bonuses School Psychologists, Speech Pathologists and Audiologists	\$ 3,775,000
Reinstatement of Scholarships (pass through to OCTP)	\$ 980,000
Total	\$16,130,000
Fiscal Year 2013 Requested Funding	\$16,130,000
Current State Funding	\$ <u>0</u>
<b>Proposed Increase</b>	<b>\$16,130,000</b>

**FLEXIBLE BENEFIT ALLOWANCE**

**Certified Personnel Flexible Benefit Allowance (FBA)** – (70 O.S. § 26-105) – This program provides a flexible benefit allowance for each certified school district employee, other than superintendents. The Certified FBA is paid to schools at 100 percent of the insurance premium for Health Choice High Option (\$449.48 beginning January 1, 2011) as required by law and credited to each eligible school employee. Funding request is based on October 2011 count and assumes a 1.5% increase in the monthly insurance premium rate for the second six months of fiscal year 2013 and a 1.5% growth in the number of certified personnel. In fiscal year 2012, 39,948 certified personnel were taking the health insurance benefit allowance and 10,067 certified personnel were taking the “in lieu of” amount (\$69.71) as provided in law. Amount included in the budget request is to fully fund the program for a 12 month period.

Fiscal Year 2013 Requested Funding	\$229,240,566
Current State Funding	\$ <u>198,200,836</u>
<b>Proposed Increase</b>	<b>\$ 31,039,730</b>

**Support Personnel Flexible Benefit Allowance (FBA)** – (70 O.S. § 26-105) – This program provides a flexible benefit allowance for full-time school support personnel. The Support FBA is paid to schools at 100 percent of the insurance premium for Health Choice High Option (\$449.48 beginning January 1, 2011) as required by law and credited to each eligible school employee. Funding request is based on October 2011 count and assumes a 1.5% increase in the monthly insurance premium rate for the second six months of fiscal year 2013 and a 1.5%

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growth in the number of support personnel. In fiscal year 2012, 15,424 support personnel were taking the health insurance benefit allowance and 14,843 support personnel were taking the “in lieu of” amount (\$189.69) as provided in law. Amount included in the budget request is to fully fund the program for a 12 month period.

Fiscal Year 2013 Requested Funding	\$119,512,822
Current State Funding	<u>\$105,064,499</u>
<b>Proposed Increase</b>	<b>\$ 14,448,323</b>

**Mathematics Intervention Initiative**

**Mathematics Intervention Initiative:** The purpose of the Mathematics Initiative is to develop and implement a technology-based intervention and remediation program in mathematics for grades six, seven, eight, and Algebra 1, that also includes developmentally appropriate content, derived from Oklahoma's Priority Academic Student Skills (PASS) and the Common Core State Standards (CCSS), for all grade levels. Oklahoma has a need to increase the number of students who take Algebra I in grade 8, the number of students who enroll in Calculus in high school, and the achievement levels of students in all grades in preparation for Algebra and including Algebra I so that they will be prepared for college and careers in Science, Technology, Engineering, and Mathematics (STEM). Many school districts in the state are faced with the challenge of hiring teachers and offering courses that meet the needs of all students in preparation for successful completion of Algebra I and entrance into Calculus and future STEM coursework and careers. A technology-based intervention and remediation program offers a cost-effective solution to these challenges. The pilot program of this initiative will be implemented in January 2012 with a target goal to serve 10,000 students. If the program is funded in FY 2013, it will be expanded to serve 35,000 students.

Fiscal Year 2013 Requested Funding	\$1,500,000
Current State Funding	<u>\$ 0</u>
<b>Proposed Increase</b>	<b>\$1,500,000</b>

**OKLAHOMA ARTS INSTITUTE**

**Oklahoma Arts Institute** – The Oklahoma Arts Institute is the provider of two statewide programs; the Oklahoma Summer Arts Institute for Oklahoma’s talented high school students and the Oklahoma Fall Arts Institute for public school educators and adult artists. The Oklahoma Arts Institute is able to provide unparalleled arts education experiences to Oklahoma’s students and public educators. The Oklahoma Summer Arts Institute is an intensive, two-week residential academy for serious, disciplined, and motivated high school students ages 14-18. Students are selected through a competitive, statewide audition process to study with nationally renowned artists from many disciplines. The program is held during the summer months at the Quartz Mountain Arts & Conference Center in Lone Wolf, Oklahoma. The Oklahoma Fall Arts Institute is a series of intense “hands-on” weekend workshops for elementary and secondary teachers, college educators, and adults in the community ages 21 and older. The Oklahoma Fall Arts Institute was established in response to requests from educators across the state for continuing education of the same high caliber as the Oklahoma Summer Arts Institute. During



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the 2010-2011 school year, 274 students attended the Oklahoma Summer Arts Institute, and 347 public school educators from school sites statewide attended the Oklahoma Fall Arts Institute at Quartz Mountain. Proposed increase is to restore funding to FY 2011 level.

Fiscal Year 2013 Requested Funding	\$447,076
Current State Funding	<u>\$350,000</u>
<b>Proposed Increase</b>	<b>\$ 97,076</b>

### PARENT EDUCATION PROGRAM

**Parent Education Program** – (70 O.S. § 10-105.3) The Oklahoma Parents as Teachers program (OPAT) was designed to support parents as their child’s first and most important teachers by providing practical information and guidance to parents regarding the development of language, cognition, social skills, and motor development of children. In the 2010-2011 school year, 4657 families and children and 74 school districts were served through this program. Funding for this program was reduced by \$460,238 in FY 2012. This budget request includes amount needed to restore funding to FY 2011 level. Major components of this program are listed below.

Continuation and expansion of program in LEAs	\$1,795,064
Field Operations	\$ 65,336
Program Evaluation	\$ 16,334
Establishment of Program in Public Housing Projects	\$ 131,314
Technical Assistance	<u>\$ 37,661</u>
Total	\$2,045,709

Fiscal Year 2013 Requested Funding	\$2,045,709
Current State Funding	<u>\$1,585,471</u>
<b>Proposed Increase</b>	<b>\$ 460,238</b>

### PROFESSIONAL DEVELOPMENT

This category includes Reading Sufficiency and professional development programs.

**Reading Sufficiency Act** – (70 O.S. § 1210.508C) – The purpose of the Reading Sufficiency Act is to ensure that each child attains necessary reading skills by completion of the third grade, thereby enabling these students to continue development of reading skills and to succeed throughout school and life. Up to \$150 shall be funded for each enrolled first, second and third grade student who is found to be in need of remediation in reading, as determined by approved assessment instruments. Up to \$400 shall be funded for each student completing the third grade who is found not to be reading at the third-grade level and who subsequently participates in a summer reading remediation program. These funds are allocated by the state legislature and distributed through a claims process. Funding is based on the number of students in need of remediation in grades 1, 2, and 3 as reported each November by the school districts. Only a small portion may be used to train teachers in the use of screening tests to identify students with

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reading problems. The remaining funds are used in direct services to struggling young readers with tutoring, assessments, progress monitoring, interventions, instructional materials, and technology. Based upon the child count for the 2009-2010 school year, the funding per student was \$102.47 while there were 538 school districts, 956 school sites, and 50,980 students served.

Fiscal Year 2013 Requested Funding	\$6,274,003
Current State Funding	<u>\$6,274,003</u>
<b>Proposed Increase</b>	<b>\$ 0</b>

**Professional Development:** The intent of state law is that all teachers continue their education beyond initial certification. The program strives to ensure that professional educators are fully prepared in their area of expertise to teach the children of this state.

Great Expectations Summer Institutes and Oklahoma A+ Schools are professional development institutes for teachers and administrators. The two programs were not funded in FY 2012. Amount requested in FY 2013 for the two programs will partially restore funding to FY 11 level. Professional development for reform implementation will be in the areas of Common Core State Standards, A-F grading training, Teacher Leader Effectiveness and Reading Sufficiency.

Great Expectations Summer Institutes	\$ 600,000
Oklahoma A+ Schools Art Program	\$ 330,000
Reform Implementation	<u>\$5,000,000</u>
Total	\$5,930,000
Fiscal Year 2013 Requested Funding	\$5,930,000
Current State Funding	<u>\$ 0</u>
<b>Proposed Increase</b>	<b>\$5,930,000</b>

**ROBOTICS PROGRAM**

**Robotics Program – (OAC 210:40-89-1-2)** – The State Board of Education is authorized to award up to 20 grants in the amount of \$5,000 each to schools for the purpose of establishing a student remote-controlled robot team. The intent of the program is to encourage student interest in Science, Technology, Engineering, and Mathematics (STEM) careers, to enhance student abilities in STEM subjects, and to promote student creativity and problem solving abilities. Robotics grant funds are distributed to schools across the state to establish a robotics team project at their school site. The grant recipients receive awards based upon criteria set by the State Board of Education. During the 2010-2011 school year, there were 563 students, 74 teachers, and 135 mentors/partners served by this program. Grant awards during the 2010-2011 school year included 15 schools that received first-year grants of \$5,000 each, 12 schools that received second-year grants of \$1,750 each, and 4 schools that received third-year grants of \$1,000 each for a total of \$99,999. This program was not funded in FY 2012. This budget request includes amount needed to restore funding to FY 2011 level.

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Fiscal Year 2013 Requested Funding	\$100,000
Current State Funding	\$ <u>0</u>
<b>Proposed Increase</b>	<b>\$100,000</b>

**RURAL INFANT STIMULATION ENVIRONMENT PROGRAM (RISE)**

**Rural Infant Stimulation Environment Program** – The funds allocated for this program are for a school designed to serve and appropriately educate children from birth to five years of age born with developmental disabilities. The goal of the RISE school is to provide quality early learning opportunities for children to be successful in school. During the 2010–2011 school year, 70 students were served by the program.

Fiscal Year 2013 Requested Funding	\$600,000
Current State Funding	\$ <u>529,943</u>
Proposed Increase	\$ <b>70,057</b>

**SCHOOL LUNCH MATCHING**

**School Lunch Matching** – State match is required by USDA per a formula based, in part, on figures from 1980. These funds help to provide nutritional meals to children enrolled in Oklahoma’s Public Schools. Federal Funds will be withheld if the required state match amounts are not met.

Fiscal Year 2013 Requested Funding	\$4,601,288
Current State Funding	\$ <u>4,601,288</u>
<b>Proposed Increase</b>	\$ <b>0</b>

**SCHOOL LUNCH PROGRAMS (ADMINISTRATION)**

**School Lunch Programs** – The National School Lunch Act passed in 1946 requires maintenance of effort revenues to retain the federal school lunch funding. This amount has remained constant since the formula was created by USDA in 1977.

Fiscal Year 2013 Requested Funding	\$359,000
Current State Funding	\$ <u>359,000</u>
<b>Proposed Increase</b>	\$ <b>0</b>

**TEACHERS’ RETIREMENT SYSTEM CREDIT**

**Teachers’ Retirement System** – (70 O.S. § 17-108.2) – This program provides a portion of teacher contributions to the Teachers’ Retirement System. The matching contribution is required by 70 O.S. §17-108(B) and is based on the State’s contribution for employees whose salaries are

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paid by state funds. This amount is appropriated to the State Department of Education for transfer to the Teachers' Retirement System.

Fiscal Year 2013 funding to TRS	\$35,311,375
Current State Funding	<u>\$35,311,375</u>
<b>Proposed Increase</b>	<b>\$ 0</b>

**AGENCY ADMINISTRATIVE AND SUPPORT FUNCTIONS**

**Agency Administrative and Support Functions** – The State Department of Education is responsible for administering and managing state and federal education programs. Duties include the establishment of teacher and administrator certification requirements, formulation and adoption of curriculum standards and accreditation of schools across the state. The agency also manages the federal school nutrition program and adult education program. The budget for administrative and support functions is comprised of student testing contracts, information technology services including WAVE, building rent and agency operations. Adequate funding ensures that the agency is able carry out all functions as prescribed by state and federal rules and regulations in an effective manner. In fiscal year 2012, the agency's budget was reduced by \$916,050. This budget request restores funds to FY 2011 level.

Fiscal Year 2013 Requested Funding	\$22,342,692
Current State Funding	<u>\$21,426,642</u>
<b>Proposed Increase</b>	<b>\$ 916,050</b>

**SUMMARY**

<b>Appropriations Requested Fiscal Year 2013</b>	<b>\$2,429,723,577</b>
<b>Appropriations Received Fiscal Year 2012</b>	<b><u>\$2,271,742,652</u></b>
<b>Total Increase</b>	<b>\$ 157,980,925</b>