



**Moving Oklahoma
Education Forward**

**Budget Hearing
FY 2016**

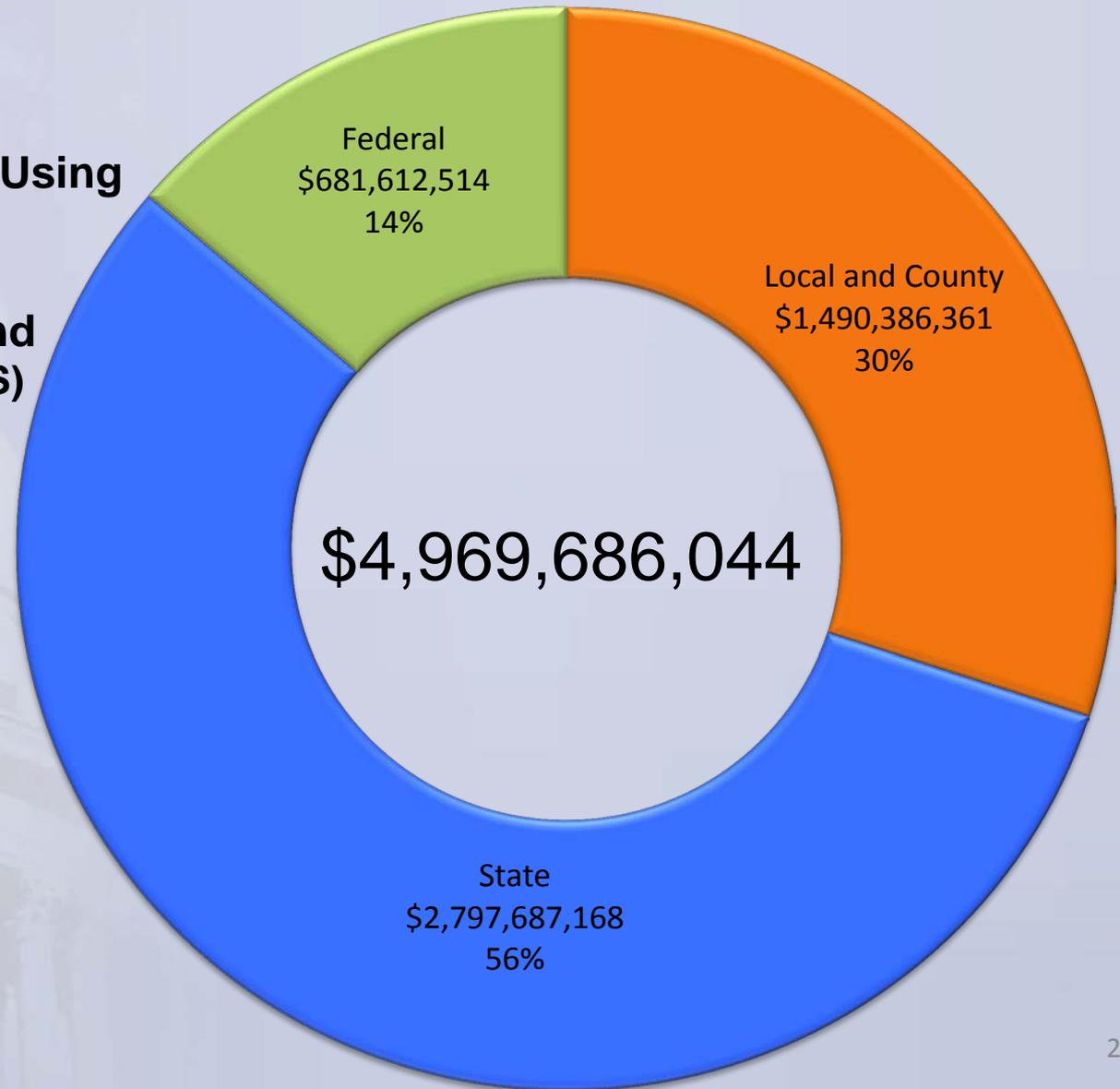


Recurring Revenue

FY 2014

**Statewide District
Recurring Revenue Using**

- **General Funds**
- **Building Fund**
- **Child Nutrition Fund**
(as reported in OCAS)



Seven Sources of Formula Revenue

LOCAL AND COUNTY REVENUES:

1. AD VALOREM TAXES
2. COUNTY 4-MILL

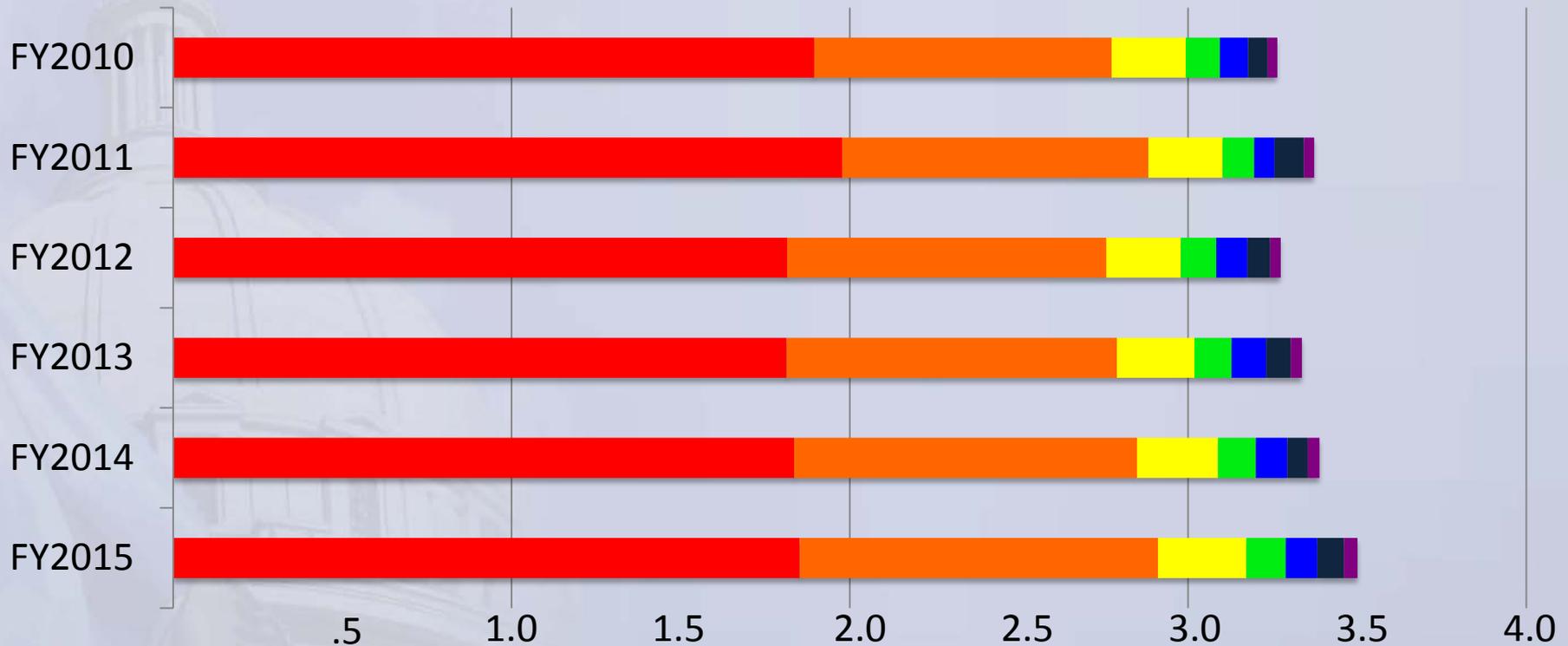
STATE – DEDICATED REVENUES:

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



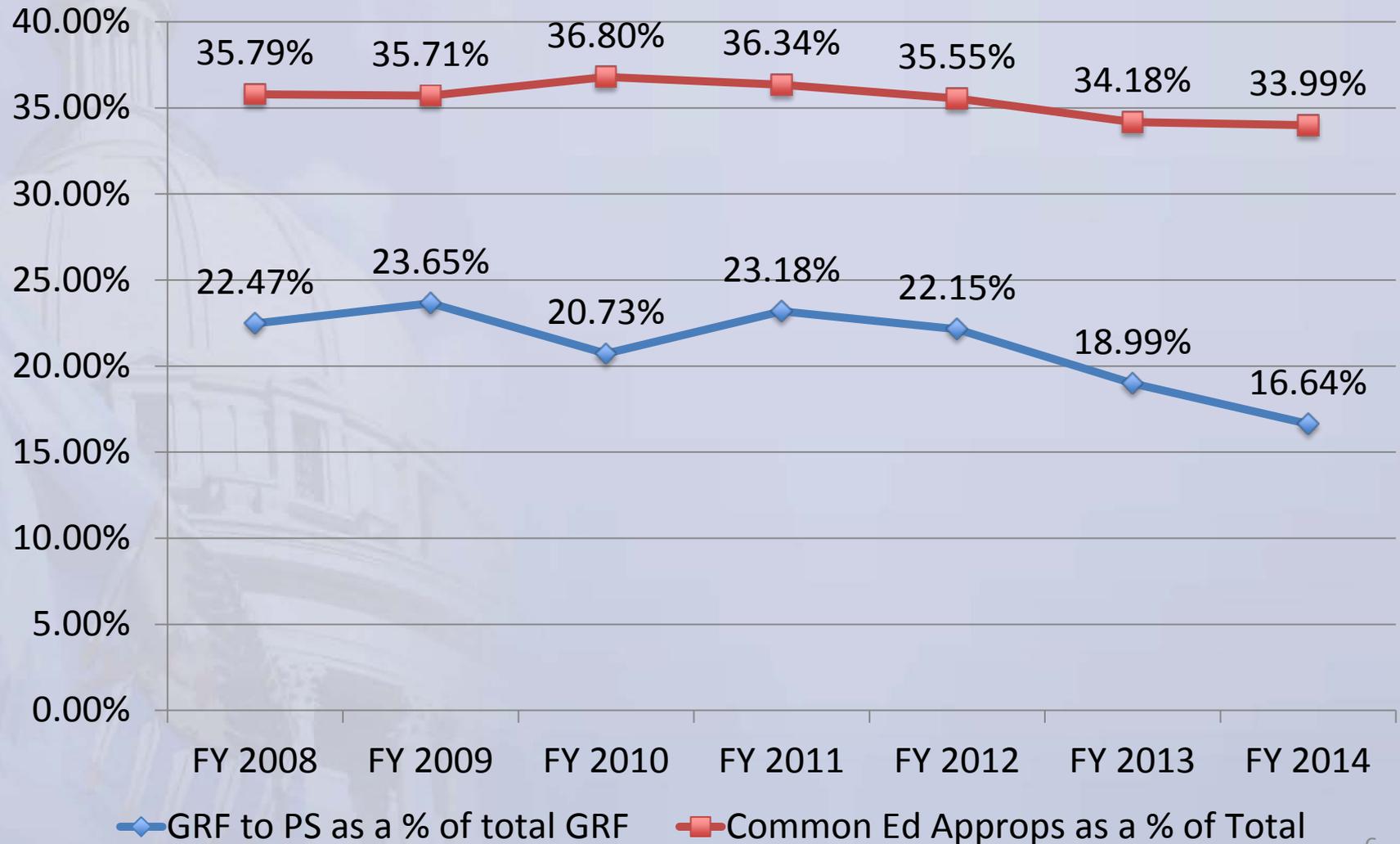
- Financial Support (appropriations)
- Ad Valorem
- Motor Vehicle
- County 4-Mill
- School Land
- Gross Production
- Rural Electrification Association

In Billions

Formula Revenue

Seven Rev. Sources	FY2015	FY2014	FY2013	FY2012	FY2011	FY2010
Ad Valorem (35 Mills)	\$1,058,635,853	\$ 1,013,534,728	\$ 975,794,215	\$ 943,606,637	\$ 905,082,205	\$ 878,567,004
County 4-Mill	\$ 116,348,712	\$ 112,653,312	\$ 109,665,459	\$ 104,564,406	\$ 100,620,495	\$ 93,896,685
School Land	\$ 93,626,801	\$ 93,000,002	\$ 102,144,987	\$ 93,160,723	\$ 83,212,992	\$ 60,341,458
Gross Production	\$ 79,370,145	\$ 60,196,841	\$ 72,199,149	\$ 66,528,645	\$ 57,919,963	\$ 86,216,531
Motor Vehicle	\$261,396,364	\$ 238,717,326	\$ 229,663,512	\$ 219,919,668	\$ 219,312,126	\$ 219,313,333
REA Tax	\$ 39,049,624	\$ 35,001,277	\$ 33,642,861	\$ 31,213,972	\$ 28,930,479	\$ 30,453,465
Fin. Support of Sch. (Formula) - State Approp. Funds	\$ 1,852,438,034	\$ 1,835,981,870	\$ 1,814,199,862	\$ 1,815,185,159	\$ 1,755,855,588	\$ 1,758,161,965
American Recovery and Reinvestment Act (ARRA)					\$ 139,772,164	\$ 204,671,526
Government Services Fund (GSF) of the ARRA						\$ 14,990,952
TOTAL	\$3,500,865,533	\$ 3,389,085,356	\$ 3,337,310,045	\$ 3,274,179,210	\$ 3,290,706,012	\$ 3,346,612,919

Percent Breakdown of Common Education Funding FY 2008 – FY 2014



Source: Office of Management and Enterprise Services

Ad Valorem Exemption

Tax Year	5 yr. Exemption Wind Energy	5 yr. Exemption Non-Wind	Total 5 yr. Exemptions
2013	\$32,270,226	\$32,086,050	\$64,356,276
2014	\$28,854,496	\$37,602,306	\$66,456,802
2015	\$38,207,891	\$43,009,873	\$81,217,764
2016	\$44,976,588	\$44,230,619	\$89,207,207
2017	\$50,440,944	\$43,191,938	\$93,632,882
2018	\$47,794,663	\$42,808,325	\$90,602,988

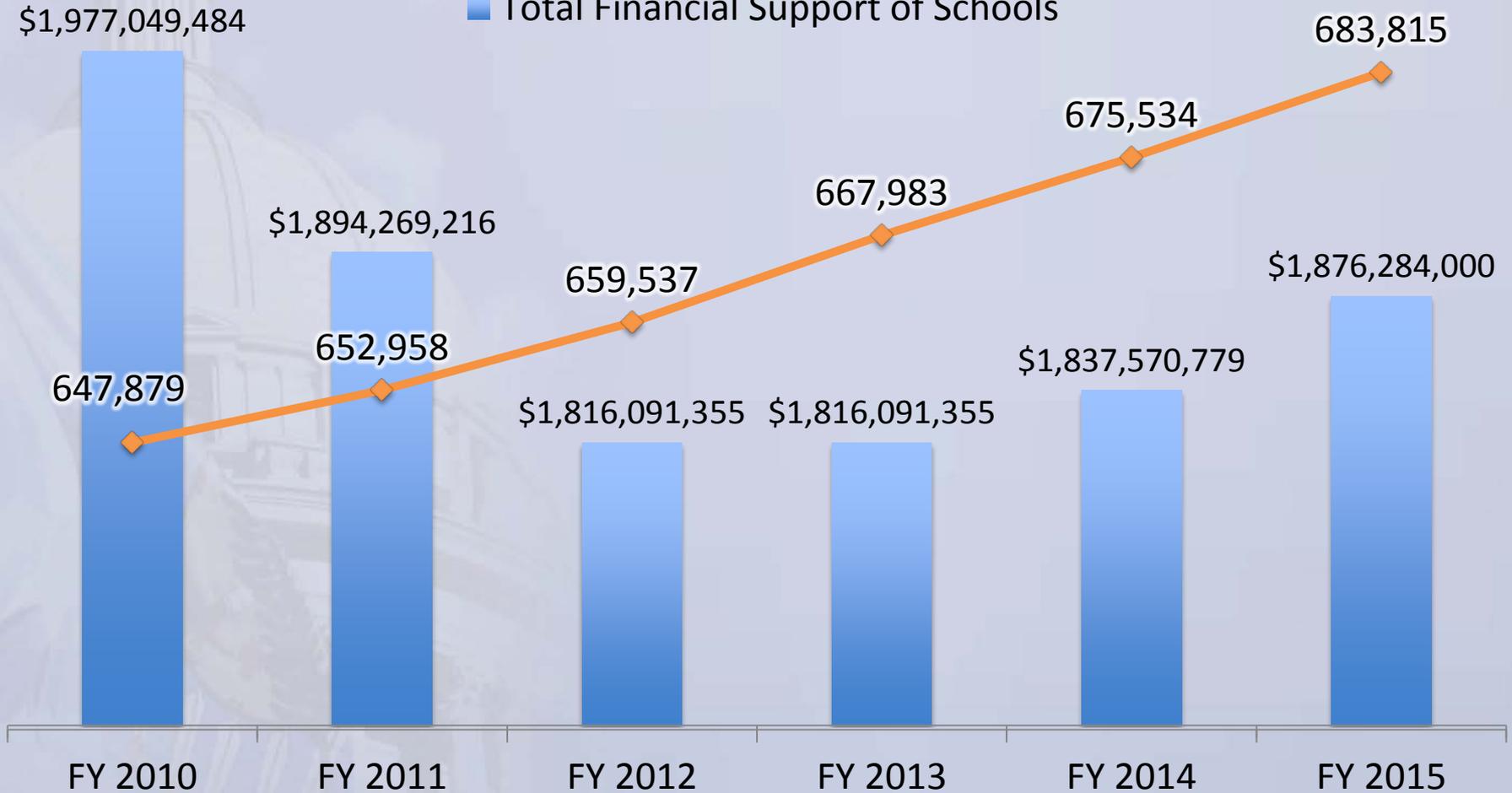
Ad Valorem Reimbursement

- For 2014 tax year the Manufacturing Exemption will cost the state \$66,456,802.
 - Of that amount, the amount due to common schools is \$44.3 million.
- Estimated revenues available to fund this obligation range between \$7.5 to \$12.5 million.
- Projected Additional Appropriation to Oklahoma Tax Commission to make common schools whole by June 30, 2015 is **\$35 - \$40 million!**

Total State Appropriations for Financial Support of Schools (Formula and Average Daily Membership)

FY 2010 – FY 2015

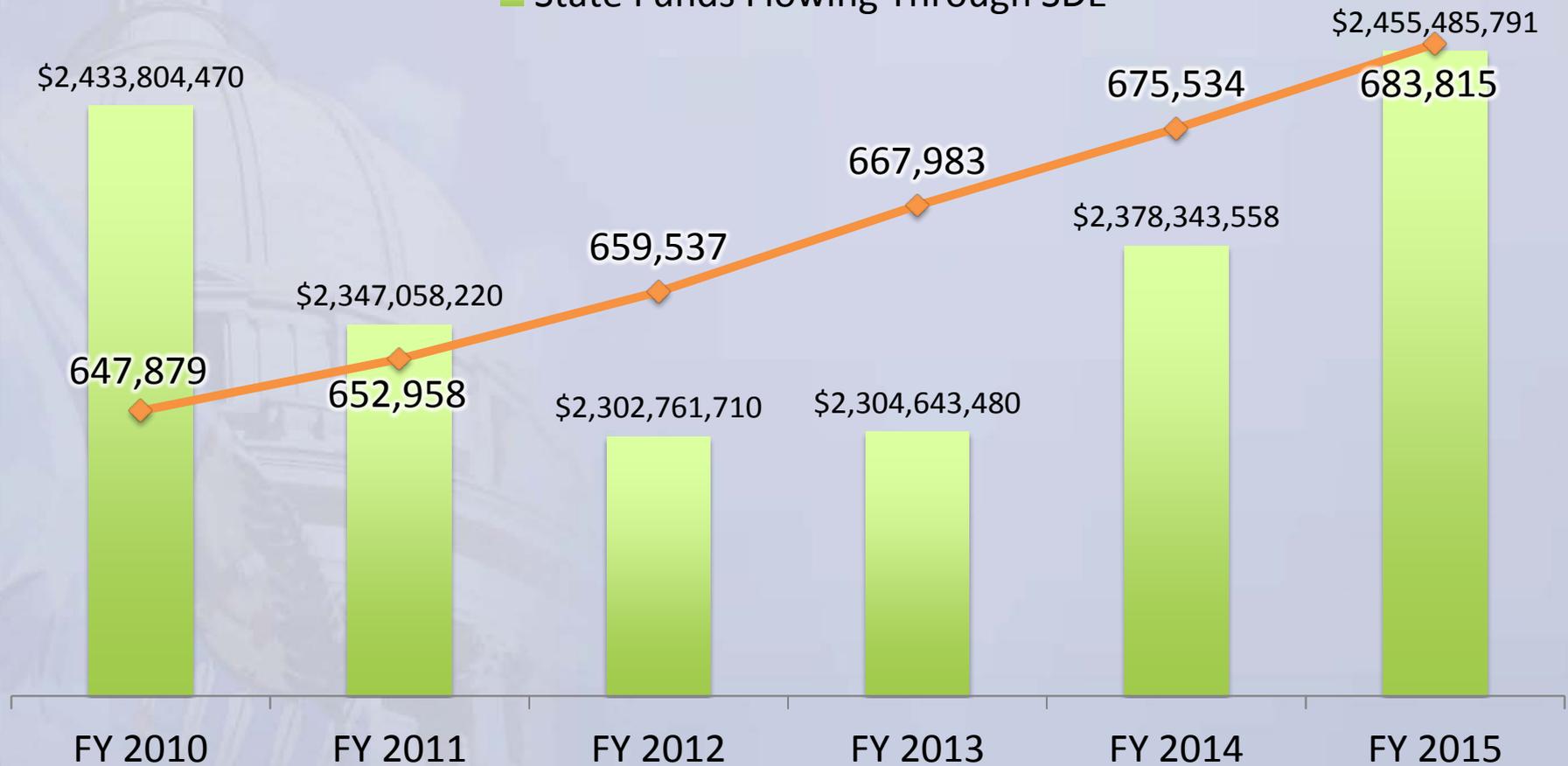
◆ Average Daily Membership
■ Total Financial Support of Schools



Total State Appropriations and Average Daily Membership (ADM) FY 2010 – FY 2015

◆ Average Daily Membership

■ State Funds Flowing Through SDE



Financial Support of Public Schools

	FY2015 Appropriation	FY2016 Budget Request
	\$1,876,284,000	\$2,081,284,000



Increase of
\$205,000,000

formula dollars

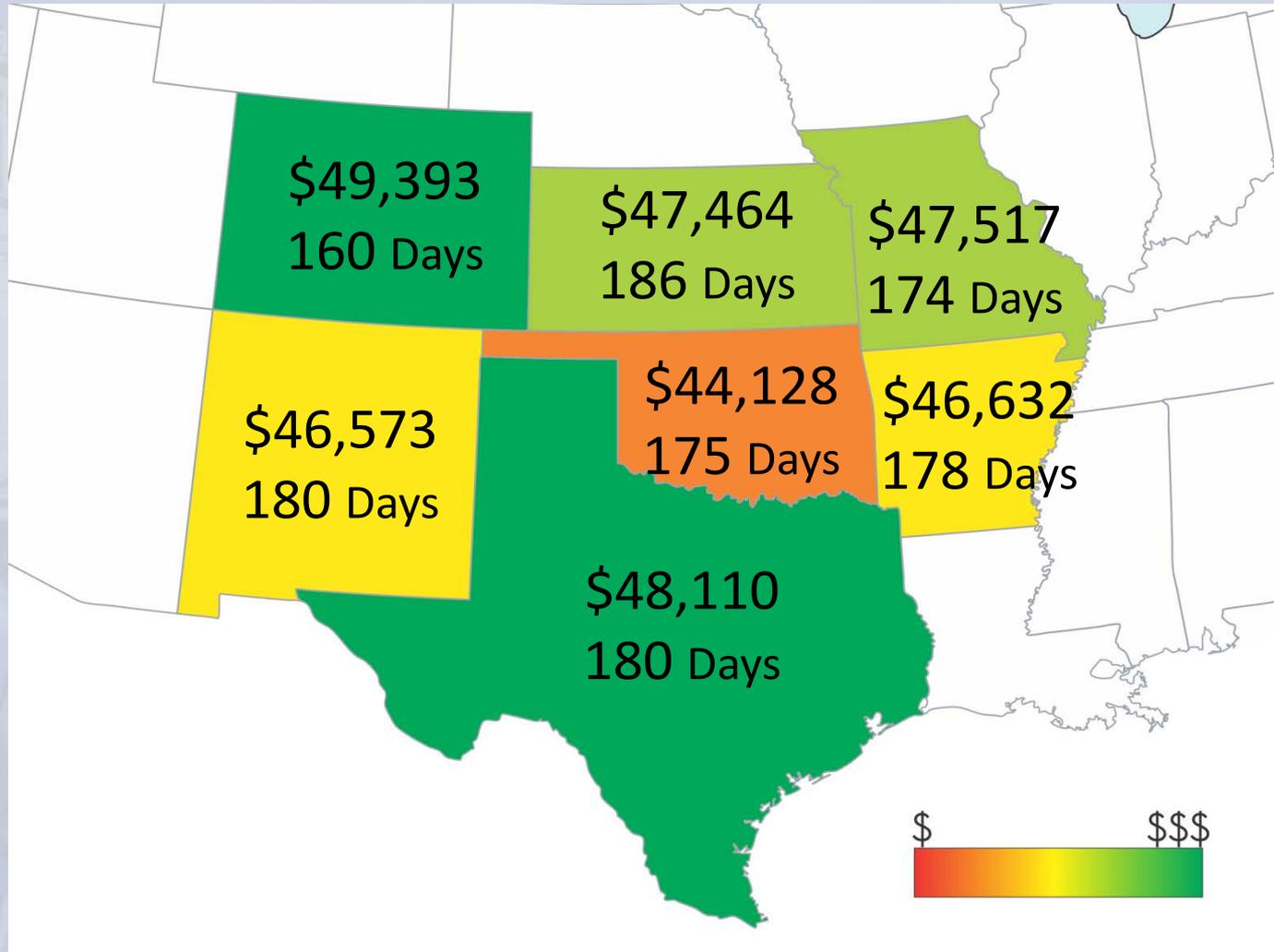


Securing Education Excellence

(Details of Budget Request)

- \$205,000,000
 - \$150,000,000
 - \$2,000 Increase in Teacher Salary and Associated Costs
 - Two Additional Days of Instruction
 - \$55,000,000
 - Two Additional Days of Instruction (non-teacher costs)
 - Address Increase Costs Due to Student Growth

Average Teacher Salary and Number of Instructional Days in Surrounding States

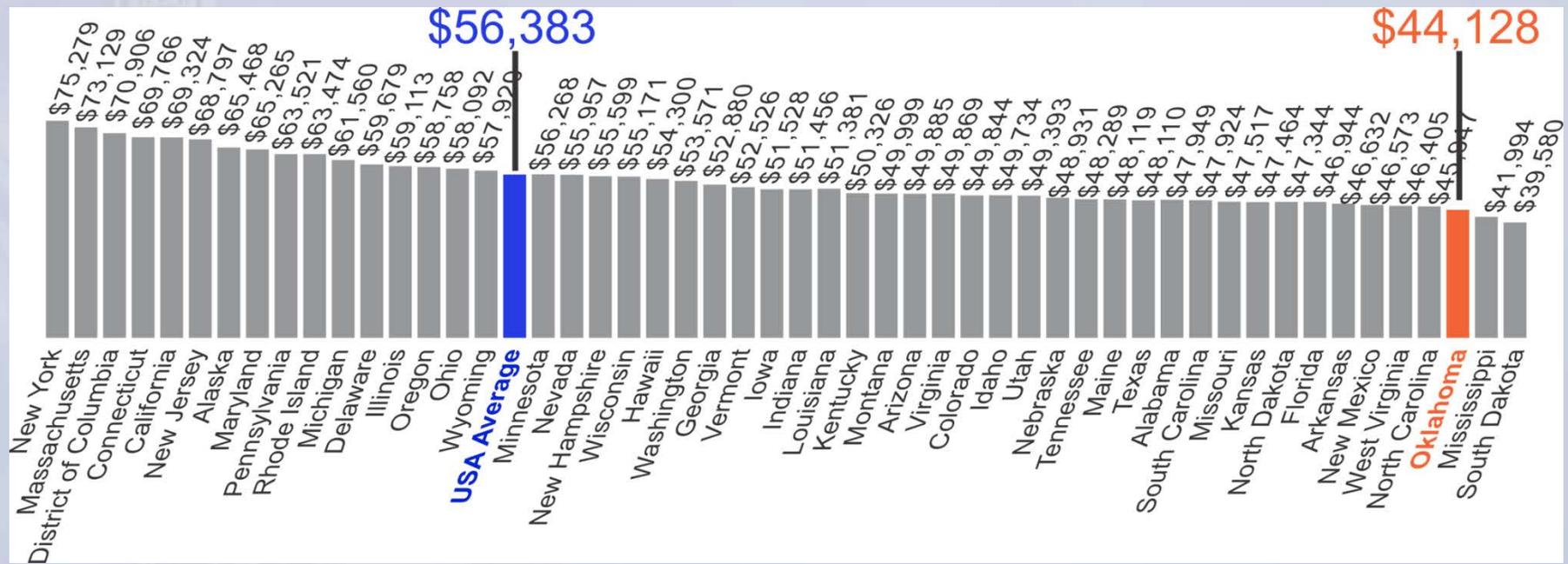


Source: Education Commission of the States <http://www.ecs.org/clearinghouse/01/06/6810668.pdf>

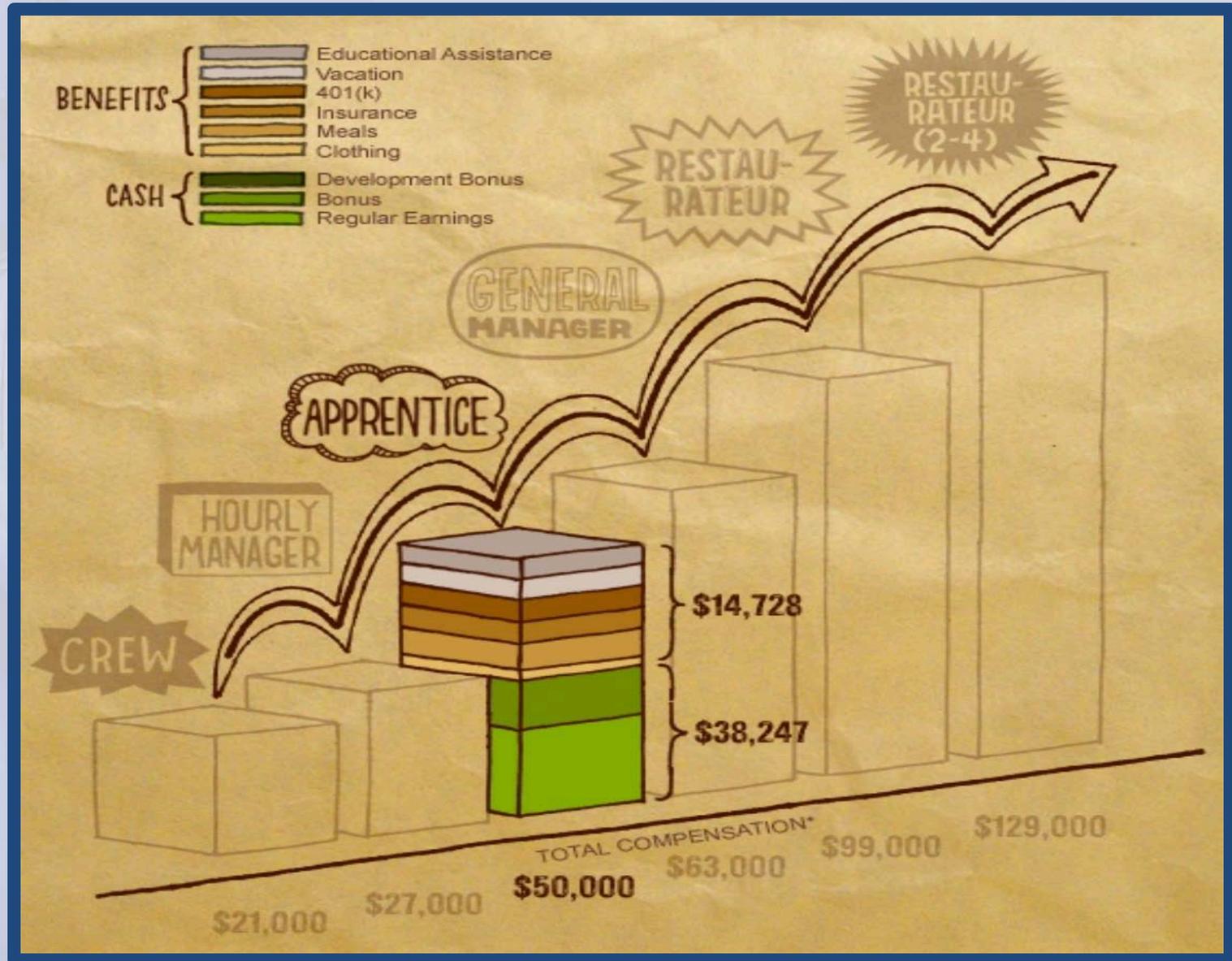
http://nces.ed.gov/programs/digest/d13/tables/dt13_211.60.asp

<http://highereddatastories.blogspot.com/2013/12/how-much-do-we-pay-public-school.html>

National Average of Teachers' Salaries



We are not only competing with industries like oil and gas, we are competing with fast food chains.



5 Year Plan to Secure Education Excellence

Oklahoma teachers currently make \$3,248.33 less per year than teachers from other states in our region.

In order to recruit and retain top teaching talent in Oklahoma, we must have a plan to extend our school year while raising teacher pay

+5 Instructional Days

+\$5,000 in Teacher Compensation

Over the next 5 years

#OKHigh5

Investing in Our Future

Raising Teacher Compensation and Instructional Days

YEAR	RAISE	ADDED INSTRUCTIONAL DAY	AVERAGE DAILY RATE	TOTAL RAISE (Increase over 2012-13 Pay)
2014-15	\$0.00	+0 days	N/A	\$0.00
2015-16	\$2,000.00	+2 days	\$257.63	\$2,516.26
2016-17	\$500.00	+1 day	\$260.38	\$760.38
2017-18	\$500.00	+1 day	\$263.11	\$763.11
2018-19	\$500.00	+1 day	\$265.82	\$765.82
2019-20	\$500.00	+0 days	N/A	\$500.00
TOTALS	\$4,000.00	5 DAYS (180)	\$1,304.57	\$5,304.57

Salary Schedule Increase + (Added Day x Average Daily Rate) = Total Raise

Investing in Our Future

Total Cost of Investment

YEAR	TOTAL AVERAGE TEACHER COMPENSATION	TOTAL COST FOR TEACHER PAY & ADDING DAYS
2014-15	\$44,373.00	N/A
2015-16	\$46,888.26	\$150,000,000
2016-17	\$47,648.64	\$60,000,000
2017-18	\$48,411.75	\$60,000,000
2018-19	\$49,177.57	\$60,000,000
2019-20	\$49,677.57	\$32,000,000
TOTALS	\$5,304.57 INCREASE OVER 2012-13 PAY	\$362,000,000

District Revenues & Expenditures

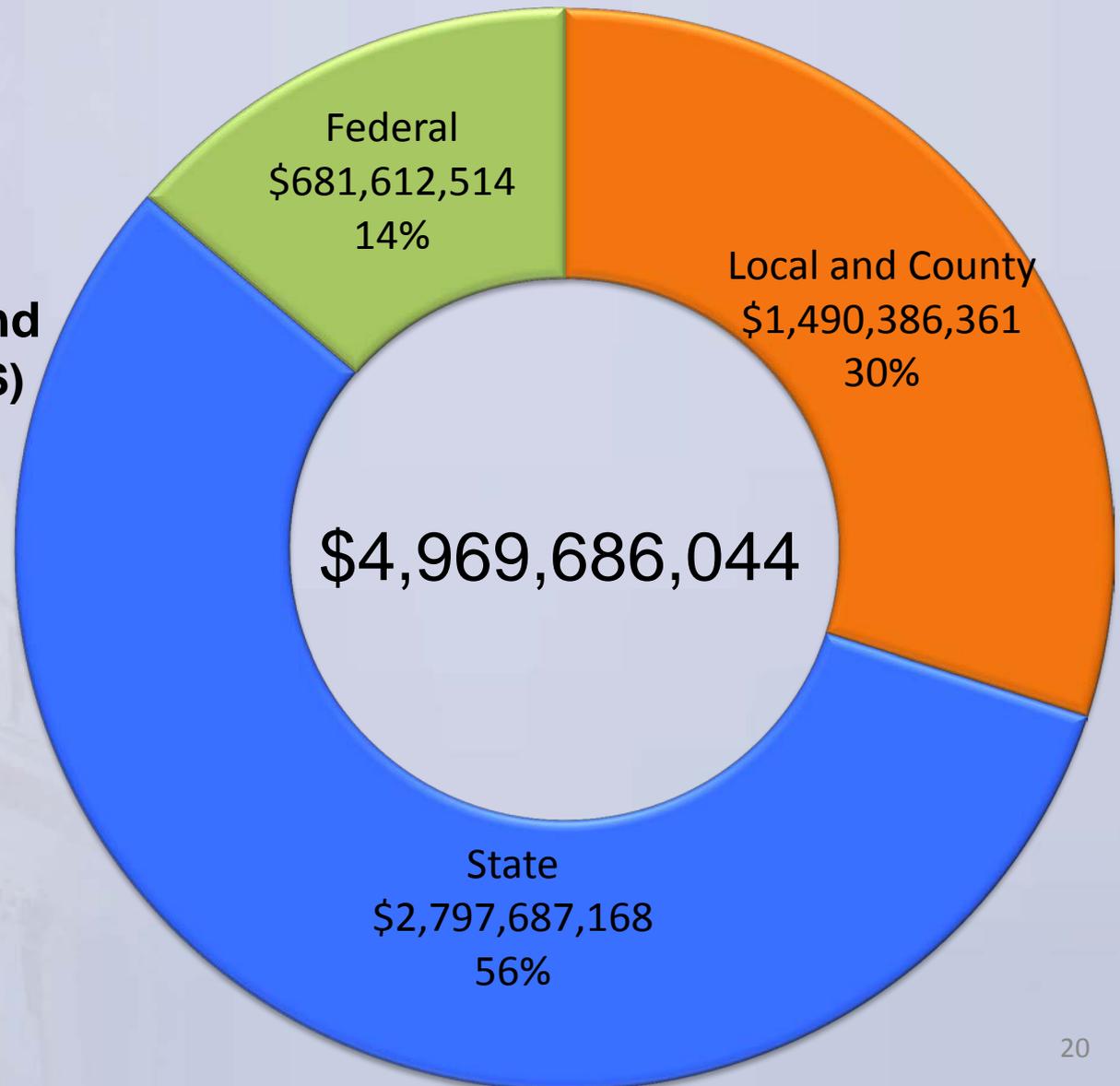


Statewide District New Revenue

FY 2014

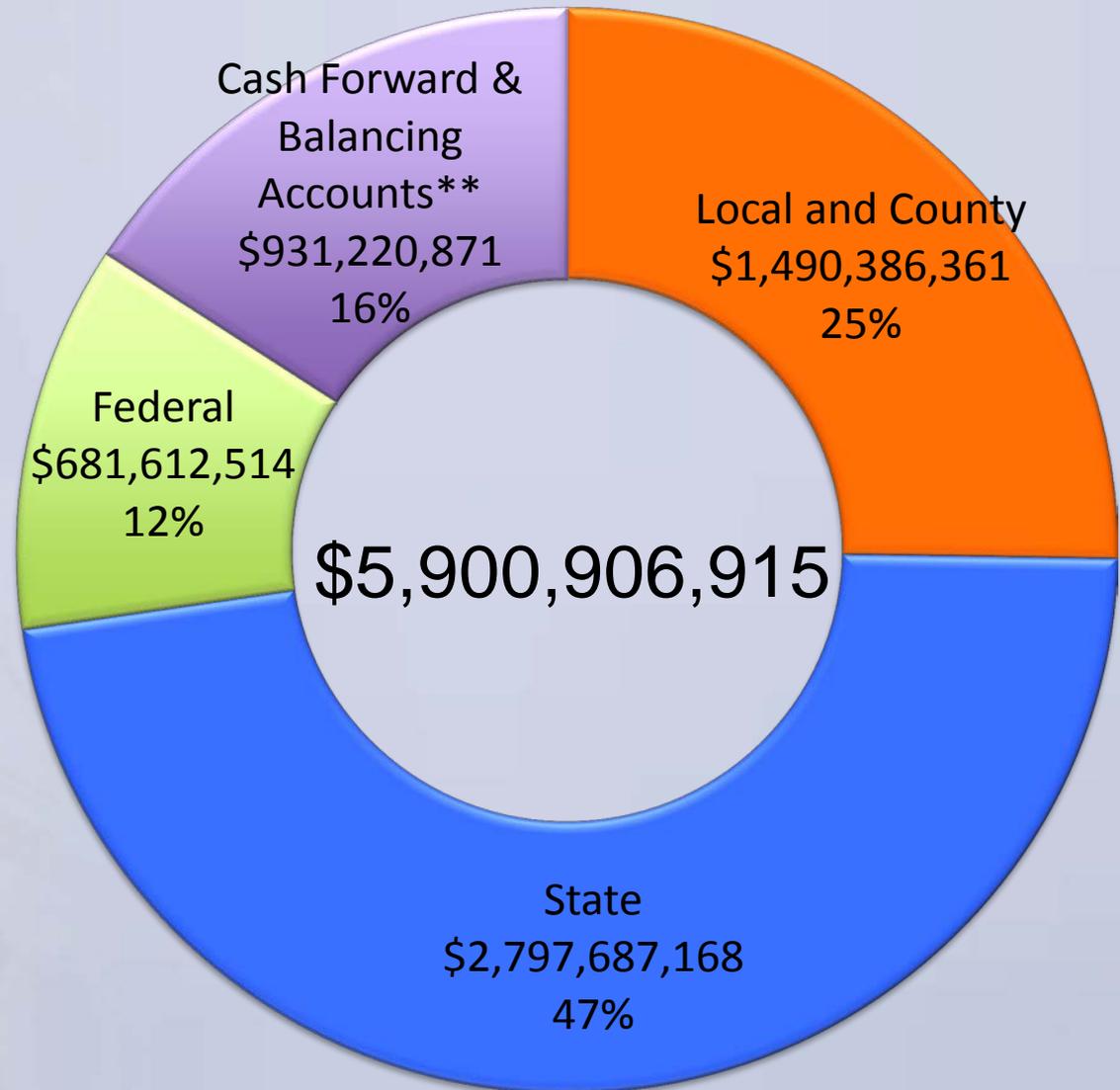
Statewide District
Revenue Using

- General Funds
- Building Fund
- Child Nutrition Fund
(as reported in OCAS)



New Revenue with Fund Balance

**FY 2014
Statewide District
Revenue Using
- General Funds
- Building Fund
- Child Nutrition Fund
(as reported in OCAS)**



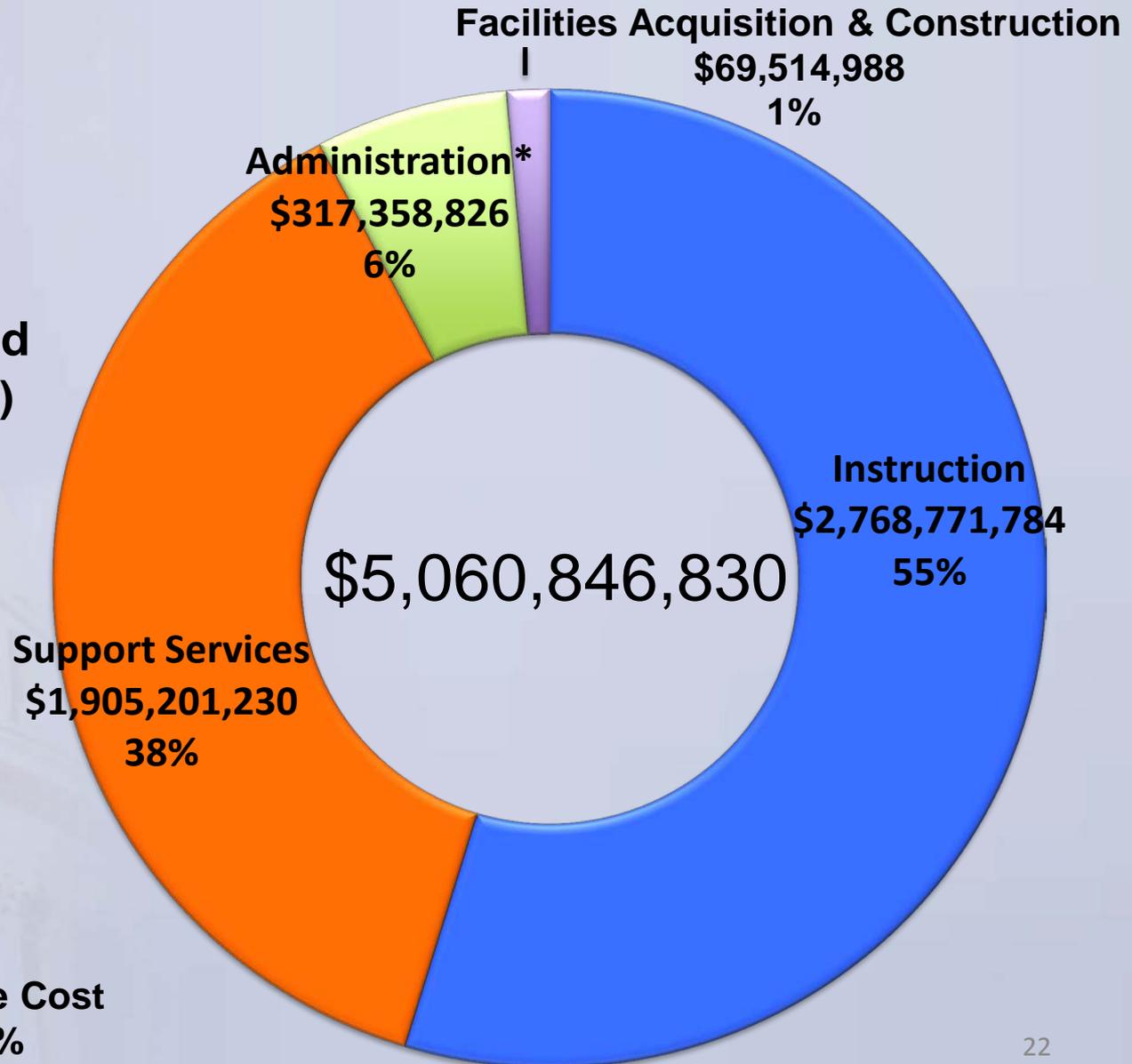
** Balancing Accounts
Include Lapsed
Appropriations
Estopped Warrants
Fund Transfers

Statewide District Expenditures

FY 2014

Statewide District Expenditures Using

- General Funds
- Building Fund
- Child Nutrition Fund
(as reported in OCAS)

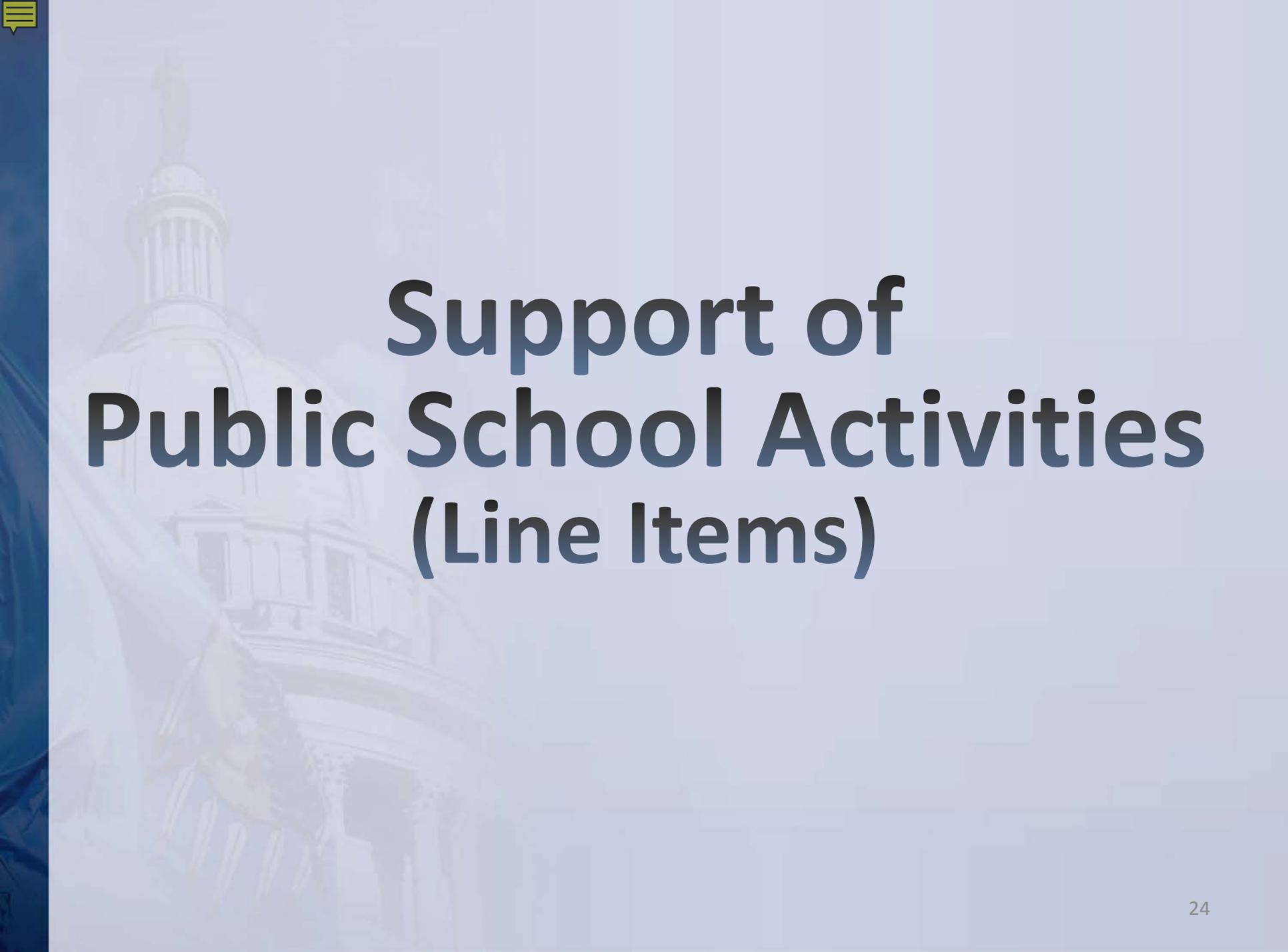


*Statewide Administrative Cost
By Title 70-18-124 is 3.58%

School District General Fund Beginning Balance FY 2010 – 2015 Reported by Districts through OCAS

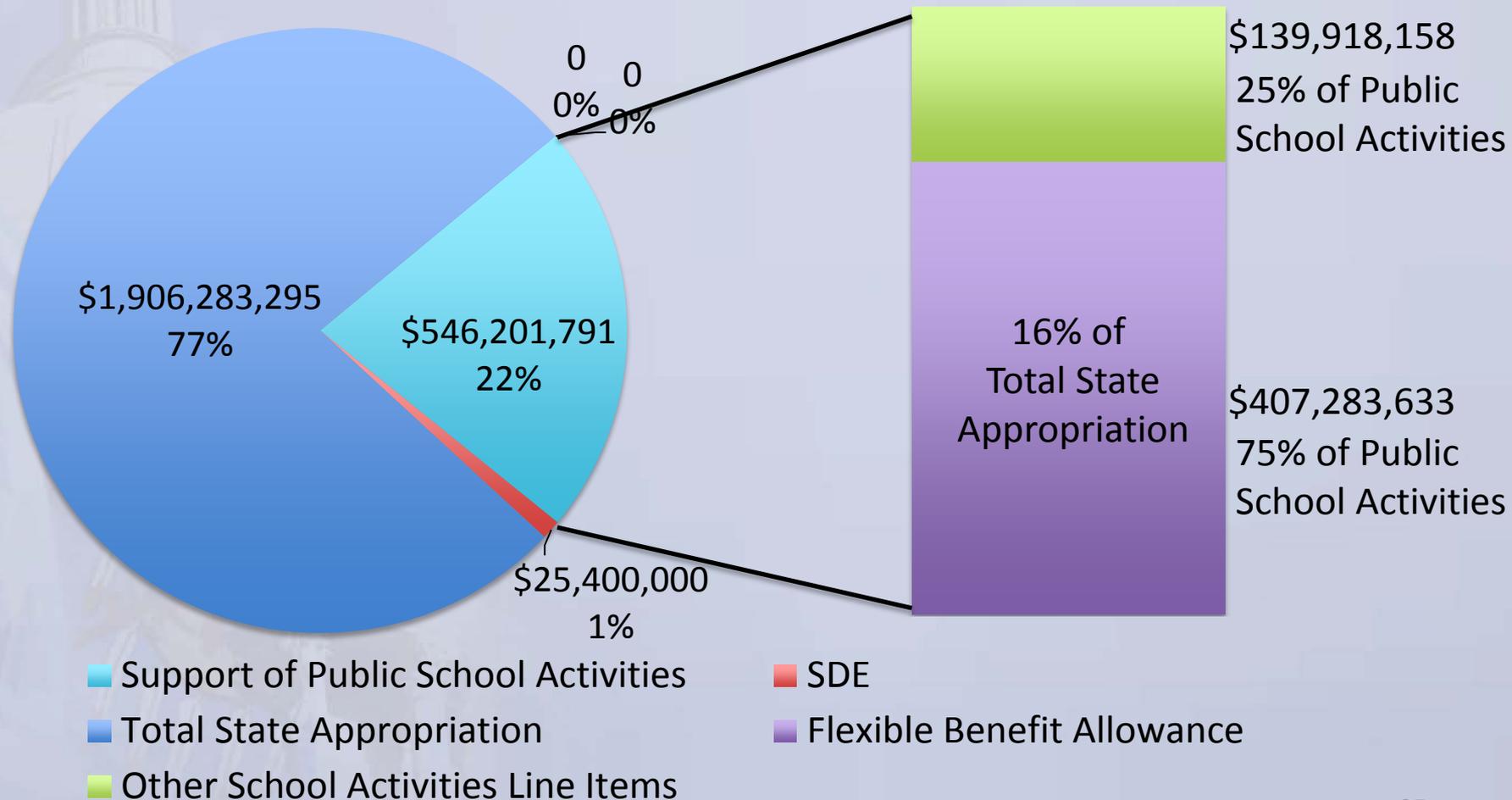
In Millions





Support of Public School Activities (Line Items)

Percentage of Flexible Benefit Allowance



Flexible Benefit Allowance

Flexible Benefit Allowance Appropriation
Total for Fiscal Year 2015 = \$407,283,633

Flexible Benefit Allowance Appropriation
Request for Fiscal Year 2016 = \$422,588,036

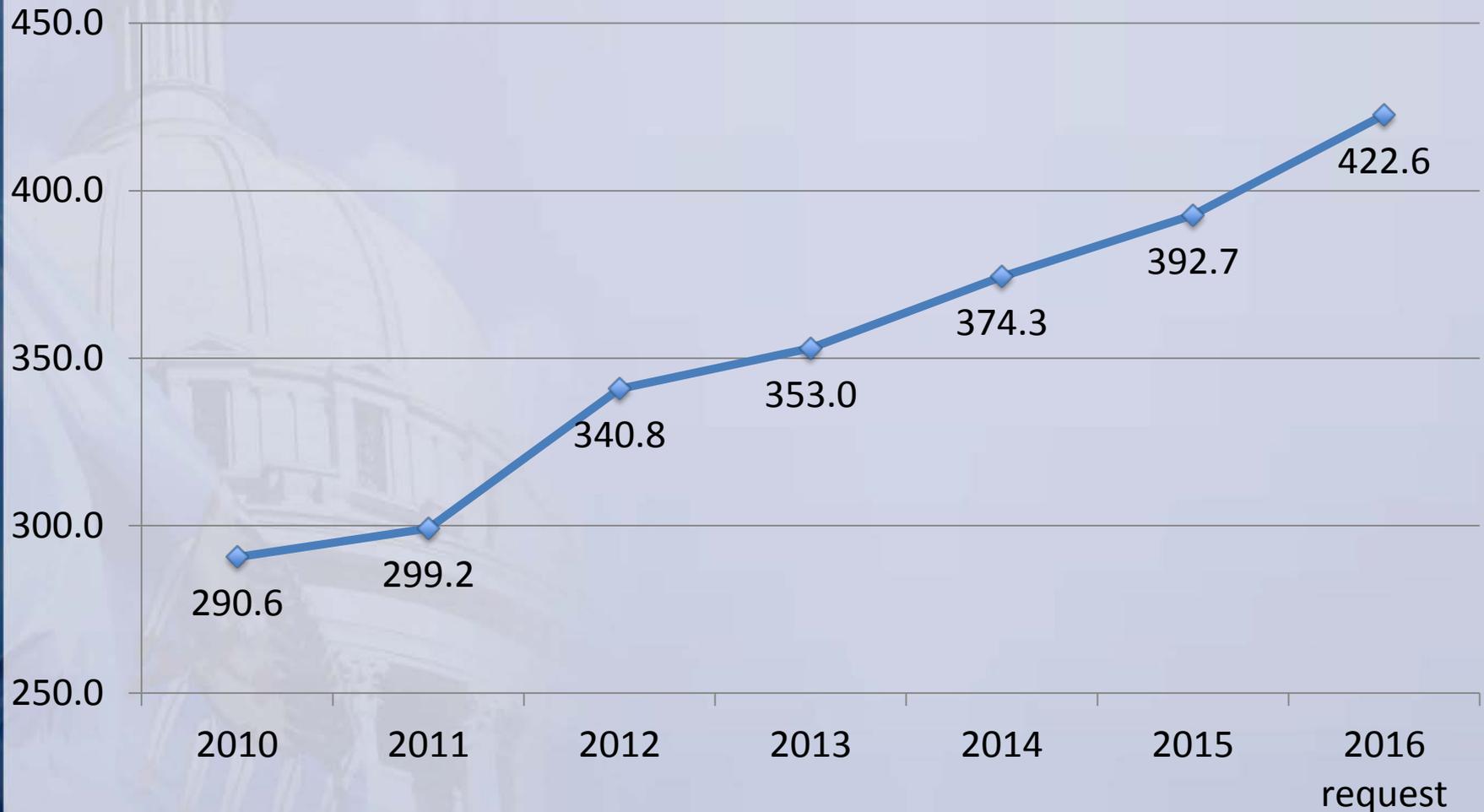


Increase of
\$15,304,403

Flexible Benefit Allowance Allocation

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

(In Millions)





Reform Implementation Budget Highlights

- Most line item requests for FY 16 will simply return funding to the FY 15 original appropriation.
- The \$5.5 million previously budgeted for the NCLB transition is no longer needed.
- Other than teacher compensation, staff development is one of the few areas where an increase is requested = \$1.3 million.
- Line items for RSA and Reading Readiness were combined for a total \$9 million request.



Performance Update

Finding opportunities to increase time for instruction by decreasing testing, while continuing to strive for excellence and transparency through valid and reliable measures.

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

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



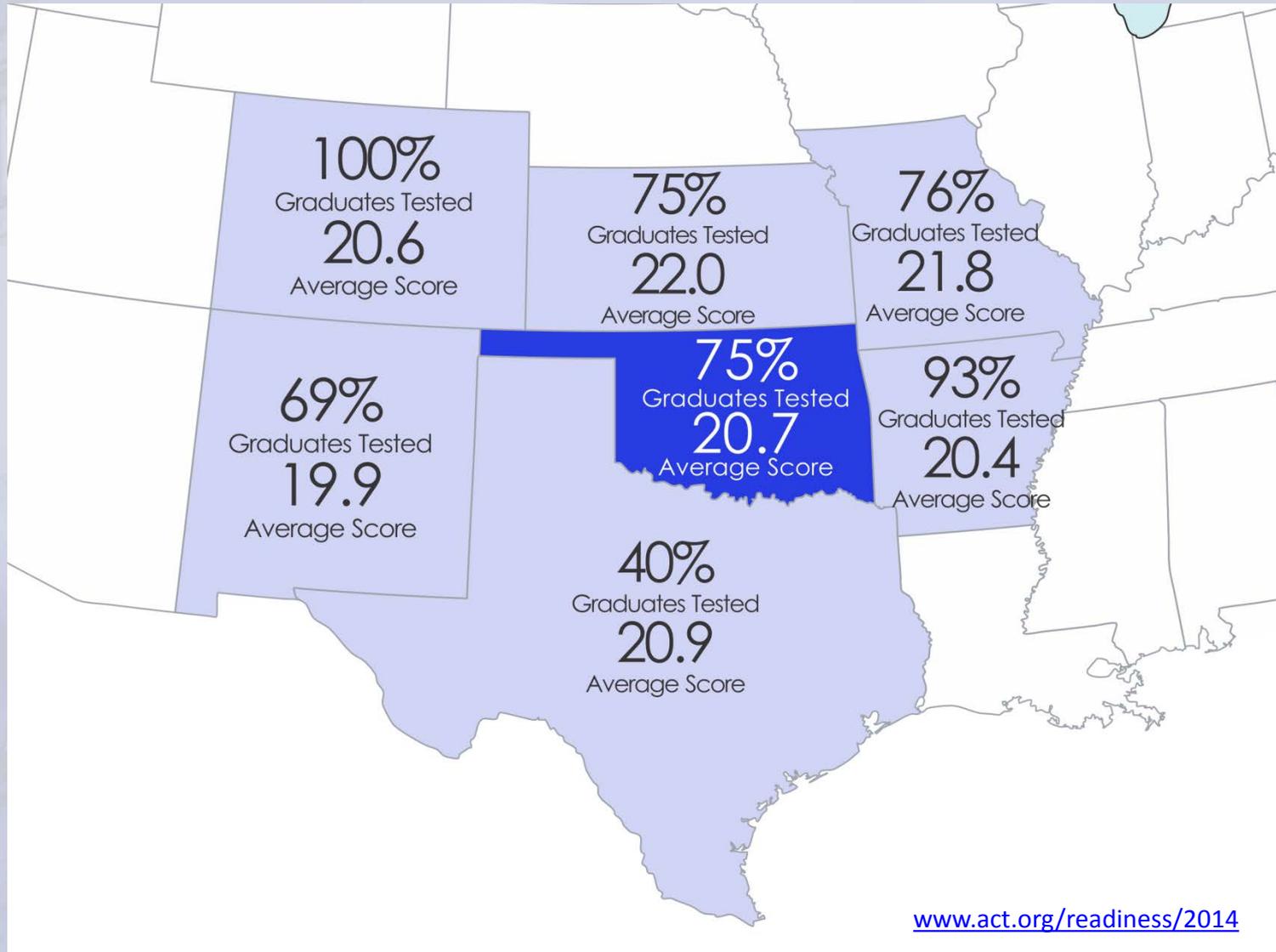
State mandated tests

FY 2015 Testing Costs

Grades 3-8	\$6,882,608
Grades 5 & 8 Science	\$2,915,154
EOIs	\$7,976,850
Total	\$17,774,612

Federal Funds	\$4,248,671
State Funds	\$13,525,941
Total	\$17,774,612

ACT Regional Comparison



ACT Cost Savings over EOI

\$6,949,129 EOI Cost

-\$1,547,070 Estimated
ACT Cost

\$5,402,059 Savings

2014 OCCT EOI Results

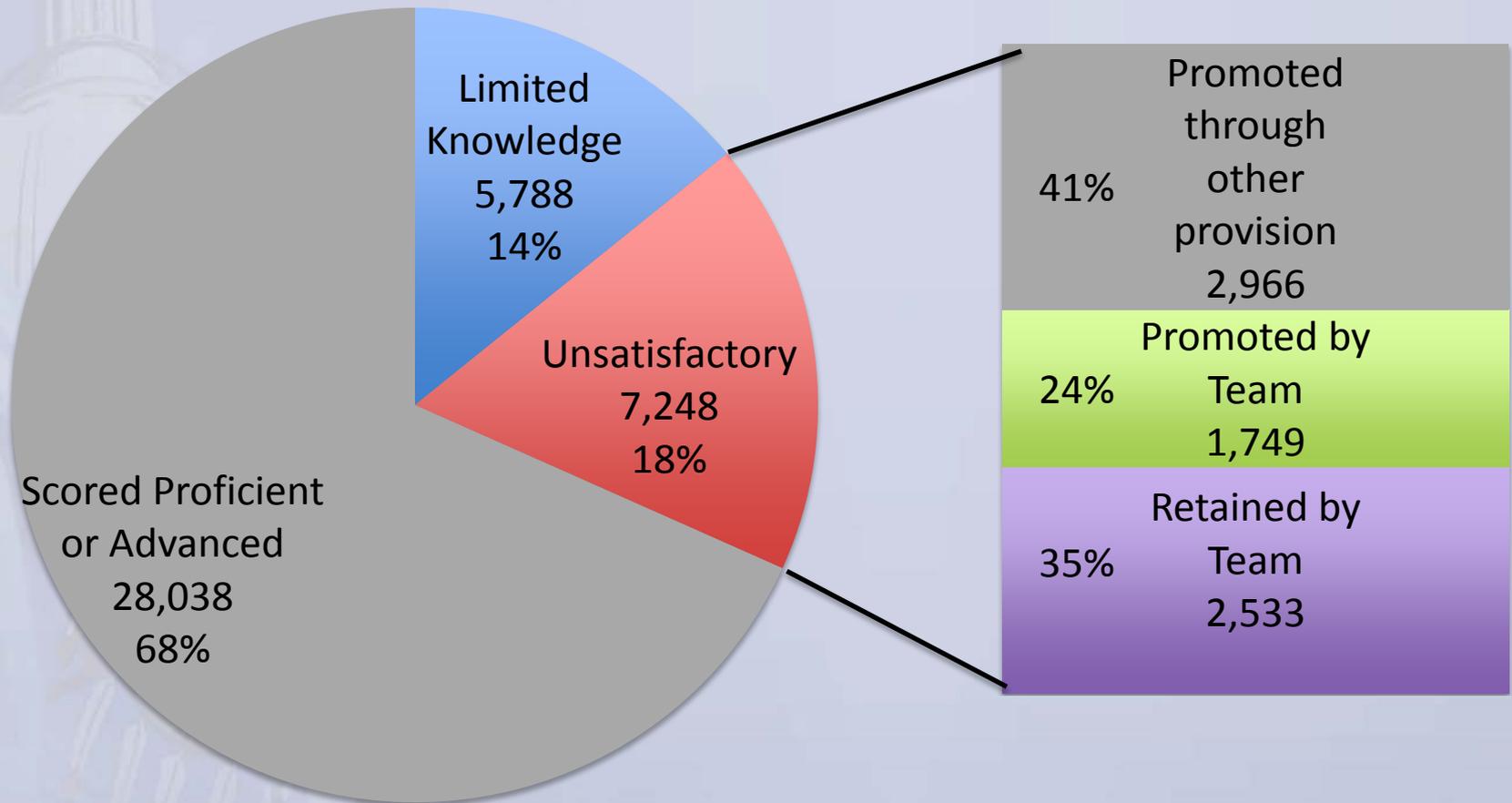
Subject	% Proficient 2014	Number Tested 2014	% Proficient 2013	Number Tested 2013
Algebra I	75%	46,141	84%	40,608
Algebra II	76%	30,592	77%	31,824
Biology I	50%	44,104	54%	37,496
English II	81%	43,643	88%	37,889
English III	87%	34,721	90%	38,091
Geometry	81%	40,595	83%	38,396
U.S. History	77%	39,057	*	

*2014 U.S. History test is aligned to new standards.

2014 was the first year OMAAP was not offered as a first option as assessment for students on an IEP

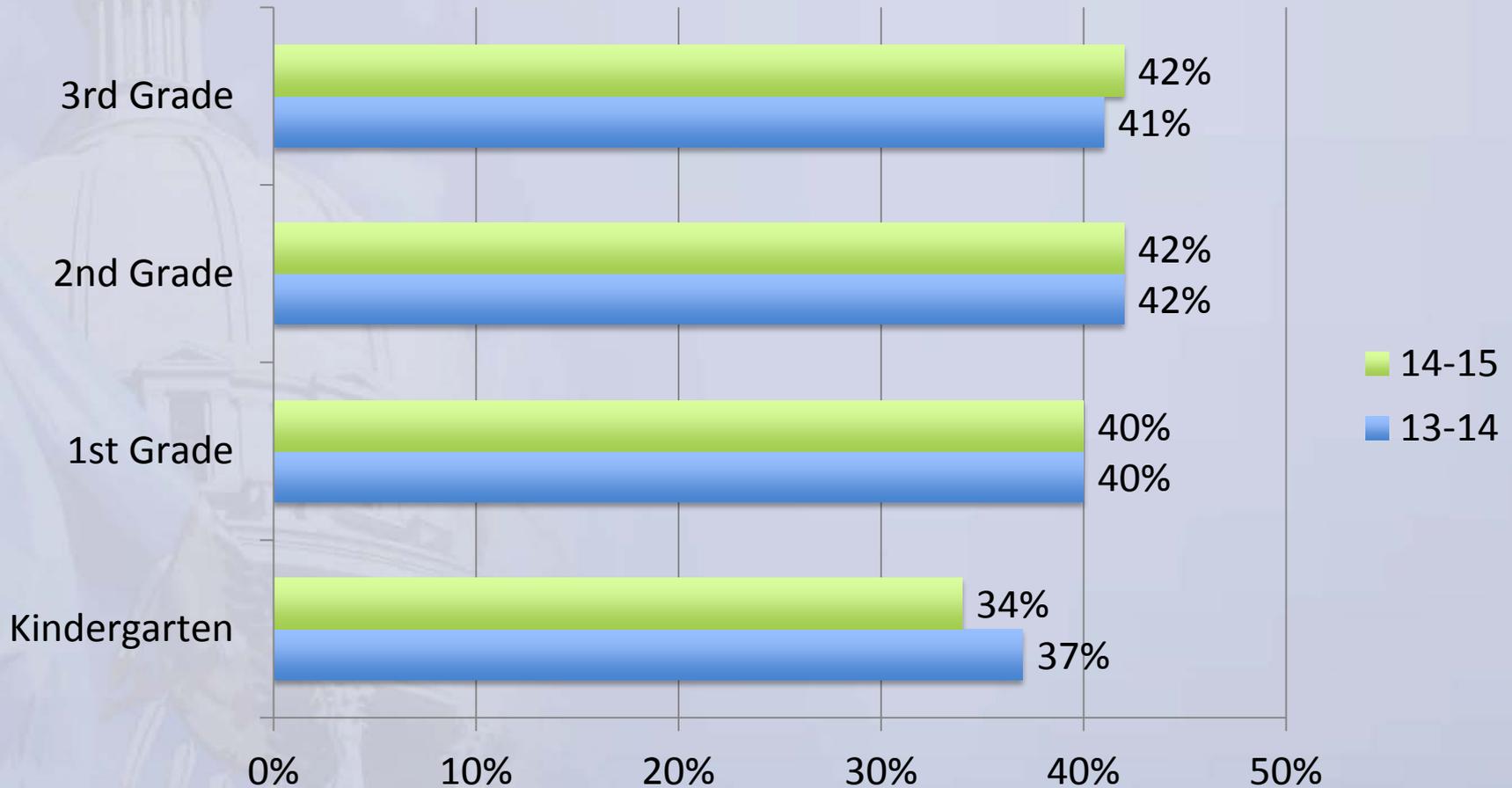
RSA Performance

45,356 3rd Grade Students Enrolled

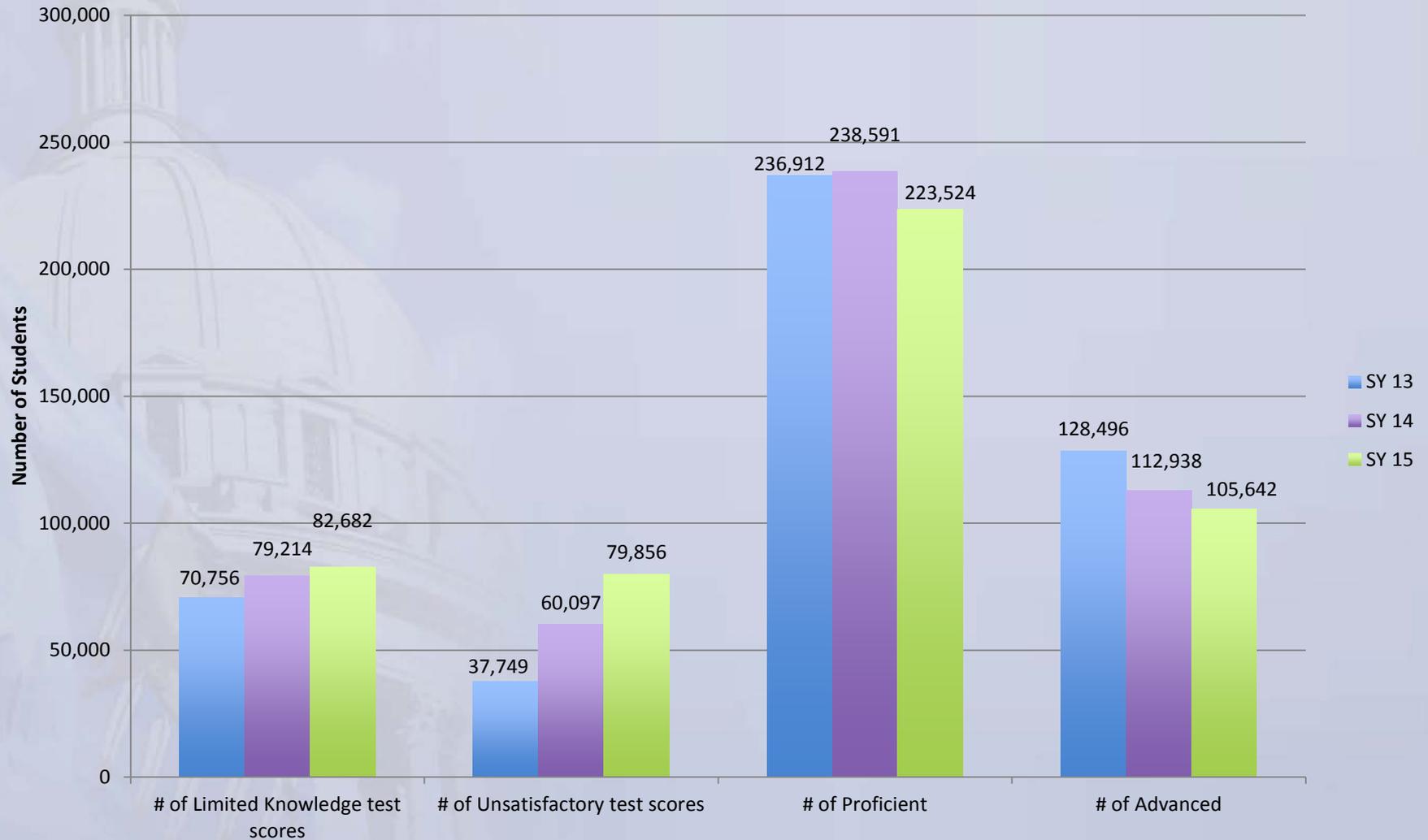


RSA Performance

Percent of Students Scoring Below Grade Level



ACE Remediation



Cost to Fully Fund ACE Remediation & RSA

ACE Remediation:

$$\begin{aligned} & \$180 \times 82,682 \text{ limited knowledge students} \\ & + \underline{\$240 \times 79,856} \text{ unsatisfactory students} \\ & \quad \underline{\$34,048,200} \text{ Total if Fully Funded} \end{aligned}$$

Currently Funding at 23.5%

Reading Sufficiency Act:

$$\begin{aligned} & \quad \quad \quad \$150 \text{ per student} \\ & \quad \quad \quad \underline{\times 87,121} \text{ students} \\ & \quad \underline{\$13,068,150} \text{ Total if Fully Funded} \end{aligned}$$

Currently Funding at 50%

Advanced Placement

40 AP trainings were held in **8** regions across the state this fall with **750** teachers in attendance.



Advanced Placement Summer Institutes will be held in **multiple locations** this summer for all Oklahoma educators

49 schools in the state now offer AVID – Advancement Via Individual Determination, a proven program for increasing College and Career Readiness

15,001 students are taking AP exams

11,933 or **80%** of these students are passing exams with a college-ready score of **3, 4, or 5**

Teacher and Leader Effectiveness

- ✓ 100% of districts are using the qualitative component of TLE with a high level of fidelity to improve educator effectiveness and student learning outcomes.
- ✓ More than 615 district leaders representing 523 districts attended the VAM trainings, and more than 815 district leaders representing 434 districts attended the SLO/SOO trainings held this fall.

Future Vision for TLE Implementation:

- Collaborate with external stakeholders to continue training on both the qualitative and quantitative portions of TLE.
- Further study is needed to ensure that the quantitative portion is valid, reliable and useful to teachers in order to improve instruction.

FY 16 Budget Increase Request

Teacher Compensation & Extended School Year	\$150,000,000
Financial Support of Schools	\$55,000,000
Flexible Benefit Allowance	\$15,304,403
Staff Development for Schools	\$1,320,961
Other School Activities	\$350,921
Administration & Support	\$4,363
TOTAL	\$221,980,648