

**FY-2018**  
**BUDGET**  
**REQUEST**



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



JOY HOFMEISTER  
STATE SUPERINTENDENT *of* PUBLIC INSTRUCTION  
OKLAHOMA STATE DEPARTMENT *of* EDUCATION

MEMORANDUM

**TO:** Oklahoma State Board of Education  
**FROM:** Superintendent Joy Hofmeister  
**DATE:** October 27, 2016  
**SUBJECT:** FY 18 Budget Request

Each fiscal year, the State Board of Education is directed to submit a budget to the Governor that outlines the budgetary needs of local school districts, including state aid, supervision of all other functions of general and special education and administration (70 O.S. 3-104). The following budget request is recommended for approval by the State Board of Education.

As you know, the FY 16 Common Education Budget was reduced by more than \$34 million as a result of two general revenue failures, a supplemental appropriation and the return of funds, with an additional cut in FY 17 of almost \$24 million. More than \$38 million was cut from the Support of Public School Activities line item in FY 17.

This budget request includes a total increase of \$221 million more than was appropriated in FY 17. In order to keep pace with student growth for next year, an increase of \$56.7 million to the school funding formula is needed. **This will merely maintain the current per student funding amount as the student population continues rise.**

The FY 18 budget request also includes funding for Instructional Materials, increased funding for the Flexible Benefit Allowance and restoration of funding to the Support of Public School Activities and Agency Support for Schools line items.

To begin implementation of H.B. 3114 passed in the 2016 legislative session, this budget requests funding for a pilot program to reward teacher mentoring and coaching frameworks modeled after a successful program in Iowa. H.B. 3114 was a recommendation from the Teacher Shortage Task Force.

As in FY 17, included is an addendum requesting funding for year three of the #OKHigh5 initiative, which would provide a \$3,000 pay increase for teachers and four additional days of instruction.

Attached Documentation:

- FY 18 Draft Budget Request
- FY 18 Program Descriptions
- FY 18 Formula Projections
- FY 18 FBA Projection
- FY 18 Budget Request Addendum
- FY 18 Budget Request Presentation

JH/ct

**Oklahoma State Board of Education  
Fiscal Year 2018 DRAFT Budget Request**

Purpose	FY 16 Original Appropriation	FY 17 Appropriation	FY 18 Request	Total Increase/(Decrease)
<b>Financial Support of Public Schools (70 O.S. 18-200.1)</b>	<b>1,876,735,176</b>	<b>1,870,703,624</b>	<b>1,927,466,754</b>	<b>56,763,130</b>
<b>Instructional Materials (70 O.S. 16-114a) (Reading Books \$116/book (elementary) \$85(secondary))</b>	<b>33,000,000</b>	-	<b>66,240,000</b>	<b>66,240,000</b>
<b>Flexible Benefit Allowance (70 O.S. 26-104)</b>	<b>416,023,565</b>	<b>442,030,522</b>	<b>481,324,286</b>	<b>39,293,764</b>
<i>Certified Personnel</i>	<i>267,559,579</i>	<i>284,030,744</i>	<i>311,777,570</i>	<i>27,746,826</i>
<i>Support Personnel</i>	<i>148,463,986</i>	<i>157,999,778</i>	<i>169,546,716</i>	<i>11,546,938</i>
<b>Support of Public School Activities</b>	<b>130,178,226</b>	<b>91,956,442</b>	<b>130,178,226</b>	<b>38,221,784</b>
<b>Support of Partnership for Math Intervention</b>	-	<b>1,000,000</b>	-	<b>(1,000,000)</b>
<b>Empowering Teachers to Lead Pilot Program/Iowa Model (HB 3114, 2016 70 O.S. 6-301, 302, 303)</b>	-	-	<b>15,000,000</b>	<b>15,000,000</b>
<b>Administrative and Support Functions</b>	<b>22,399,295</b>	<b>15,831,344</b>	<b>22,399,295</b>	<b>6,567,951</b>
Lottery Trust Fund - Transfer to TRS Revolving Fund (62 O.S 34.93 and 3A O.S. 713(C)(3))	<b>3,268,435</b>	<b>2,599,751</b>	<b>2,599,751</b>	-
Lottery Trust Fund - Transfer to School Consolidation Assistance Fund (70 O.S. 7-203)	<b>3,268,435</b>	<b>2,599,751</b>	<b>2,599,751</b>	-
<b>TOTAL APPROPRIATION</b>	<b>2,484,873,132</b>	<b>2,426,721,434</b>	<b>2,647,808,063</b>	<b>221,086,629</b>
<b>Addendum: Teacher Pay Raise (Year 3 of #OKHigh5 = \$3,000+4 days)</b>	-	-	<b>282,365,811</b>	<b>282,365,811</b>

**Oklahoma State Board of Education  
FY 18 Support of Public School Activities DRAFT Budget Request**

Purpose	FY 16 Original Appropriation	FY 17 Appropriation	FY 18 Request	Total Increase/ (Decrease)	Notes
<b>Strategic Plan Objective 1: Achieve Academic Success</b> (OSDE will close the opportunity and achievement gap for each student in Oklahoma to ensure a high quality public education.)					
1 Early Intervention SoonerStart (70 O.S. 13-124)	14,400,341	14,400,341	16,260,919	1,860,578	FY 2008/09 amount restored
2 Alternative Education Programs and Admin (70 O.S. 1210.561, 70 O.S. 1210.568)	14,010,261	9,622,400	14,010,261	4,387,861	FY 16 amount restored
3 Testing (70 O.S. 1210.508, 20 USC §6311(b)(2))	12,486,587	11,064,293	11,064,293	-	projection based on need
4 Early Childhood Initiative (70 O.S. 10-105.4)	10,487,197	8,000,000	10,487,197	2,487,197	FY 16 amount restored
5 Reading Sufficiency (70 O.S. 1210.508D)	6,492,074	4,507,271	6,492,074	1,984,803	FY 16 amount restored
6 Competitive Grants Pool	4,746,619	-	6,062,294	6,062,294	FY 16 amount restored
7 <i>Great Expectations</i>	1,115,675	300,000	-	(300,000)	Moved to Competitive Grants as in FY 16
8 <i>Street School</i>	200,000	150,000	-	(150,000)	Moved to Competitive Grants as in FY 16
9 School Lunch Matching & MOE (7 CFR 210-17 and 7 CFR 235.11(a))	4,954,240	3,500,000	3,500,000	-	minimum requirements
10 AP Teacher Training and Test Fee Assistance (70 O.S. 1210.703), AVID & NMSI	3,144,940	1,035,045	3,144,940	2,109,895	FY 16 amount restored
11 Individual Academic Plans Pilot	-	-	1,500,000	1,500,000	projection based on need
12 Oklahoma Arts Institute	349,573	100,000	349,573	249,573	FY 16 amount restored
13 Standards Implementation (70 O.S. 11-103.6, 20 USC §6311(b)(1))	64,000	350,000	350,000	-	projection based on need
14 Charter Schools Incentive Fund (70 O.S. 3-144)	49,940	-	49,940	49,940	FY 16 amount restored
15 Ag in the Classroom	38,628	-	38,628	38,628	FY 16 amount restored
<b>Strategic Plan Objective 2: Build Exceptional Educators and Schools</b> (OSDE will support the recruitment, preparation, and retention of highly qualified teachers and leaders.)					
16 Teachers' Retirement System (70 O.S. 17-108.2)	32,712,137	32,712,137	32,712,137	-	projection based on need
17 National Board Teacher Bonus (70 O.S. 6-204.2)	9,328,520	5,500,000	5,410,000	(90,000)	projection based on need
18 Staff Development for Schools (70 O.S. 6-193)	4,244,818	-	4,244,818	4,244,818	FY 16 amount restored
19 Psychologists, Speech Pathologists and Audiologists Bonus (70 O.S. 6-206)	3,595,610	-	3,665,000	3,665,000	projection based on need
20 Teach for America	2,496,952	250,000	2,496,952	2,246,952	FY 16 amount restored
21 Teacher and Leader Effectiveness Programs (70 O.S. 6-101.16)	1,000,000	-	1,000,000	1,000,000	projection based on need
22 Teacher Residency Program (70 O.S. 6-195)	250,000	-	250,000	250,000	projection based on need
23 Personal Financial Literacy Implementation (70 O.S. 11-103.6h)	149,817	-	149,817	149,817	FY 16 amount restored
<b>Strategic Plan Objective 3: Create Engaged Communities</b> (OSDE will build external capacity to provide strong academic support through family and community engagement.)					
24 Family and Community Engagement and Academic Support	-	-	1,500,000	1,500,000	projection based on need
<b>Strategic Plan Objective 4:</b> (OSDE will build its internal capacity to serve the field and use data to make informed decisions.)					
25 Accountability Implementation and Dashboards (20 USC §6311(c))	-	-	3,345,798	3,345,798	projection based on need
26 Oklahoma Student Information System (70 O.S. 18-200.1(E))	1,843,585	464,955	1,843,585	1,378,630	FY 16 amount restored
27 Data Literacy Training	-	-	250,000	250,000	projection based on need
28 FY 16 Programs Expired	2,016,712				
<b>29 Grand Total</b>	<b>\$ 130,178,226.00</b>	<b>\$ 91,956,442.00</b>	<b>\$ 130,178,226.00</b>	<b>\$ 38,221,784.00</b>	<b>FY 16 amount restored</b>

**Oklahoma State Board of Education  
Program Descriptions for Fiscal Year 2018 Budget Request**

Purpose	Description	FY 18 Request
<b>Financial Support of Public Schools (70 O.S. 18-200.1)</b>	State funds appropriated for local school districts are distributed through the state aid formula on a weighted average daily membership (WADM) basis.	<b>1,927,466,754</b>
<b>Instructional Materials (70 O.S. 16-114a)</b>	Based on legislative appropriations. Funds allocated to school districts for textbooks and instructional expenses on an average daily attendance basis (ADA). \$100,000 preserved from the fiscal year's appropriation to meet the statutory requirements for replacement of textbooks destroyed by fire or other hazard. Amount reflects estimated cost to pay for purchasing Reading Books as part of the textbook adoption cycle. Reading is typically the most expensive year.	<b>66,240,000</b>
<b>Flexible Benefit Allowance (70 O.S. 26-104)</b>	See next two items.	<b>481,324,286</b>
<i>Certified Personnel</i>	Projected benefit amount for 52,257 school district certified personnel to offset health insurance costs.	<i>311,777,570</i>
<i>Support Personnel</i>	Projected benefit amount for 32,999 school district support personnel to offset health insurance costs.	<i>169,546,716</i>
<b>Support of Public School Activities</b>	Funds allocated to school districts and other entities for implementation of various education programs and initiatives.	<b>130,178,226</b>

Purpose	Description	FY 18 Request
Early Intervention SoonerStart (70 O.S. 13-124)	SoonerStart is Oklahoma's early intervention program serving infants and toddlers with developmental delays from birth to 36 months. SoonerStart is a collaborative interagency project coordinated with the Departments of Health, Human Services, Mental Health and Substance Abuse Services, Health Care Authority and the Commission on Children and Youth. Funding level is increased to restore reduced funds from previous years and to maintain federal IDEA Part C funds and Maintenance of Effort (MOE). Program serves approximately 8,500 families per year.	16,260,919
Alternative Education Programs and Admin (70 O.S. 1210.561, 70 O.S. 1210.568)	Serves students in grades 6-12 who are most at risk of not completing a high school education. Provides grants to schools for alternative education programs. Last year there were 278 programs including coops across the state serving approximately 13,500 students. Graduation rate for these students is 81%. Funding is restored to FY 16 level.	14,010,261
Testing (70 O.S. 1210.508, 20 USC §6311(b)(2))	Funds utilized for the administration of a statewide student assessment system for grades 3-8 and high school.	11,064,293
Early Childhood Initiative (70 O.S. 10-105.4)	Consists of state funds and private matching funds that provide early childhood services to at-risk children. The program targets low-income families to empower them with the education and tools they need to break the cycle of poverty. Provides services to 2,664 children. Funding is restored to FY 16 level.	10,487,197

Purpose	Description	FY 18 Request
Reading Sufficiency (70 O.S. 1210.508D)	The purpose of the Reading Sufficiency Act (RSA) is to ensure that all Oklahoma students are reading on grade level at the end of third grade (a critical juncture when students go from learning to read to reading to learn). RSA supports Oklahoma children in Kindergarten through third grade. Funds are given to districts on a per student basis for those students K-3 reading below grade level. Last year schools received 51.25% of the funding needed to serve 84,454 students. Funding is restored to FY 16 level.	6,492,074
Competitive Grants Pool	Grants awarded for a variety of student learning opportunities and professional development based on a statewide competitive application basis. In FY 16, 18 programs were selected for grants.	6,062,294
School Lunch Matching & MOE (7 CFR 210-17 and 7 CFR 235.11(a))	Minimum amount required for state match and maintenance of effort required by USDA in order to receive federal funds for the National School Lunch Program. In FY 15 schools provided 131,443,462 meals to students.	3,500,000
AP Teacher Training and Test Fee Assistance (70 O.S. 1210.703), AVID & NMSI	AP allows high school students to undertake college level academic courses and provides students the opportunity to show they have mastered the advanced material by taking end-of-course AP exams. AVID allows teachers to teach rigorous AP/Pre-AP curriculum without leaving behind students. NMSI offers hands-on training, resources, and ongoing coaching support for math, science, and English teachers. AVID and NMSI are made through a competitive grants process to districts. Funding is restored to FY 16 level.	3,144,940
Individual Academic Plans Pilot	Funds will be used to acquire software and pilot the use of Individual Academic Plans.	1,500,000

Purpose	Description	FY 18 Request
Oklahoma Arts Institute	This program has 2 components: 1) Oklahoma Summer Arts Institute, a fine arts school for high school students who are selected to attend through statewide competitive auditions; 2) Oklahoma Fall Arts Institute, a series of weekend workshops for elementary and secondary teachers. Program serves approximately 270 students and 250 educators and is supported through private donations.	349,573
Standards Implementation (70 O.S. 11-103.6, 20 USC §6311(b)(1))	Implementation of curricular standards for English Language Arts and Mathematics that are college and career ready will continue in FY 18. Funds will be used to continue development of frameworks and other materials to help teachers understand the standards, and for training around the state. Additionally, standards development for other subject areas will commence.	350,000
Charter Schools Incentive Fund (70 O.S. 3-144)	Contingent on funds available, funds are used to provide financial support to new charter schools. Funding is restored to FY 16 level.	49,940
Ag in the Classroom	Program goal is to increase agricultural literacy among students and educators. Materials are developed in collaboration with the Dept of Agriculture. Program serves approximately 30,000 students and teachers. Program is also supported through the OSU Cooperative Extension Service Youth Development Program and private donations. Funding is restored to FY 16 level.	38,628



Purpose	Description	FY 18 Request
Teachers' Retirement System (70 O.S. 17-108.2)	Funds appropriated to SDE as a pass through to TRS to offset a portion of teachers' contributions to the retirement system. Amount is based on number of members, years of service and credit amount set in statute.	32,712,137
National Board Teacher Bonus (70 O.S. 6-204.2)	Teachers who attained National Board Certification, or submitted application for renewal of such, prior to June 30, 2013 and are eligible to receive the bonus will receive \$5000 annually over a 10-year period. Teachers who attained National Board Certification after June 30, 2013 will receive salary increments as set forth in the minimum salary schedule. Projected number of teachers receiving bonus in FY 18 is 1242.	5,410,000
Staff Development for Schools (70 O.S. 6-193)	Funds allocated to districts on ADA basis for professional development activities. Funding is restored to FY 16 level.	4,244,818
Psychologists, Speech Pathologists and Audiologists Bonus (70 O.S. 6-206)	National certified school psychologist, speech language pathologists and audiologists receive an annual bonus in the amount of \$5,000 or prorated based on the proportionate equivalency to full-time employment. Funding is increased based on projected number of FTEs, approximately 733.	3,665,000
Teach for America	Teach for America is the national corps of outstanding recent college graduates and professionals of all academic majors and career interests who commit two years to teach in urban and rural public schools and become leaders in the effort to expand educational opportunity. TFA is funded through state and private matching funds. Last year's program supported 384 teachers in six districts including OKC, Tulsa and Lawton. Funding is restored to FY 16 level.	2,496,952

Purpose	Description	FY 18 Request
Teacher and Leader Effectiveness Programs (70 O.S. 6-101.16)	Funds used to improve the effectiveness of teachers and leaders in the public school system, including continued development and implementation of the new individualized program of professional development required by HB 2957, 2016. Funds will also be used to continue training programs for leaders. Funding is restored to FY 16 level.	1,000,000
Teacher Residency Program (70 O.S. 6-195)	Mentoring program for first-year teachers, providing professional development, support and coaching. New requirement of HB 2885, 2014. Last year the program served 3,256 teachers. Funding is restored to FY 16 level.	250,000
Personal Financial Literacy Implementation (70 O.S. 11-103.6h)	Personal Financial Literacy is designed for students in Grades 7-12. Students learn ideas, concepts, knowledge and skills to make good personal financial decisions. Funds are used to provide training to teachers. Funding is restored to FY 16 level.	149,817
Family and Community Engagement and Academic Support	Funds used to increase support to schools for efforts to connect with families and communities and for OSDE tools to help families better support their students.	1,500,000
Accountability Implementation and Dashboards (20 USC §6311(c))	ESSA requires changes to the A-F report card that require changes to data collections and calculations. Additional measures also must be reported to the public, which OSDE will likely do through the use of public dashboards.	3,345,798
Oklahoma Student Information System (70 O.S. 18-200.1(E))	Funds used to support and maintain Oklahoma Student Information System and SLDS projects. Funding is restored to FY 16 level.	1,843,585
Data Literacy Training	Funds used to support schools in better understanding the data available to them in order to make data-driven decisions.	250,000

Purpose	Description	FY 18 Request
<b>Support of Partnership for Math Intervention</b>	Monies appropriated in FY 17 "for support of a partnership for math intervention for grades 4-8."	-
<b>Empowering Teachers to Lead Pilot Program/Iowa Model (HB 3114, 2016 70 O.S. 6-301, 302, 303)</b>	HB 3114 sets up a framework of teacher leadership roles with increased compensation. Monies would be to pilot this program in select districts across the state.	<b>15,000,000</b>
<b>Administrative and Support Functions</b>	Administrative and support functions for the State Department of Education. Funds also used to pay for required state testing and accountability.	<b>22,399,295</b>
<b>Lottery Trust Fund - Transfer to TRS Revolving Fund (H.B. 2242, 2015, 62 O.S. 34.93 and 3A O.S. 713(C)(3))</b>	Funds appropriated to the Teachers' Retirement System Dedicated Revenue Revolving Fund to fund the current unfunded liability of the Teachers' Retirement System.	<b>2,599,751</b>
<b>Lottery Trust Fund - Transfer to School Consolidation Assistance Fund (H.B. 2242, 2015, 70 O.S. 7-203)</b>	Funds appropriated to SDE to assist district consolidation, annexation, shared superintendent, severance payments and ACE technology.	<b>2,599,751</b>
<b>TOTAL APPROPRIATION</b>		<b>2,647,808,063</b>

Fiscal Year	State Only Approp.	ARRA Approp.	Total Funding	State Aid Factors			Total Funding Required	FY2017 Approp.	Additional Requested Funding for FY2018
				Per Pupil Funding	Per Pupil Funding w/ ARRA	FY2018 Proj. WADM			
<b>FY2009</b>									
2 Yr. of Growth	\$ 2,035,970,233		\$ 2,035,970,233	\$ 3,275.60	\$ -	1,157,373.11	\$ 2,179,183,832	\$ 1,870,703,624	\$ 308,480,208
<b>FY2010</b>									
2 Yr. of Growth	\$ 1,757,337,868	\$ 219,711,616	\$ 1,977,049,484	\$ 2,991.60	\$ 3,210.05	1,157,373.11	\$ 2,103,318,025	\$ 1,870,703,624	\$ 232,614,401
<b>FY2011</b>									
2 Yr. of Growth	\$ 1,754,747,581	\$ 139,521,635	\$ 1,894,269,216	\$ 2,976.80	\$ 3,113.40	1,157,373.11	\$ 1,991,457,914	\$ 1,870,703,624	\$ 120,754,290
<b>FY2016</b>									
2 Yr. of Growth	\$ 1,855,684,225	\$ -	\$ 1,855,684,225	\$ 3,058.11	\$ -	1,157,373.11	\$ 1,927,466,754	\$ 1,870,703,624	\$ 56,763,130
Revised	(w/Returned Funds)								

Proj. WADM - FY2016 Final High Year Weighted Average Daily Membership (1,122,952.01) plus Growth (17,210.55 per year).

Growth is three year average of increase in final high year WADM (FY2014 to FY2016).

Total Funding Required is based on proj. WADM, per pupil funding for that specific year and the most recent chargeable data available.

**FY2017 per pupil funding is \$3,050.00 (as of 9/15/16).**

Prior Year Funding Less than FY2016:

FY2012	\$ 3,040.20
FY2013	\$ 3,035.00
FY2014	\$ 3,032.00
FY2015	\$ 3,075.80
FY2016	\$ 3,034.60

<p><b>\$3,058.11</b>                  2016 Returned Funds</p>
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# FY 18 Calculation for Flexible Benefit Allowance

***Based on 1/1/16 Eligible Count, with a 2% projected growth in Certified Staff and 1.5% projected growth in Support Staff. Plus 2% In Lieu of FBA Staff move to Insurance.***

	<b>Projected Staff Count</b>		<b>5.5% Rate Increase</b>
<b>Certified Personnel</b>	<b>52,257</b>	<b>\$</b>	<b>311,777,569.84</b>
Less: FY 17 Appropriation	-	\$	284,030,744.00
<b>Additional Funds Needed</b>		<b>\$</b>	<b>27,746,825.84</b>
<b>Support Personnel</b>	<b>32,999</b>	<b>\$</b>	<b>169,546,716.42</b>
Less: FY 17 Appropriation	-	\$	157,999,778.00
<b>Additional Funds Needed</b>		<b>\$</b>	<b>11,546,938.42</b>
<b>Total Additional Funds Needed</b>		<b>\$</b>	<b>39,293,764.26</b>



JOY HOFMEISTER  
STATE SUPERINTENDENT *of* PUBLIC INSTRUCTION  
OKLAHOMA STATE DEPARTMENT *of* EDUCATION

MEMORANDUM

**TO:** Governor Mary Fallin  
**FROM:** Oklahoma State Board of Education  
**DATE:** October 27, 2016  
**SUBJECT:** FY 18 Budget Request Addendum

**Proposal to Increase Teacher Compensation**

Oklahoma ranks at the very bottom regionally in teacher compensation in comparison to border states. Nationally, Oklahoma also ranks at the bottom with only two states below according to the most recent figures from NEA. However, we know that both of these states have given recent pay raises to their teachers.

To ensure that Oklahoma's students have highly effective teachers, and in order to recruit and retain top teaching talent, Oklahoma teachers must be compensated at or above the regional average for teacher compensation. Two years ago, Superintendent Hofmeister proposed a five year plan to become regionally competitive in teacher pay entitled #OKHigh5. For Fiscal Year 2018, the State Department of Education requests the Legislature consider funding the plan beginning in year three, which would include a \$3,000 pay raise for all certified staff and adding four additional days of instruction to the school calendar.

<b>Year 3 of #OKHigh5 = \$3,000 + 4 additional days of instruction</b>	
<b>Projected Gross Salary Increase</b>	<b>\$197,604,648</b>
<b>Taxes</b>	<b>\$15,116,756</b>
<b>Benefits</b>	<b>\$35,058,928</b>
<b>Total</b>	<b>\$247,780,332</b>

<b>Costs associated with 4 additional days of instruction</b>	
<b>Estimated Total Expenditures</b>	<b>\$1,556,346,558</b>
<b>Cost per day (180 days)</b>	<b>\$8,646,370</b>
<b>Cost for 4 days</b>	<b>\$34,585,479</b>

<b>Total Cost</b>	<b>\$282,365,811</b>
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# **STATE DEPARTMENT OF EDUCATION FY-2018 BUDGET REQUEST**

**State Superintendent of Public Instruction Joy Hofmeister  
Presented to the Oklahoma House of Representatives on  
January 4, 2017**

# OKLAHOMA STATE DEPARTMENT OF EDUCATION

**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.

- In pursuit of this vision, the OSDE will adhere to Oklahoma's ABCs for excellence: **ACHIEVE** academic success for each student in Oklahoma, **BUILD** exceptional educators and schools and **CREATE** engaged communities.



# OSDE STRATEGIC PLAN:

## 4 Objectives

### **Objective 1:** Achieve Academic Success.

The OSDE will close the opportunity and achievement gap for each student in Oklahoma to ensure a high-quality public education.

### **Objective 2:** Build Exceptional Educators and Schools.

The OSDE will support the recruitment, preparation and retention of highly qualified teachers and leaders.

### **Objective 3:** Create Engaged Communities.

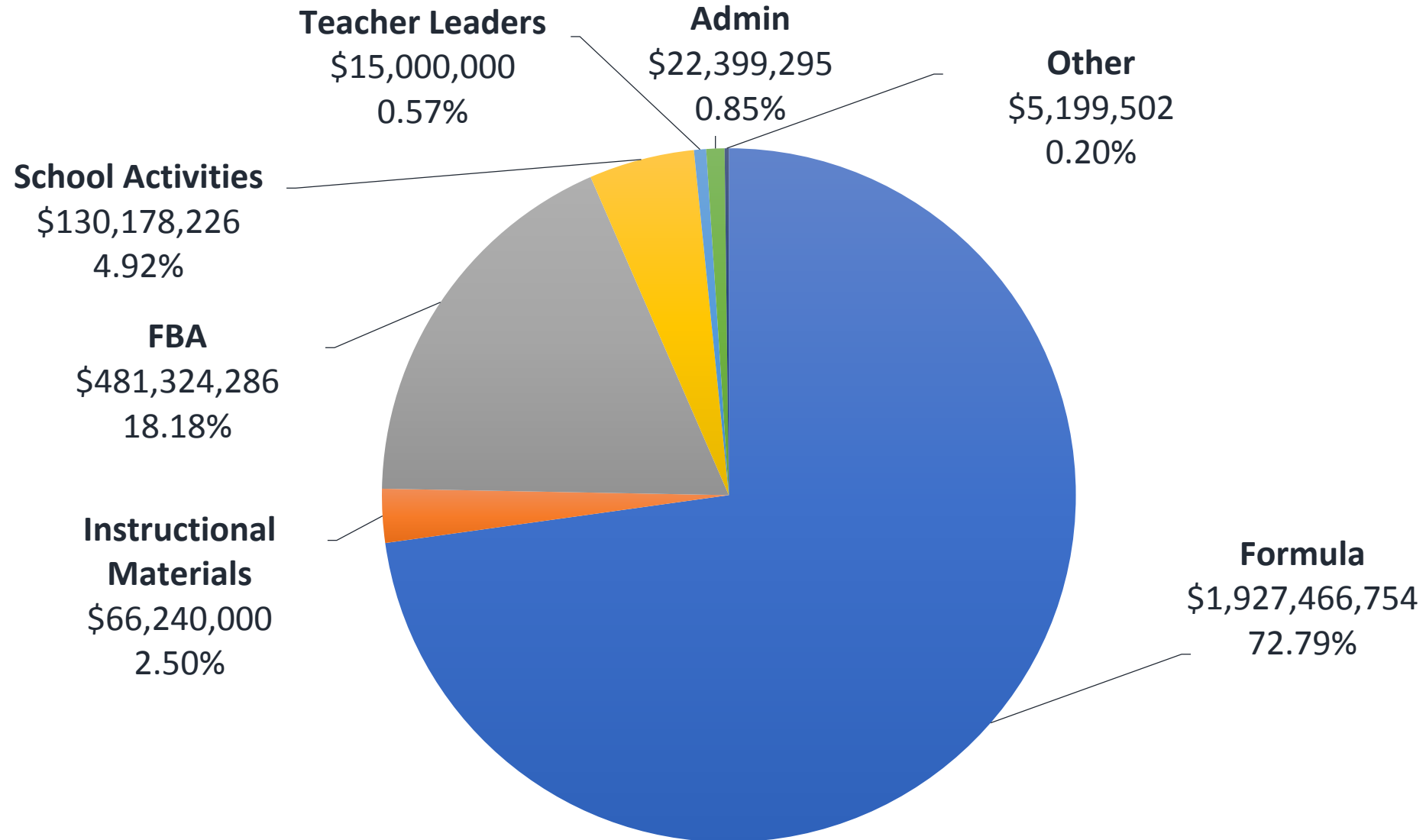
The OSDE will build external capacity to provide strong academic support through family and community engagement.

### **Objective 4:** Develop Internal Capacity.

The OSDE will build its internal capacity to serve the field and use data to make informed decisions.

# FY 18 BUDGET REQUEST

TOTAL REQUEST: \$2,647,808,063



# SEVEN SOURCES OF FORMULA REVENUE

## *LOCAL AND COUNTY REVENUES:*

1. AD VALOREM TAXES
2. COUNTY 4-MILL

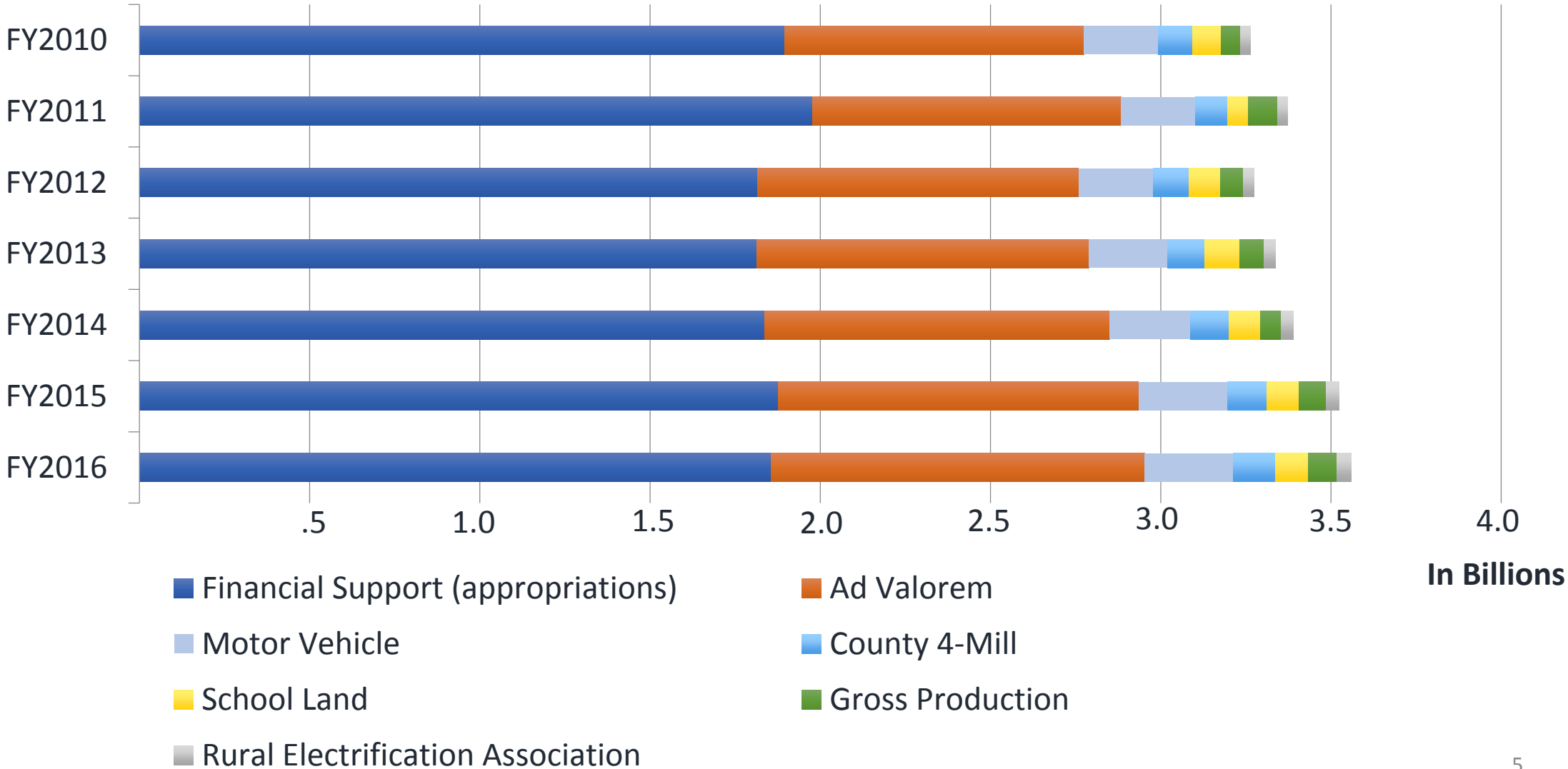
## *STATE – DEDICATED REVENUES:*

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 OF PUBLIC SCHOOLS

(ESTIMATE TO KEEP PACE WITH NEW STUDENT GROWTH)

**FY2017 Appropriation**

**\$1,870,703,624**

**FY2018 Budget Request**

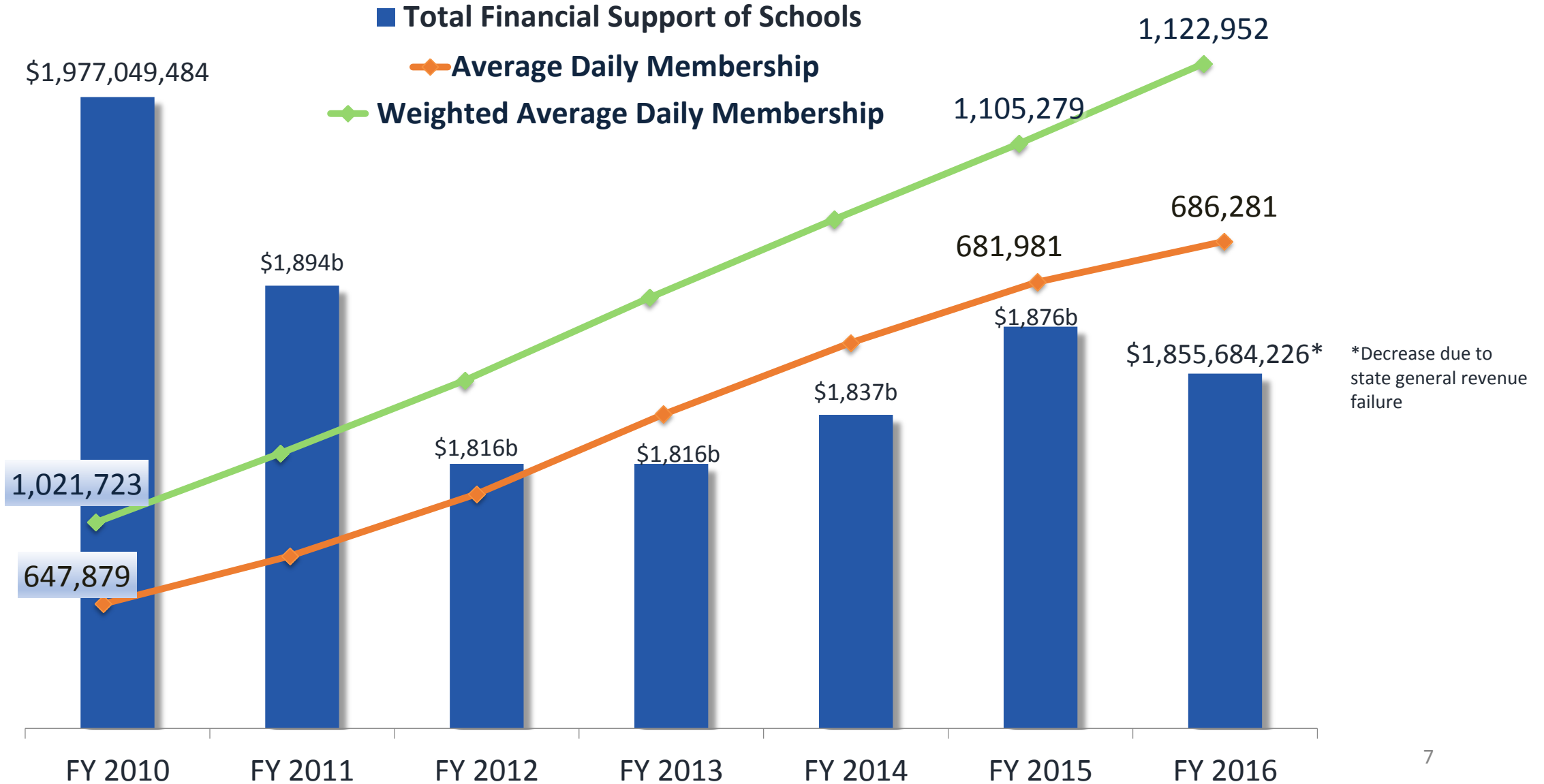
**\$1,927,466,754**



**Increase of  
\$56,763,130  
formula dollars**

# FINANCIAL SUPPORT OF SCHOOLS FY 10 – FY 16

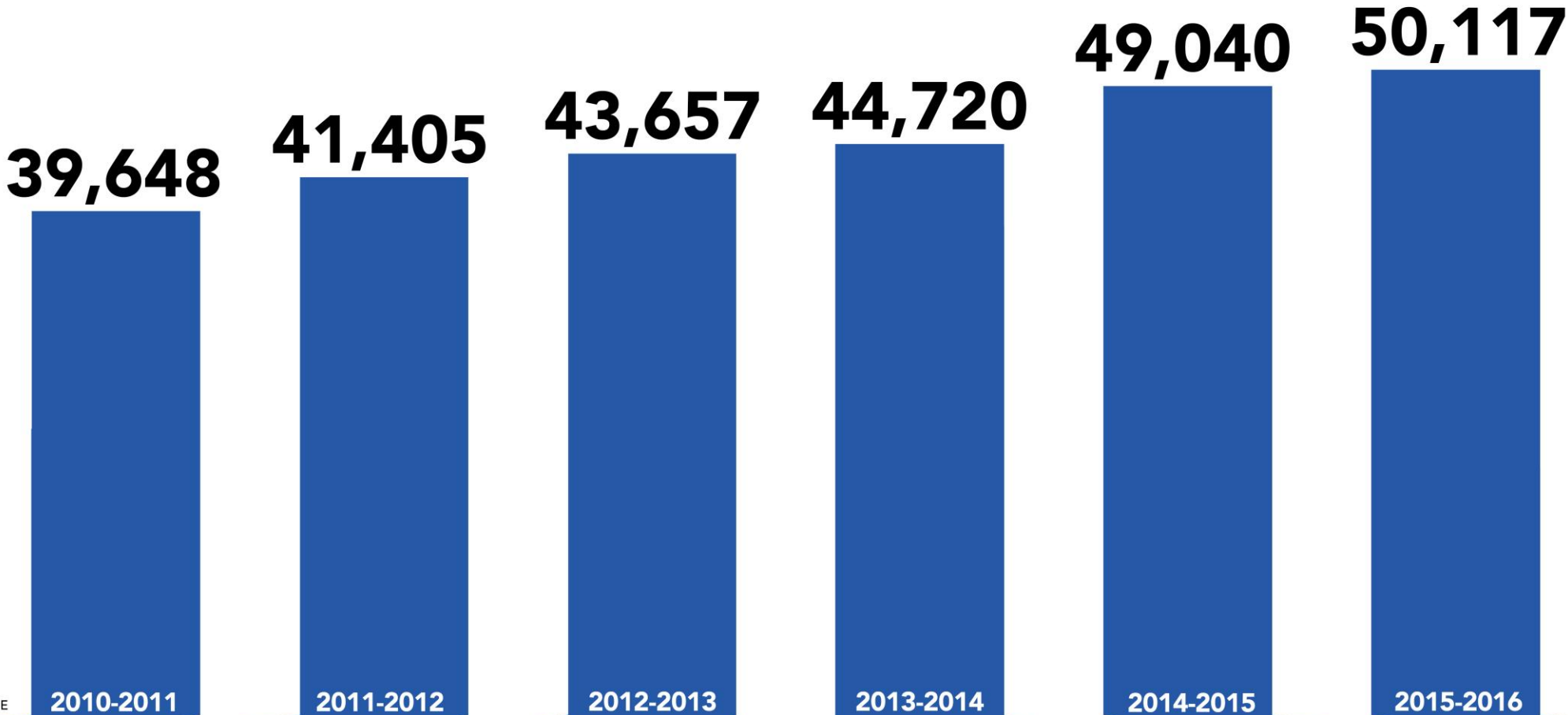
## (TOTAL STATE APPROPRIATIONS)



# DEFINITION OF STUDENT COUNTS

- **“Average Daily Attendance” (ADA)**: the average number of pupils in attendance in a school district during a school year. ADA is calculated by dividing the sum of the pupil's total days present by the number of days taught
- **“Average Daily Membership” (ADM)**: the average number of pupils present and absent in a school district during a school year. ADM is calculated by dividing the sum of the pupil's total days present and total days absent by the number of days taught
- **“Weighted Average Daily Membership” (WADM)**: the sum of the weighted pupil grade level calculation, the weighted pupil category calculation, the weighted district calculation and the weighted teacher experience and degree calculation
- **“Enrollment”**: based on a one-day snapshot of students enrolled on October 1 of each year

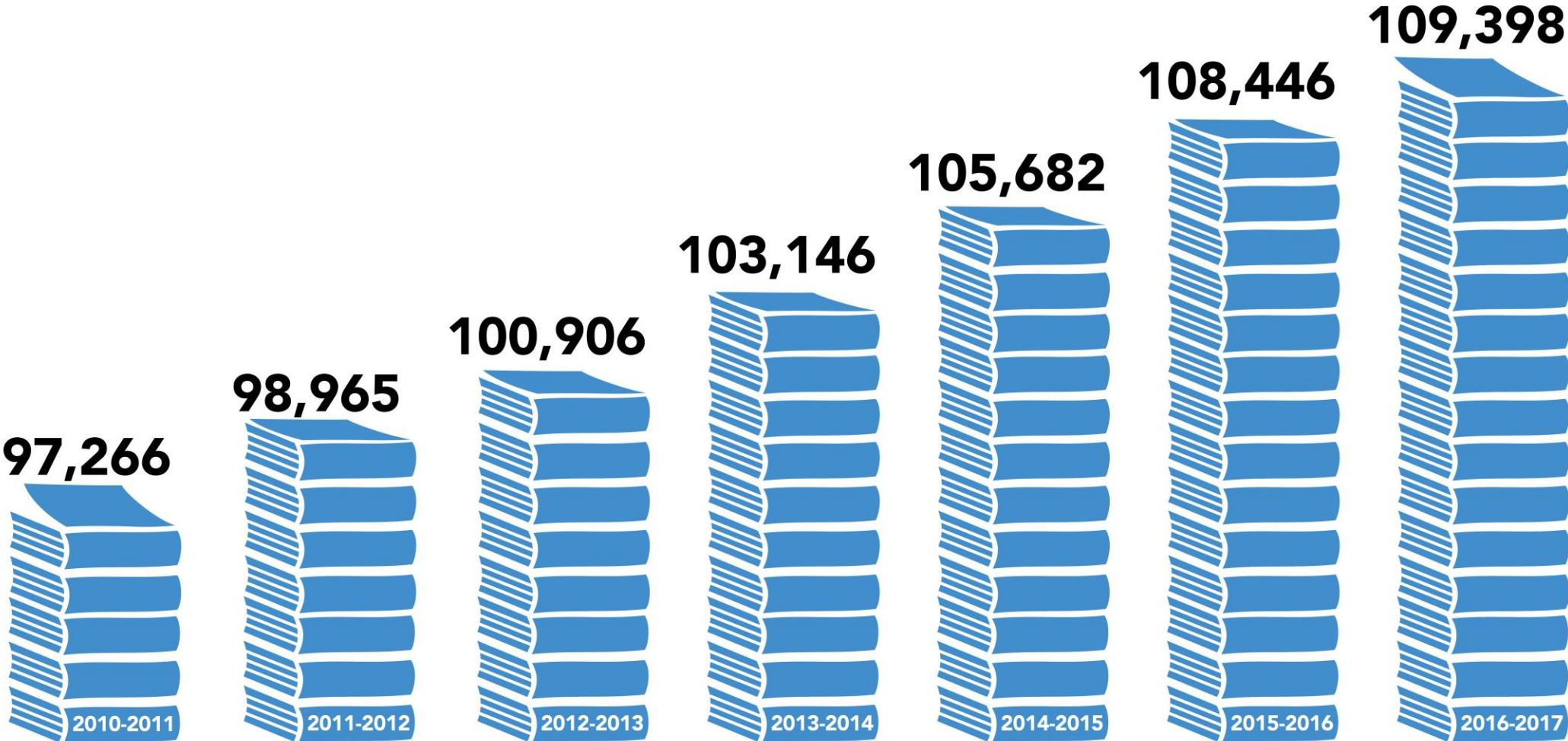
# PREK-12 ENGLISH LEARNERS (EL)



Source: OSDE Office of Instruction, USDE



# STUDENTS WITH INDIVIDUALIZED EDUCATION PLANS (IEPs)



Source: Special Education Child Count, Oct. 1, 2016

# FLEXIBLE BENEFIT ALLOWANCE

Flexible Benefit Allowance Appropriation Total for  
Fiscal Year 2017 = \$442,030,522

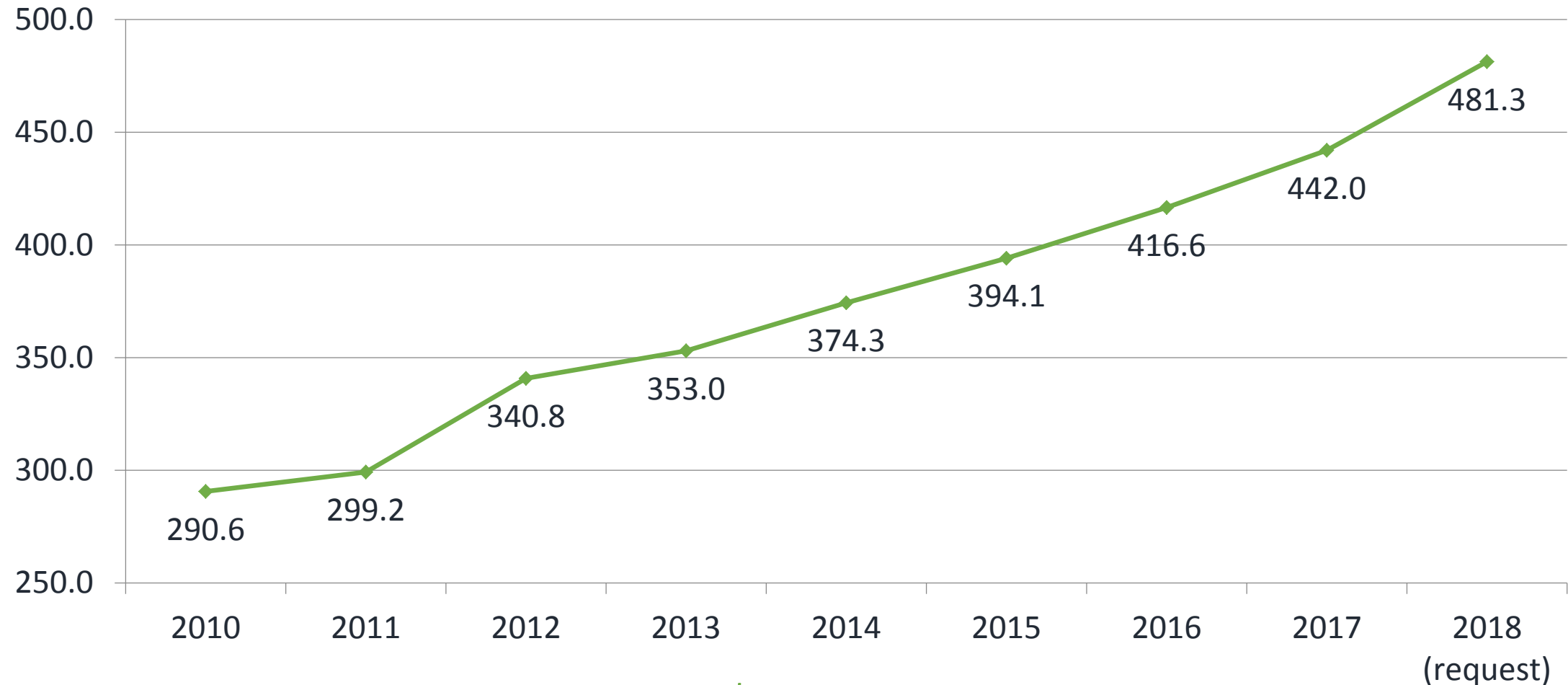
Flexible Benefit Allowance Appropriation Request  
for Fiscal Year 2018 = \$481,324,286

 Increase of  
**\$39,293,764**

# FLEXIBLE BENEFIT ALLOWANCE ALLOCATION

(PROVIDING HEALTH INSURANCE TO OVER 84,000 OKLAHOMA EDUCATORS)

(In Millions \$)



Total increase of \$190.7 million since FY 10

# INSTRUCTIONAL MATERIALS

- For reading textbook adoption cycle

Instructional Materials Appropriation Total for Fiscal Year 2017 = \$0

Instructional Materials Appropriation Request for Fiscal Year 2018 = \$66,240,000

- Approx. \$116/book for elementary
- Approx. \$85/book for secondary

# EMPOWERING TEACHERS TO LEAD PILOT

**Request: \$15,000,000**

- HB 3114 (Iowa Model): develop a system of highly effective teacher-leaders to increase student achievement through teacher mentorship and retention of high-performing teachers
- 3 Tiers: Lead, Mentor, Model
- Subgrants to districts for pilot program

# SUPPORT OF PUBLIC SCHOOL ACTIVITIES

## (LINE ITEMS)

Programs to increase academic achievement: \$73,310,119

Programs to build exceptional teachers and leaders:

\$49,928,724

Programs to build capacity and data-driven decisions:

\$5,439,383

Programs to create engaged communities:

\$1,500,000

Total Request: \$130,178,226

(restored to FY 16 level)

# SOONER START FUNDING HISTORY



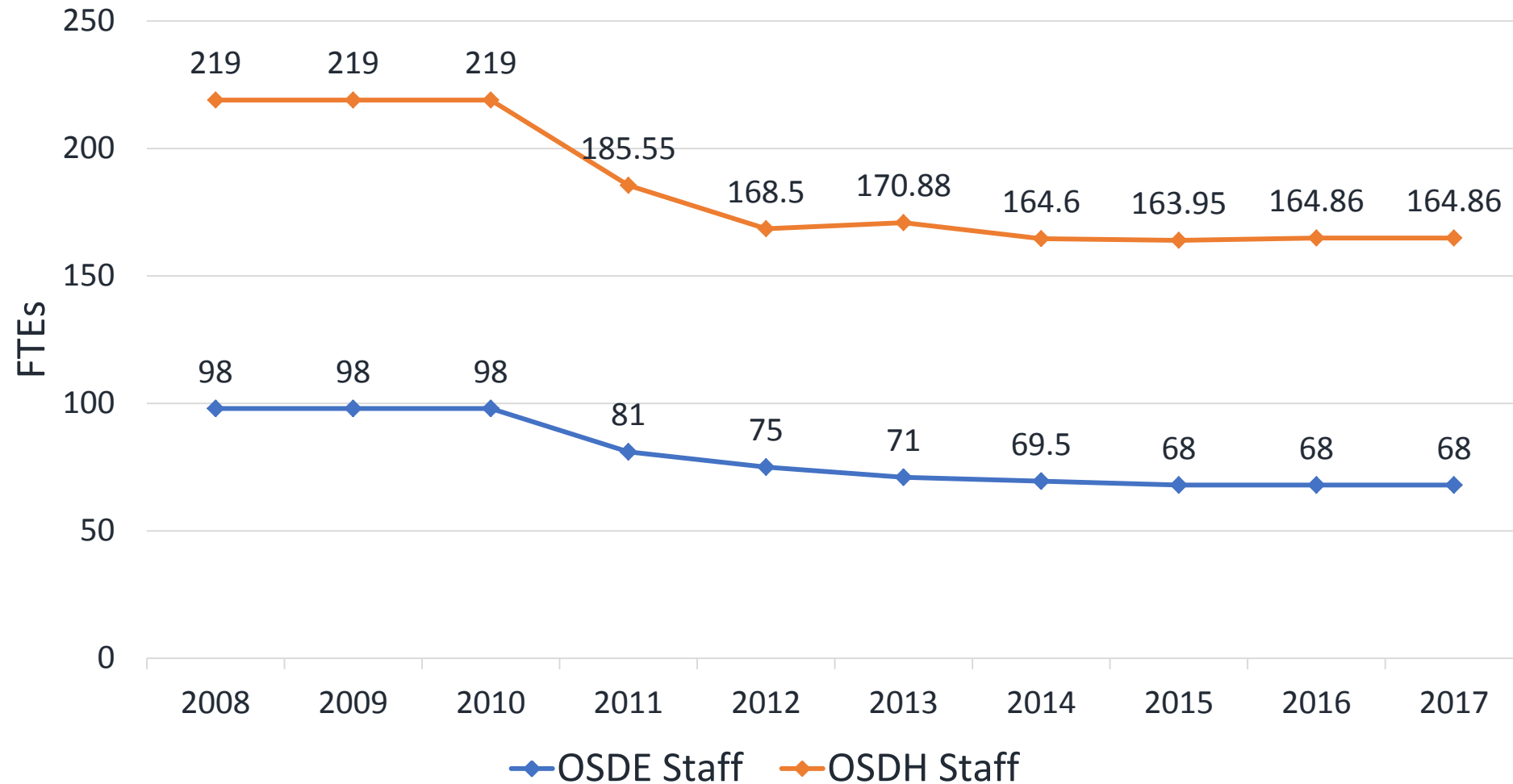
\*Decrease due to general revenue failure

\*\*FY 18 Budget Request

Note: FY 10-FY 11 Federal Funds Include ARRA Funds

# SOONER START FTE HISTORY

FTEs directly follow funding levels.





# STANDARDS IMPLEMENTATION

## Request: \$350,000

- Implementation of Math/ELA standards:
  - Curriculum Frameworks – developed through regional consortia to assist educators in aligning their instruction, curriculum and benchmark assessments to new standards
  - PD on Your Plan – develop high-quality PD modules teachers can use around effective teaching and learning practices
  - Professional Development – to deepen understanding of both teachers and leaders of the standards and ensure standards are implemented with fidelity
- Support review of computer science courses and personal financial literacy standards.

# INDIVIDUAL CAREER ACADEMIC PLANS (ICAP)

**Request: \$1,500,000**

**What is ICAP?** An ICAP helps students identify their interests, skills, postsecondary and workforce goals and experiences that lead to a meaningful plan that identifies the progress needed to prepare students for college, career and life.

## **Why is ICAP Important?**

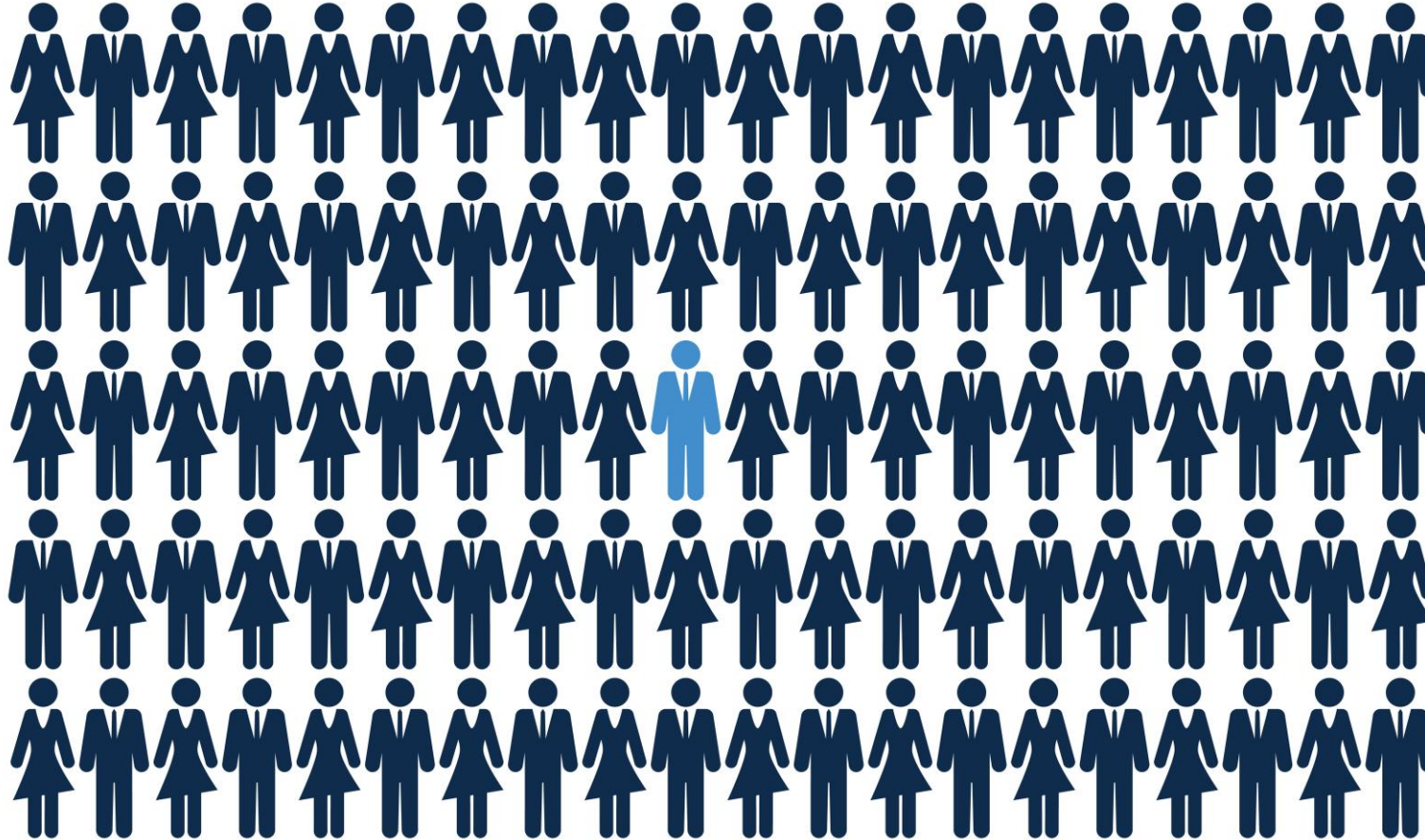
When students complete a meaningful ICAP process they

- connect the relevance of education to their future goals,
- create secondary and postsecondary course plans to pursue their career and life goals,
- select a postsecondary pathway more strategically to align with self-defined career, college and life goal,
- establish better communication and engagement between their school and home, and
- understand and demonstrate career exploration and career planning.

# JOB REQUIRED EDUCATION LEVEL

Out of 11.6 million jobs created in the post-recession economy, 11.5 million went to workers with at least some college education.

**99%**  
**11,500,000**  
**JOBS**  
—  
**MORE THAN**  
**HIGH SCHOOL**  
**EDUCATION**



**1%**  
**80,000**  
**JOBS**  
—  
**HIGH SCHOOL**  
**DIPLOMA OR**  
**LESS**

# COLLEGE REMEDIATION



**\$22,200,000**  
ANNUAL OUT-OF-POCKET COSTS

FIRST-YEAR  
COLLEGE  
STUDENTS

**39.1%** ENROLLED IN  
REMEDICATION

# FAMILY/COMMUNITY ENGAGEMENT AND ACADEMIC SUPPORT

## Request: \$1,500,000

- Develop digital platform for engaging parents:
  - Tools to help students at home with standards
  - Activities to reduce summer slide
  - Mobile device compatible
- Build capacity of educators:
  - More meaningful, intentional and aligned opportunities for families and communities to engage in learning.

# ACCOUNTABILITY/DATA LITERACY

**Request for Accountability: \$3,345,798**

**Request for Data Literacy: \$250,000**

- Implement new A-F Report Card
  - Data collection and validation
  - Calculation
  - Design public facing dashboards with ability to dive deeper into data
  - Additional tools for teachers and administrators
- Data Literacy
  - Train teachers and school leaders on how to interpret data from the assessments and accountability system



# FY 2018 ESTIMATED TESTING COSTS

<b>Math/ELA (3-8 gr)</b>	<b>\$8,900,000</b>
<b>Science (5-8 gr)</b>	<b>\$2,400,000</b>
<b>WIDA ACCESS for ELs</b>	<b>\$1,312,125</b>
<b>CCRA + Science History + Writing</b>	<b>\$4,684,217</b>
<b>Total</b>	<b>\$17,296,342</b>
<b>Federal Funds</b>	<b>\$3,800,000</b>
<b>State Funds</b>	<b>\$13,496,342</b>
<b>Total Cost</b>	<b>\$17,296,342</b>

# PROGRAM FUNDS RESTORED TO FY 16 LEVEL

- Alternative Education
- Early Childhood Initiative
- Reading Sufficiency
- Competitive Grants
- AP, AVID, NMSI
- OK Arts Institute
- Charter Schools Incentive Fund
- Ag in the Classroom
- Staff Development
- Psychologist, Speech Path, Audiologist Bonus
- Teacher Residency Program
- Personal Financial Literacy
- Student Information System



# FY 18 BUDGET INCREASE REQUEST

<b>Financial Support of Schools</b>	<b>\$56,763,130</b>
<b>Instructional Materials</b> (reading textbooks)	<b>\$66,240,000</b>
<b>Flexible Benefit Allowance</b>	<b>\$39,293,764</b>
<b>Public School Activities</b> (restore to FY 16 level)	<b>\$38,221,784</b>
<b>HB 3114 Pilot</b>	<b>\$15,000,000</b>
<b>Agency Support for Schools</b> (restore to FY 16 level)	<b>\$6,567,951</b>
<b>TOTAL</b>	<b>\$221,086,629</b>
<b>Addendum:</b> <b>#OKHigh5 (year 3) Teacher Pay Raise</b>	<b>\$282,365,811</b>

# ESTIMATED COSTS FOR #OKHIGH5 YEAR 3

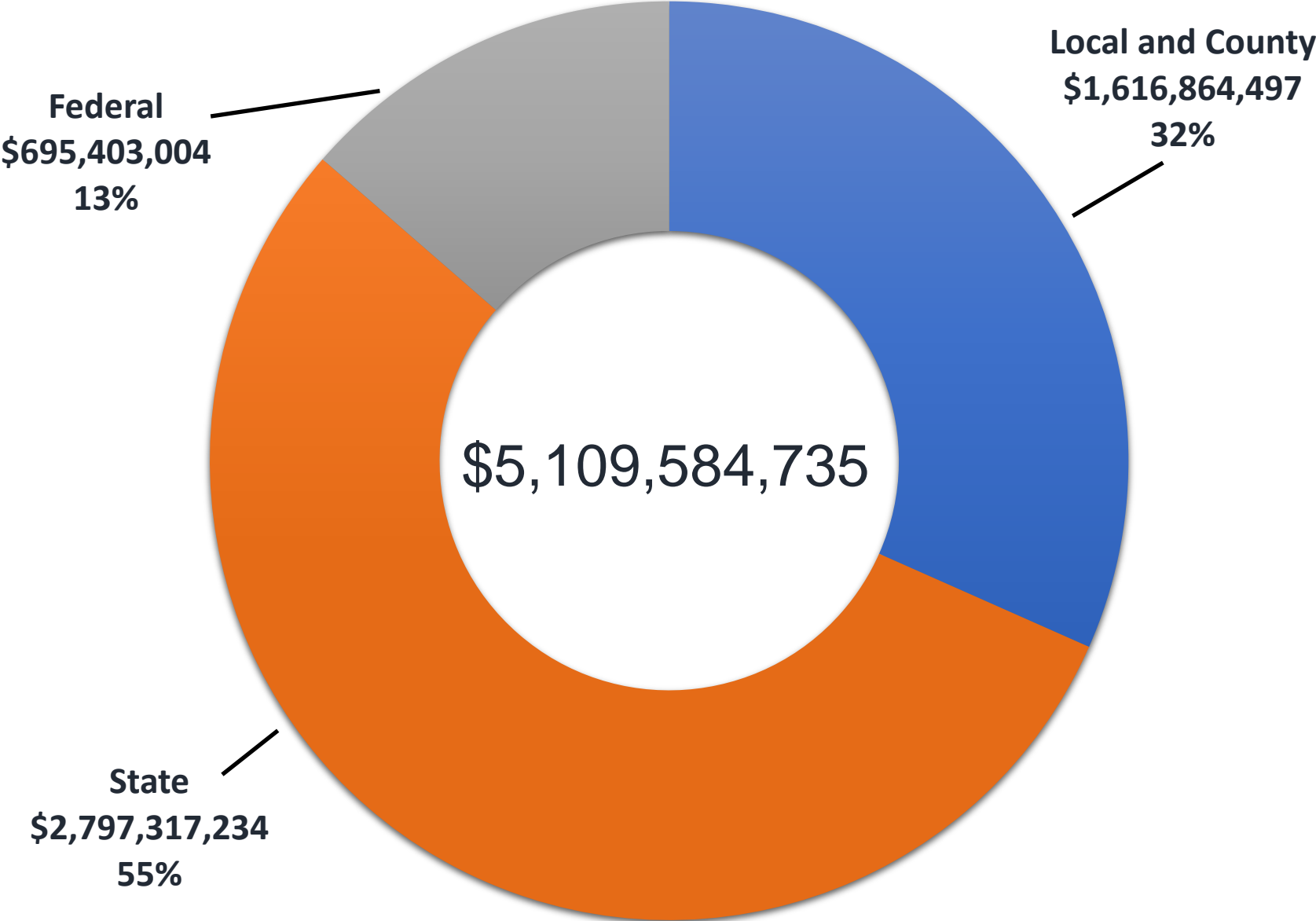
Year 3 of #OKHigh5 = \$3,000 plus 4 additional instructional days

- \$3,000 increase in Teacher Salary: **\$197,604,648**
- Taxes: **\$15,116,756**
- Employer's share of TRS: **\$20,185,424**
- Employee's share of TRS: **\$14,873,504**
- **Total Cost: \$247,780,332**
- Cost for 4 days of Instruction: **\$34,585,479**

**Grand total: \$282,365,811**

# DISTRICT REVENUES AND EXPENDITURES

# DISTRICT RECURRING REVENUE

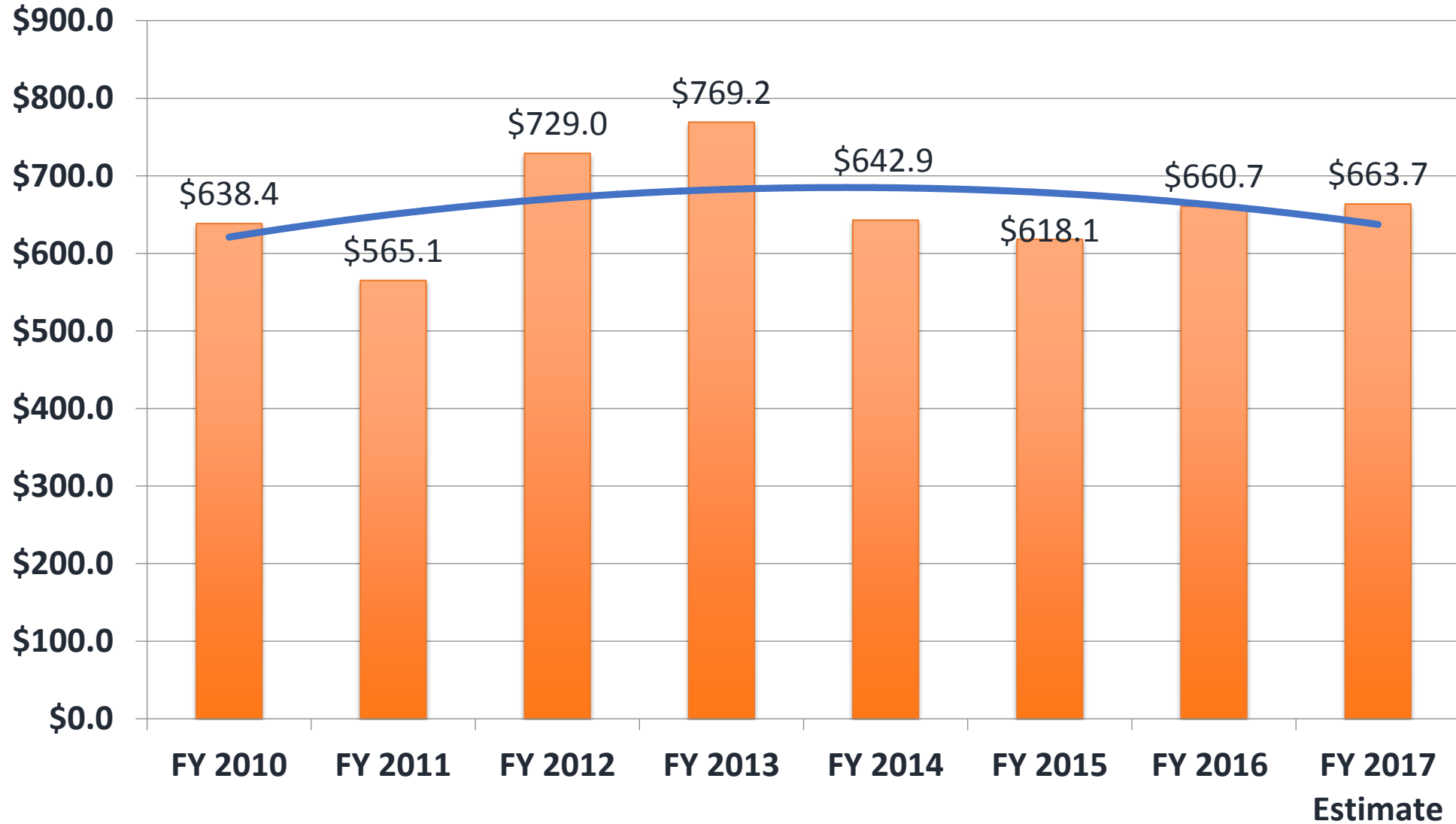


**FY 2016  
Statewide District  
Revenue Using**  
- General Funds  
- Building Fund  
- Child Nutrition Fund  
(as reported in OCAS)

# SCHOOL DISTRICT GENERAL FUND BEGINNING BALANCE FY 10 – 17

(REPORTED BY DISTRICTS THROUGH OCAS)

In Millions

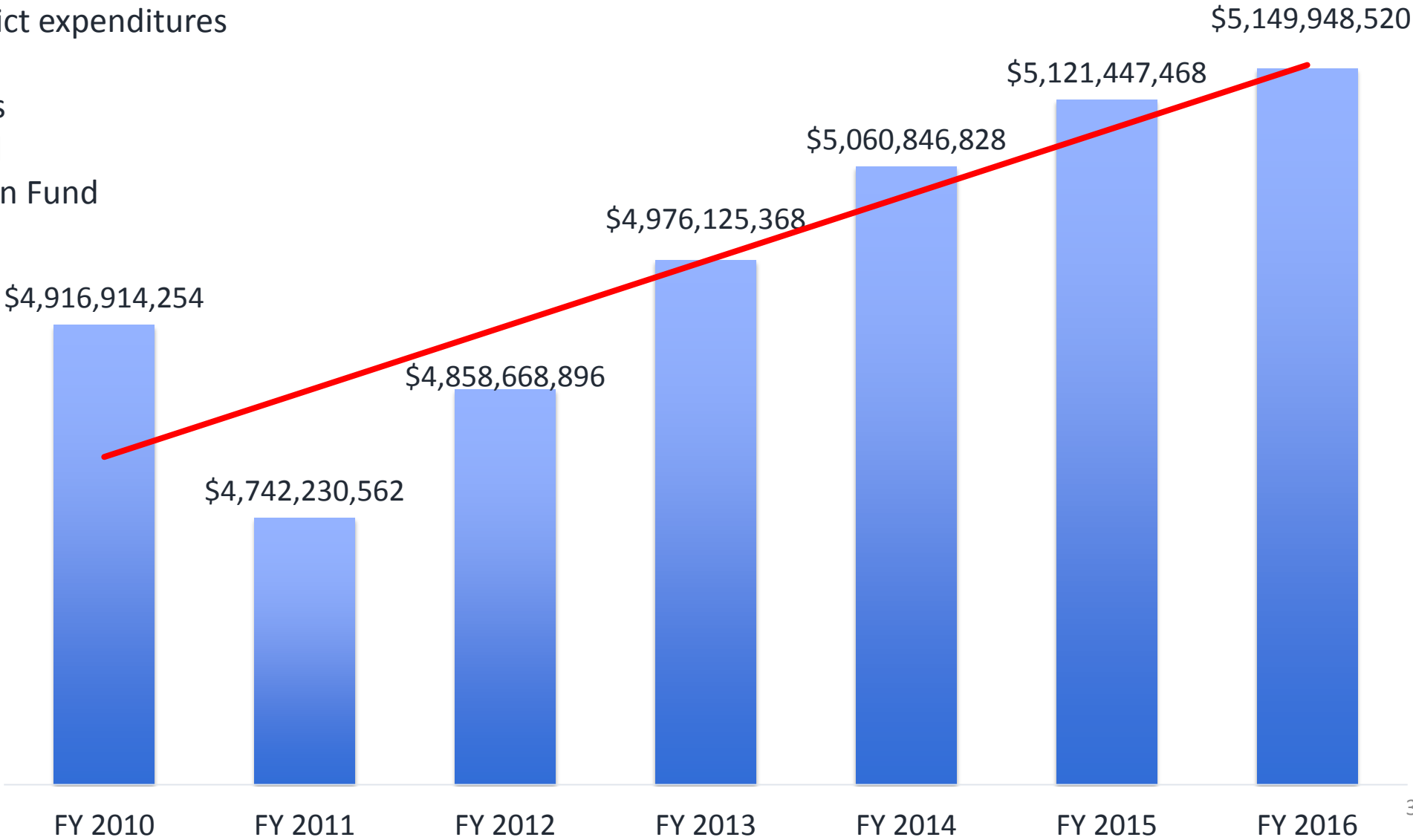


# STATEWIDE DISTRICT EXPENDITURES FY 2010 - 2016

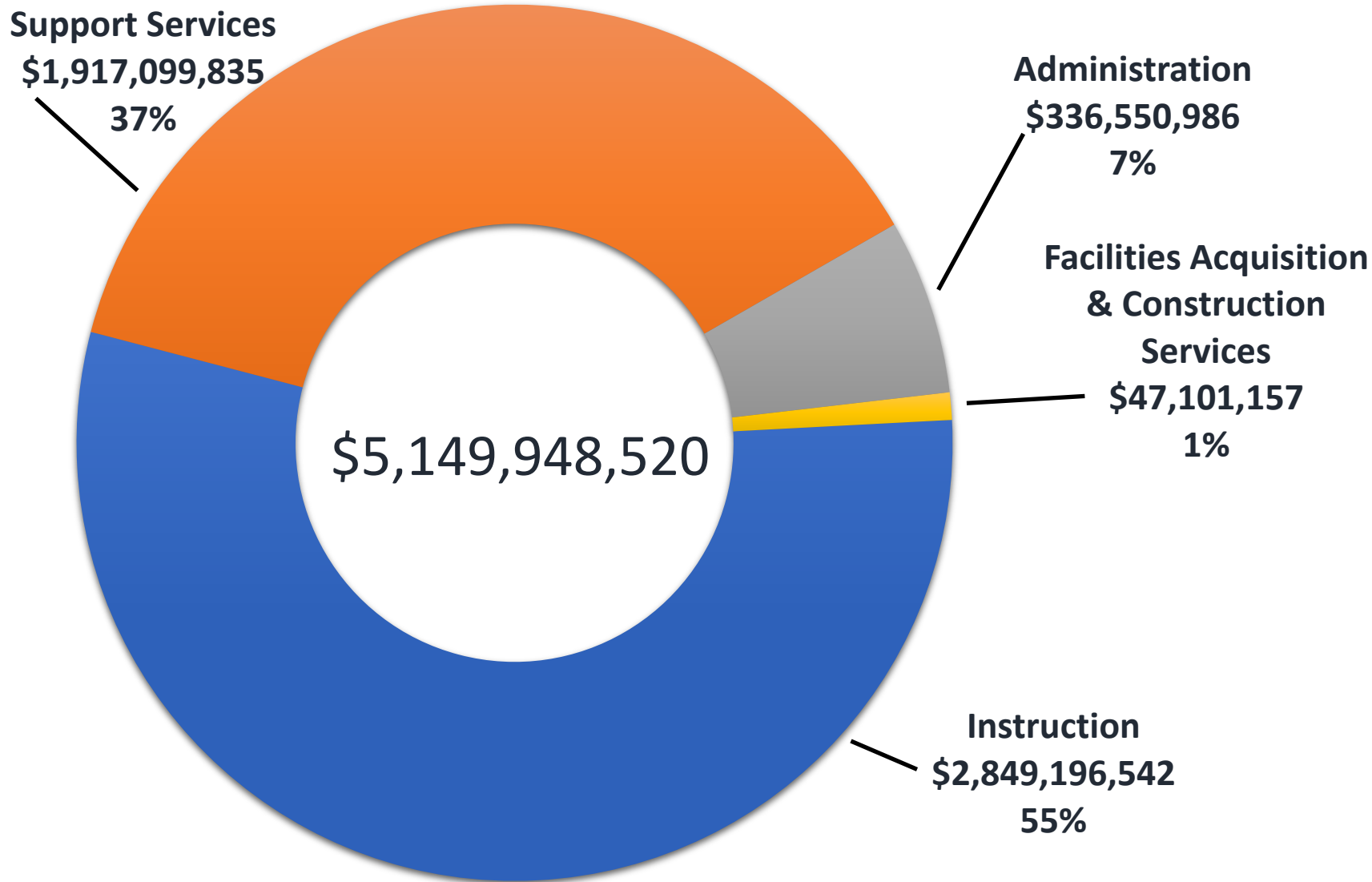
Statewide district expenditures

using

- General Funds
- Building Fund
- Child Nutrition Fund



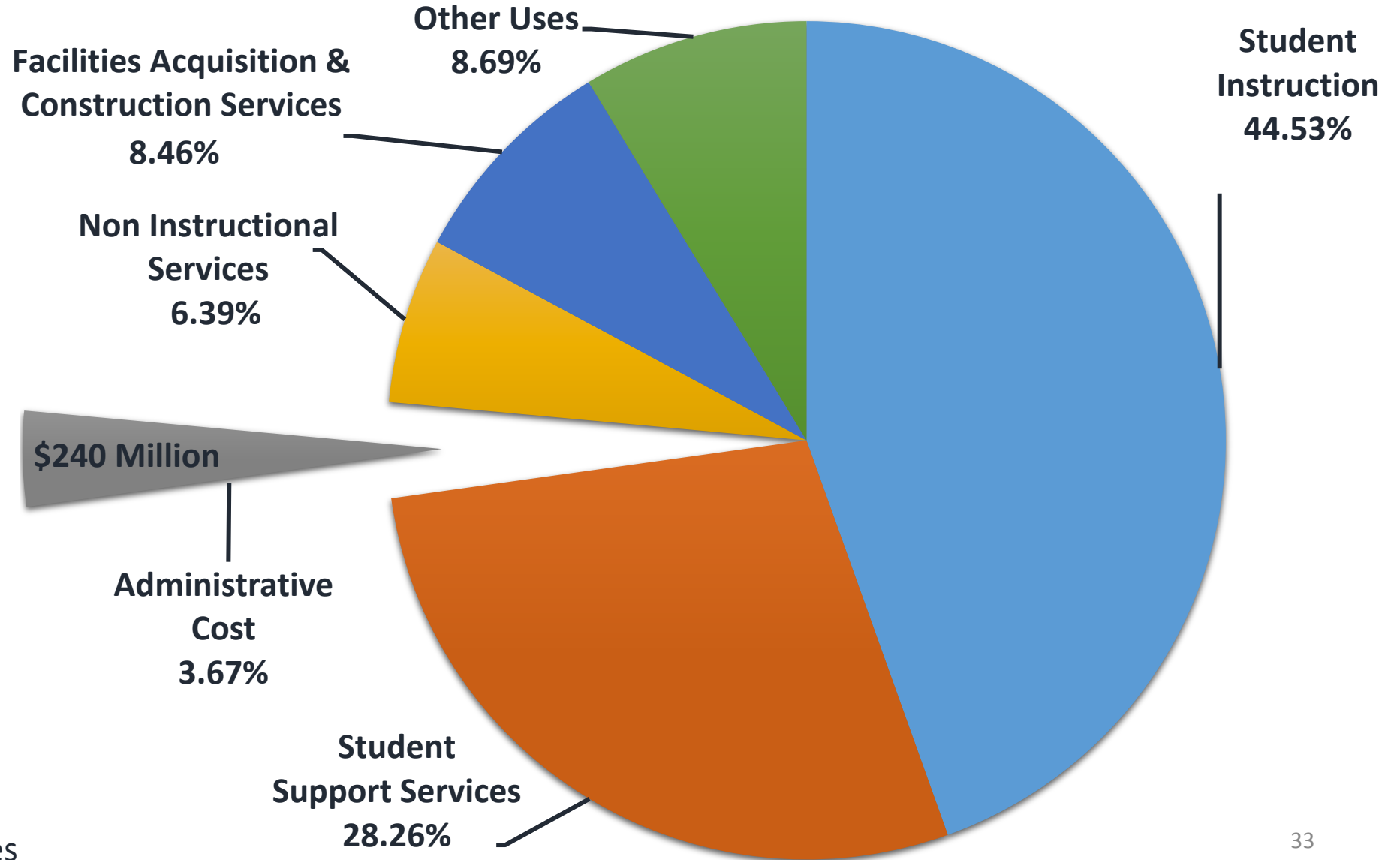
# STATEWIDE DISTRICT EXPENDITURES BY OCAS



**FY 2016**  
**Statewide District Expenditures Using**  
- General Funds  
- Building Fund  
- Child Nutrition Fund  
(as reported in OCAS)

# TOTAL DISTRICT EXPENDITURES FOR FY 2016 BY STATUTE

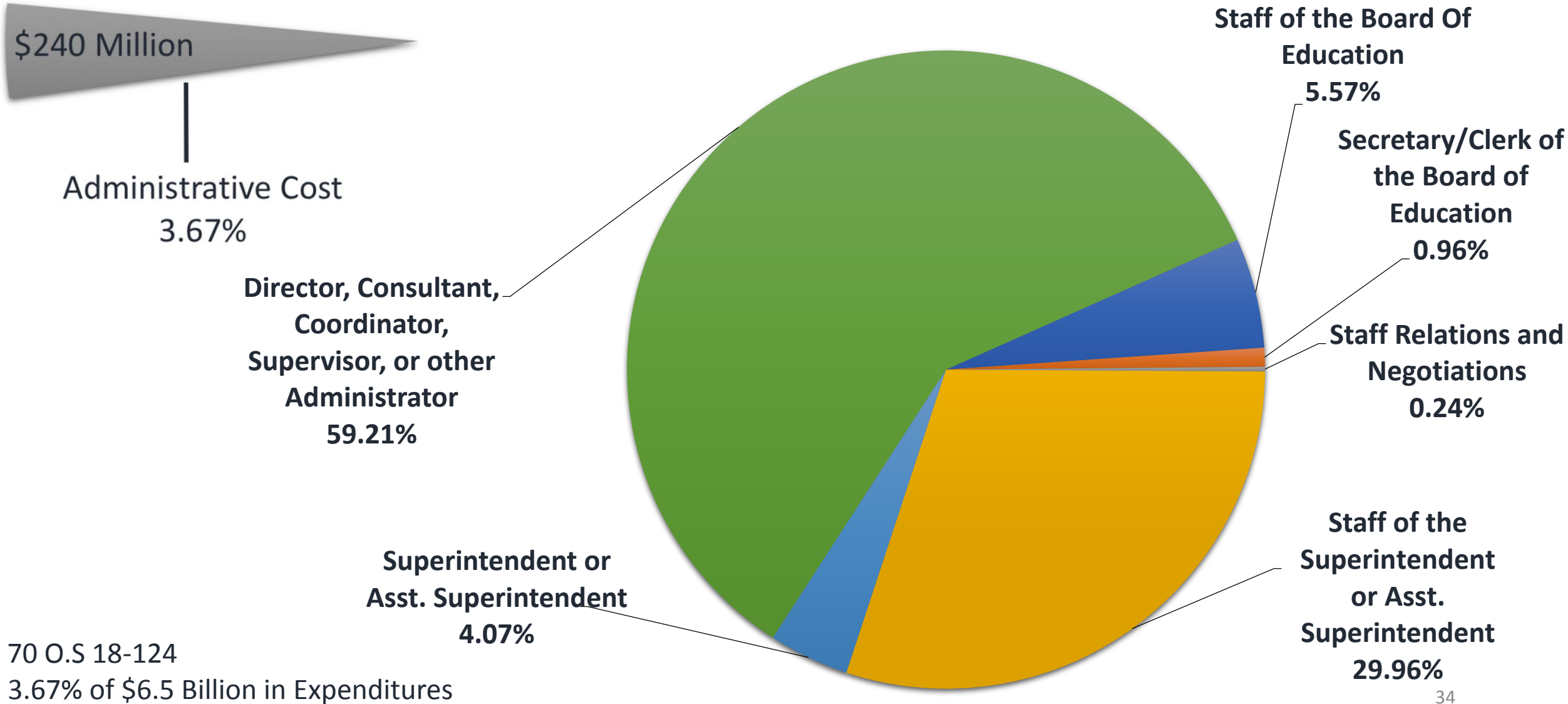
**73% of  
expenditures  
for direct  
student  
services**



70 O.S. 18-124  
\$6.5 Billion In Expenditures

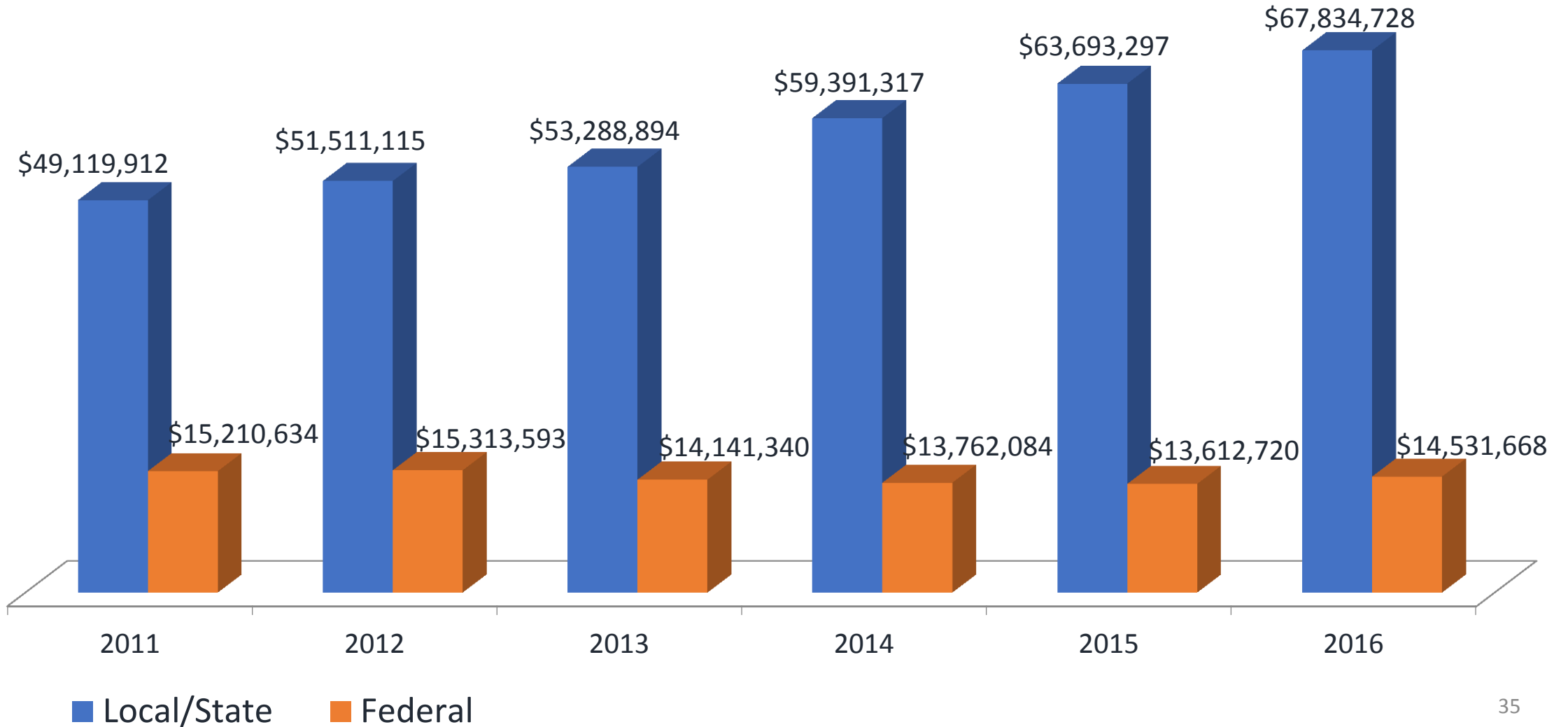


# ADMINISTRATIVE COST BY STATUTE



# COSTS TO COMPLY WITH MANDATES

Growing salaries for instructional & non-instructional directors/managers.



# PER PUPIL EXPENDITURES

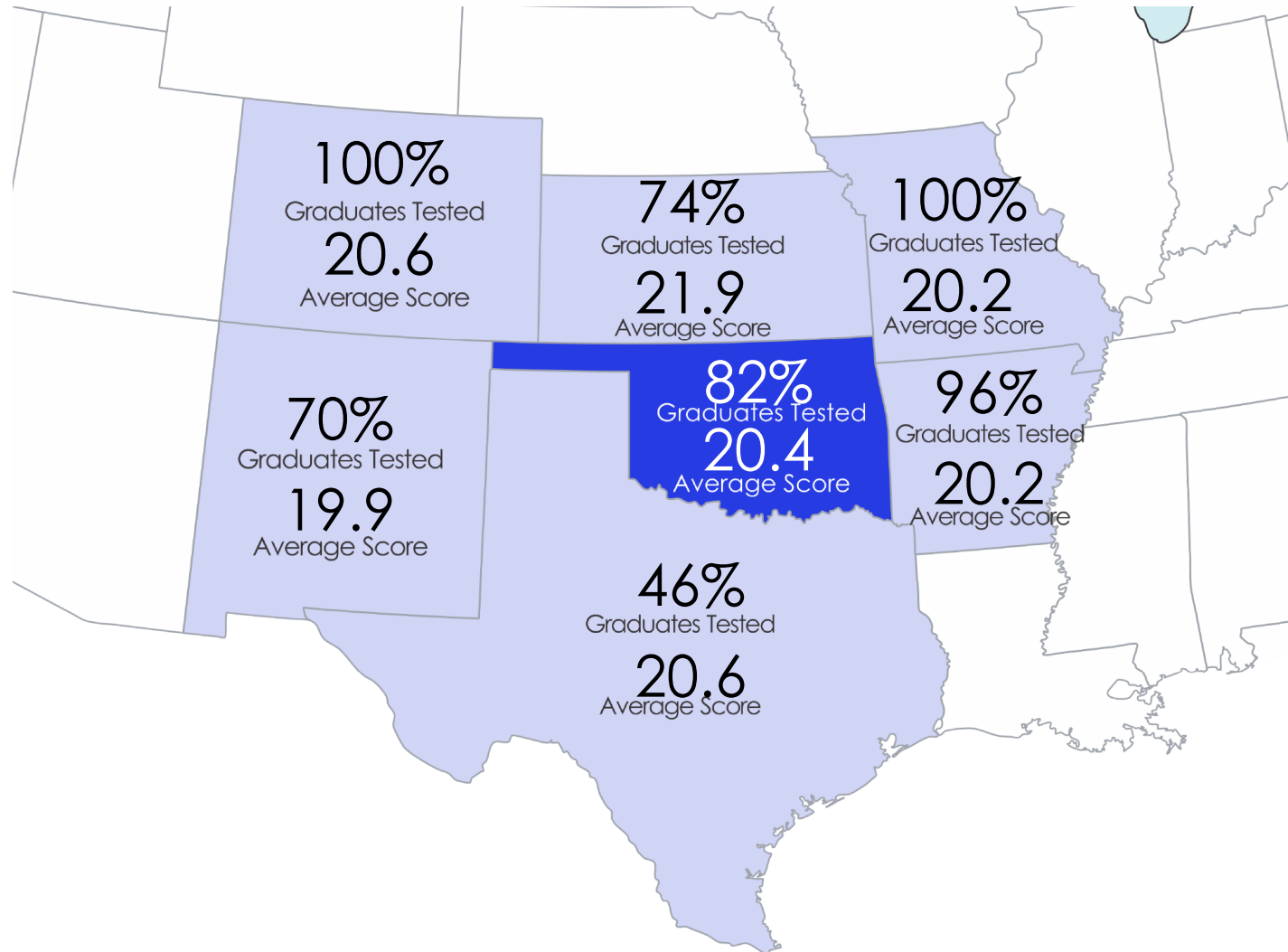
## (ACCORDING TO NATIONAL CENTER FOR EDUCATION STATISTICS)

Fiscal Year	NCES Current Expenditures*	Enrollment (2010-2015)	Per Pupil Expenditure
2009-2010	\$5,192,123,907	654,542	\$7,932.45
2010-2011	\$5,036,031,109	659,615	\$7,634.80
2011-2012	\$5,170,977,526	665,841	\$7,766.08
2012-2013	\$5,329,897,044	673,190	\$7,917.37
2013-2014	\$5,451,047,732	681,578	\$7,997.69
2014-2015	\$5,560,047,046	688,300	\$ 8,077.94

\*Current Expenditures = Total Expenditures minus Adult/Community Education, Capital Expenditures, Debt Services

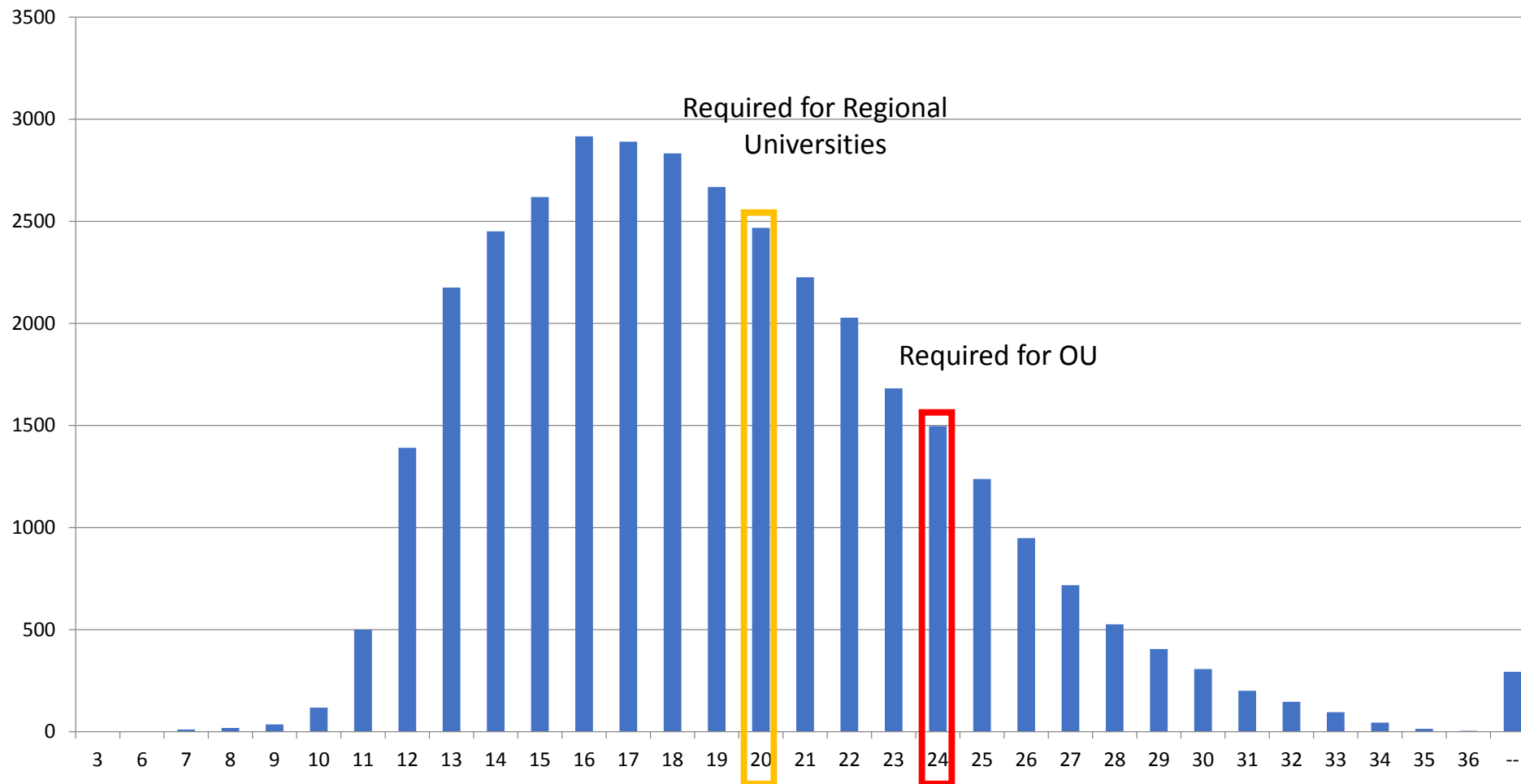
# PERFORMANCE METRICS

# ACT REGIONAL COMPARISON (2016 GRADUATING CLASS)



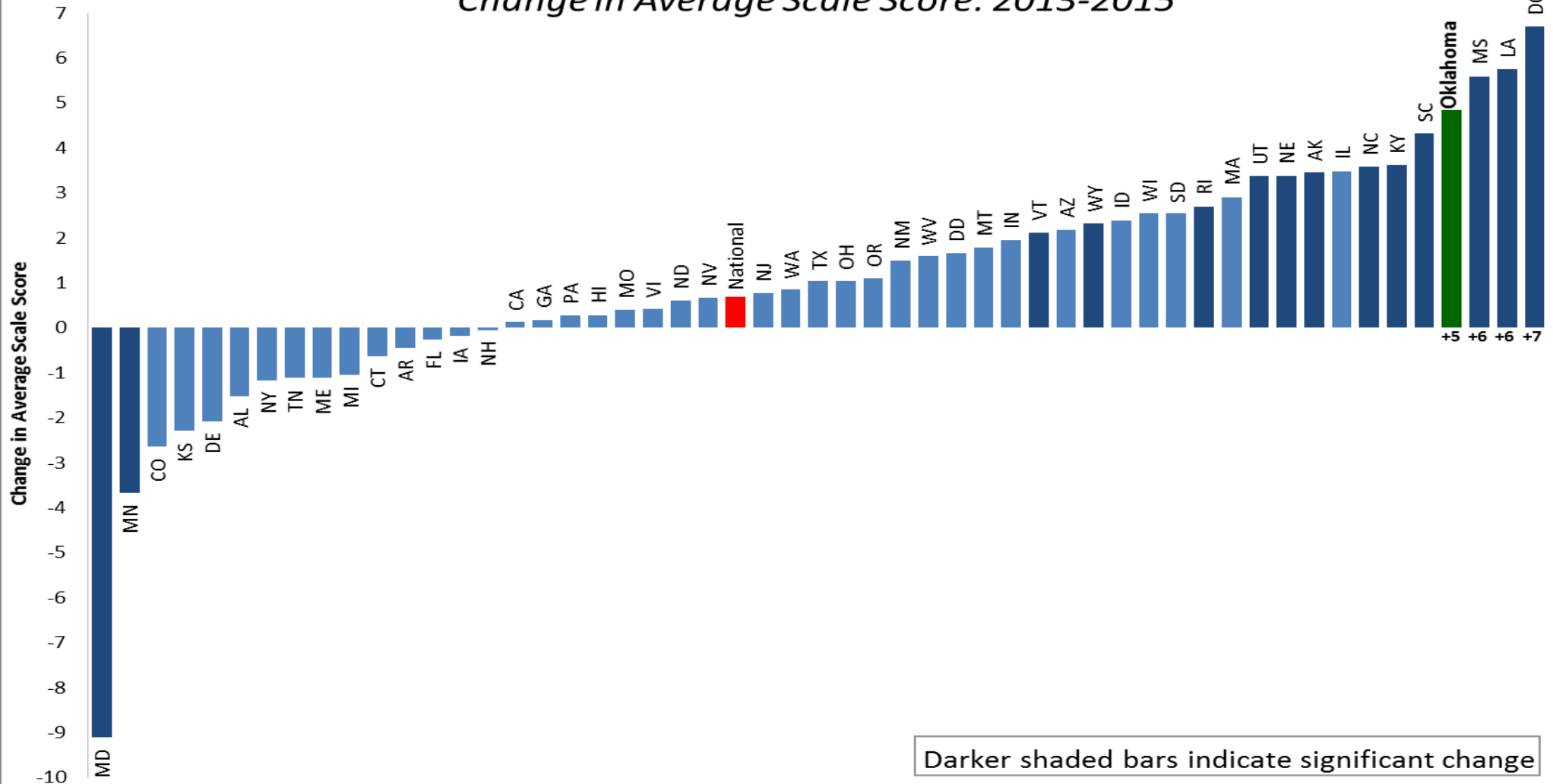
# ACT JUNIOR PILOT PROGRAM 2016

Distribution of composite scores average composite score: 18.9



# NAEP READING PERFORMANCE

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



# 2015 SCIENCE STATE SUMMARY

Scores increased from 2009 to 2015 in 15 states/jurisdictions at both grades 4 and 8

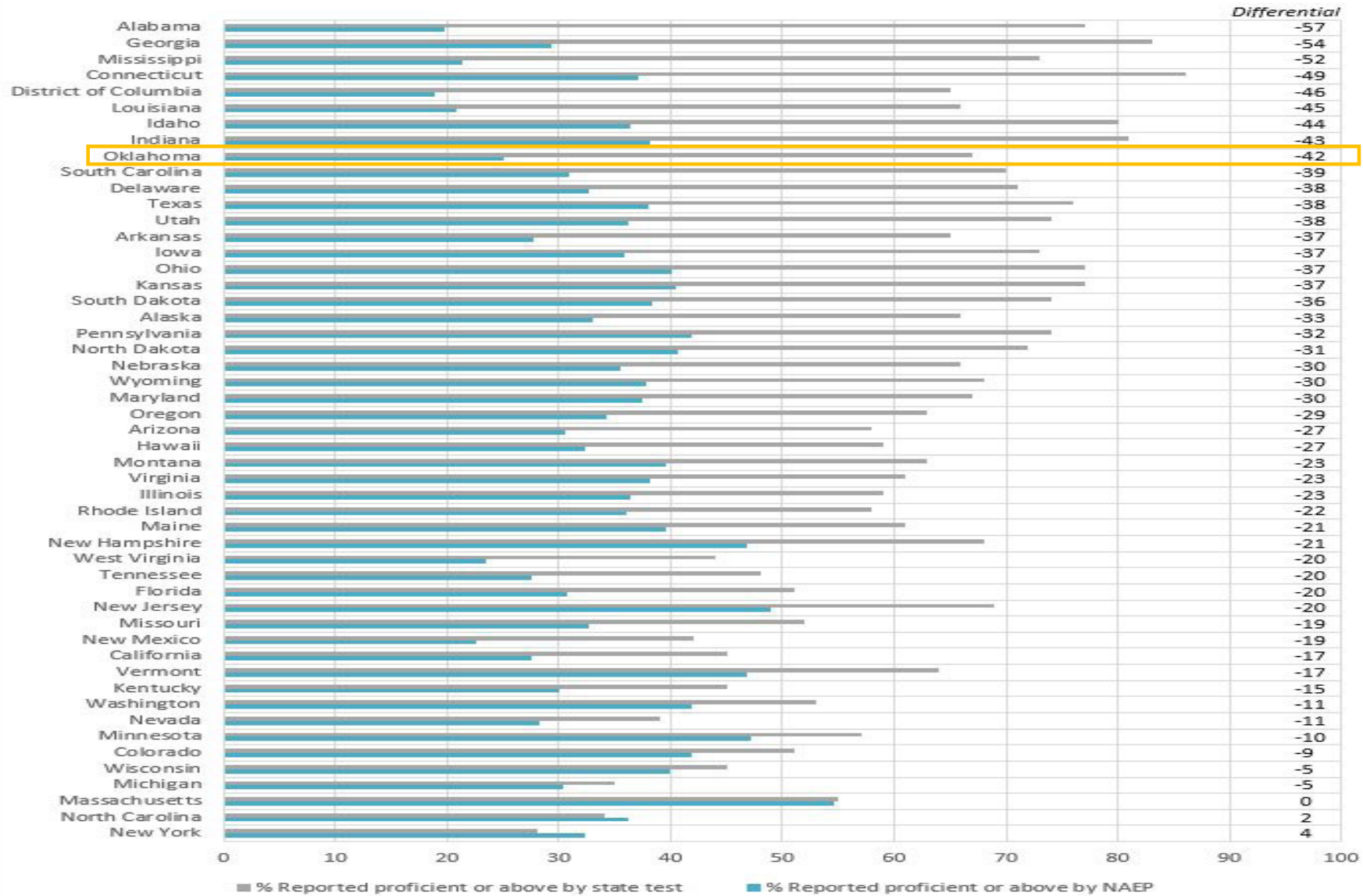
	Grade 4 only	Grade 8 only	Both grades	
↑ Score increase	Illinois Michigan Washington	California Idaho Iowa Maryland Nevada New Hampshire Rhode Island Virginia West Virginia	Arizona Arkansas Florida Georgia Hawaii Indiana Mississippi North Carolina Oklahoma	South Carolina Tennessee Texas Utah Wyoming DoDEA
↓ Score decrease	Delaware			

DoDEA = Department of Defense Education Activity.

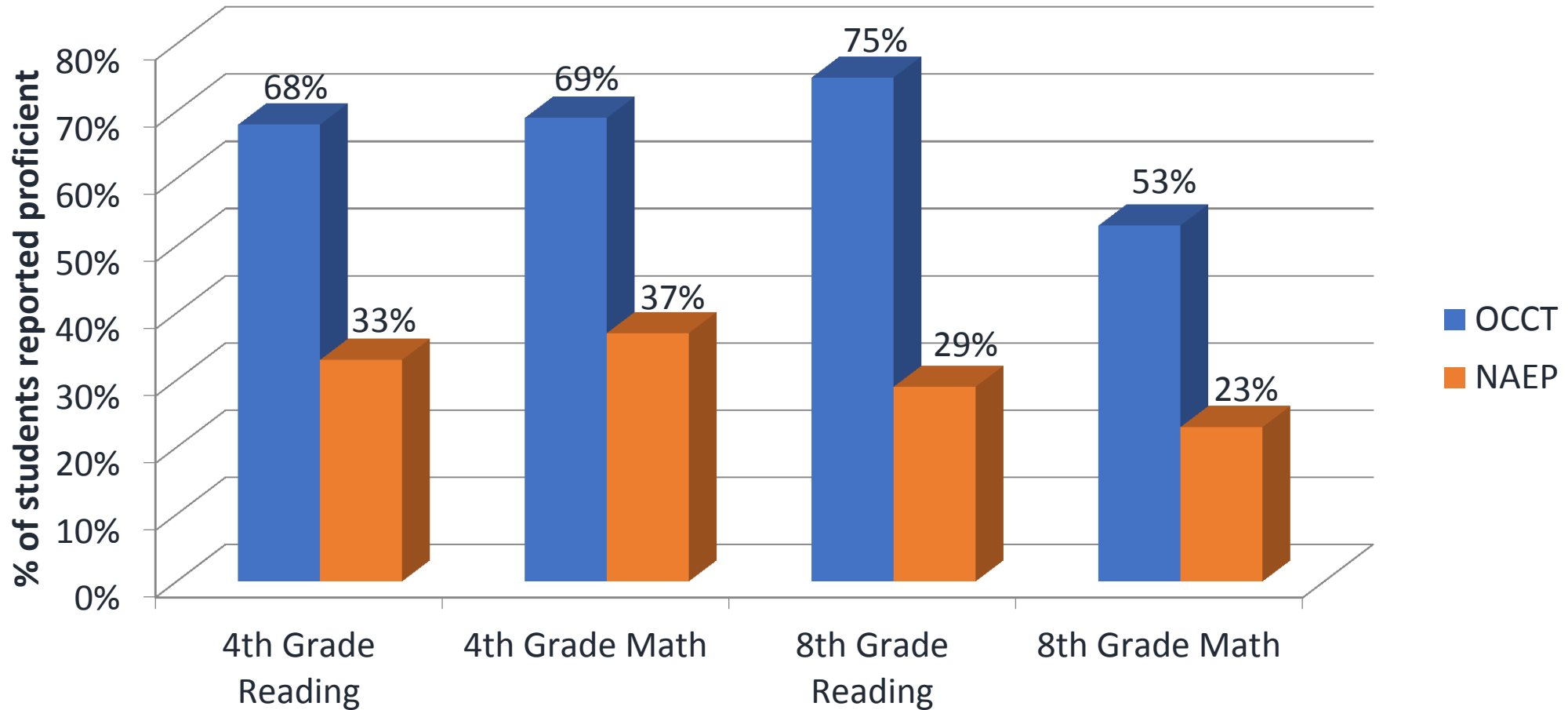


# PROFICIENT VS. PREPARED

## 8<sup>TH</sup> GRADE MATH, 2012-2013

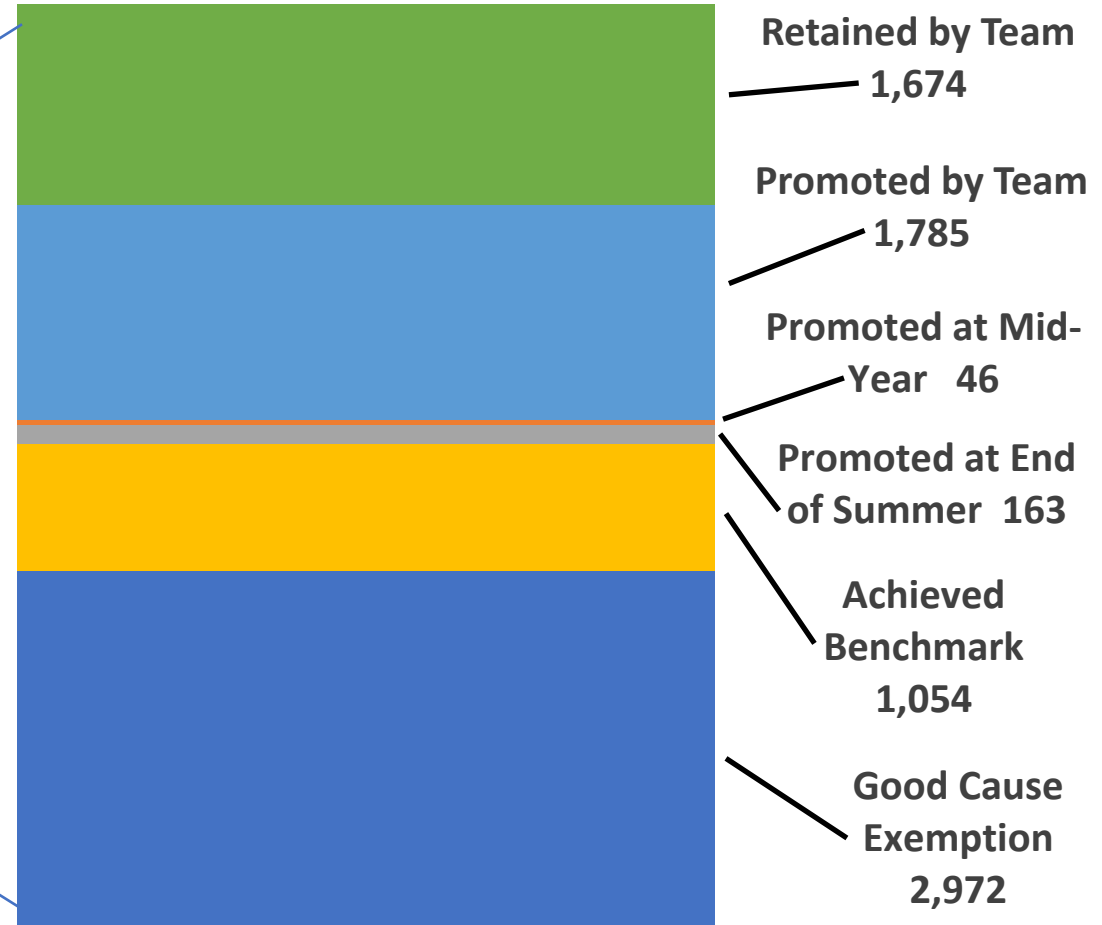
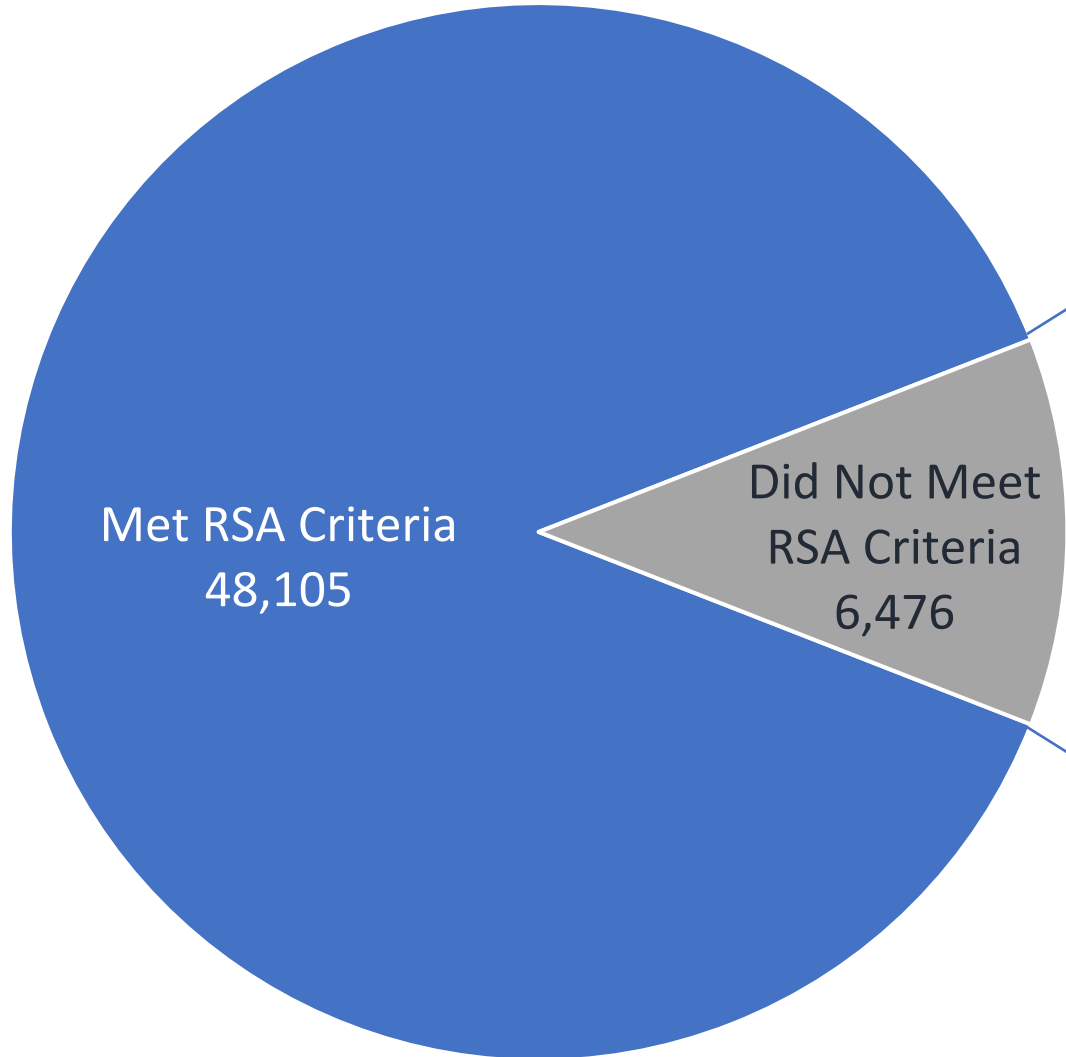


# IMPORTANCE OF COMPARABILITY: COMPARISON OF PROFICIENCY SCORES



# RSA PERFORMANCE

## (3<sup>rd</sup> GRADE READING)



- Met RSA Criteria – Students scoring above Unsatisfactory on the Vocabulary and Comprehension portions of the OCCT.
- Did Not Meet RSA criteria – Students scoring Unsatisfactory on the Vocabulary and Comprehension portions of the OCCT.

# COST TO FULLY FUND RSA

- Request: \$6,492,074 Restore to FY 16 Level

Allocations made to districts based on number of students identified as needing remediation or intervention in reading in grades K-3 (70 § O.S. 1210.508D).

\$150\* per student

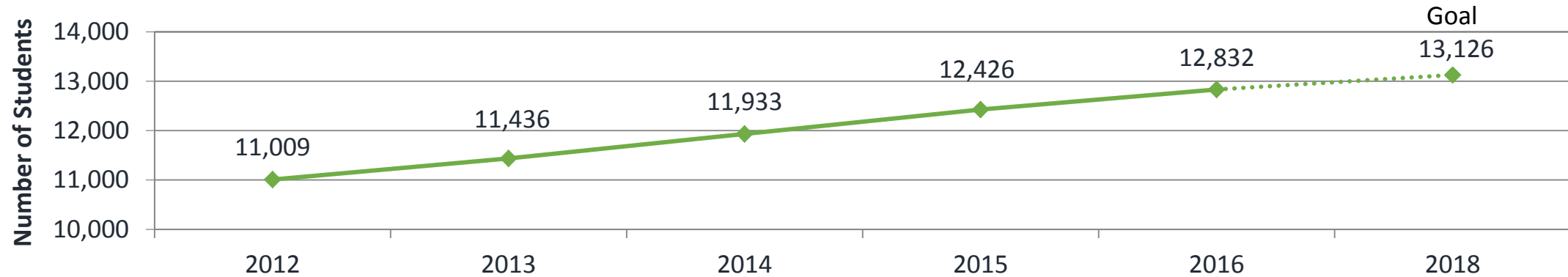
x 80,304 students

**\$12,045,600** Total if Fully Funded

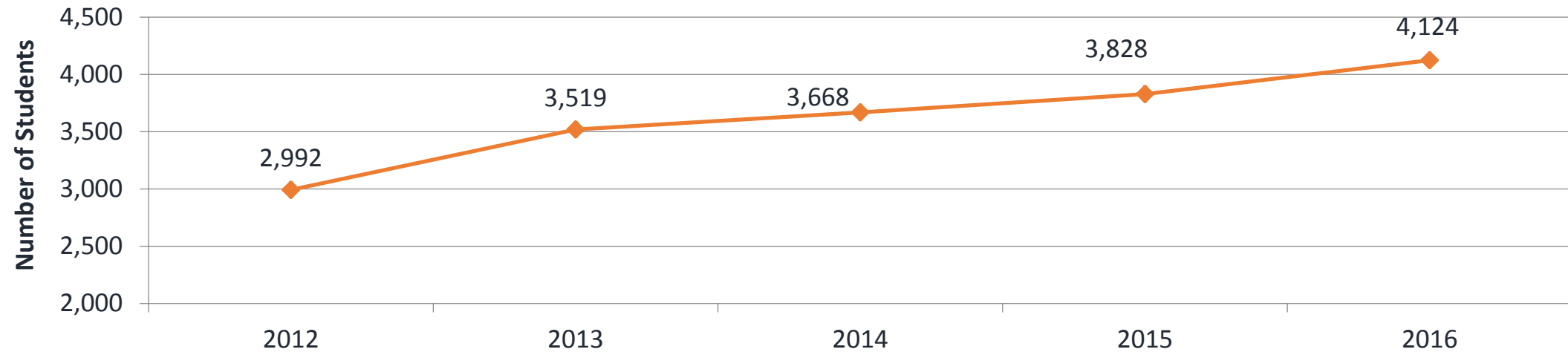
**FY 17 Funding at \$4,507,271 (37.42%)**

# ADVANCED PLACEMENT

## Students Earning College Credit Through AP Tests



## Students Receiving Test Fee Assistance (total spent: \$365,629)



# TEACHER COMPENSATION

# TEACHER COMPENSATION

**Oklahoma Average**  
(includes benefits)



**Regional Average**



**National Average**



# TEACHER COMPENSATION CALCULATION

**70 O.S. 26-103:** Establishes the state “cafeteria plan” included in the Flexible Benefit Allowance to be in accordance with 26 U.S.C. Section 125.

**NEA Instructions** for submitting salary information: “**Do not** include employee benefits **UNLESS** the benefits are provided under the terms of **Section 125** of the Internal Revenue code related to so-called cafeteria or flexible spending accounts that reduce the employee’s salary for tax purposes.”



**“Average Salary”:** The average gross salary before deductions for Social Security, retirement, health insurance, et al.



# TEACHER COMPENSATION

Regional Average



 TX	\$51,758
 CO	\$50,039
 KS	\$49,197
 AR	\$48,220
 MO	\$47,849
 NM	\$47,163
 OK	\$44,921

**\$31,600**

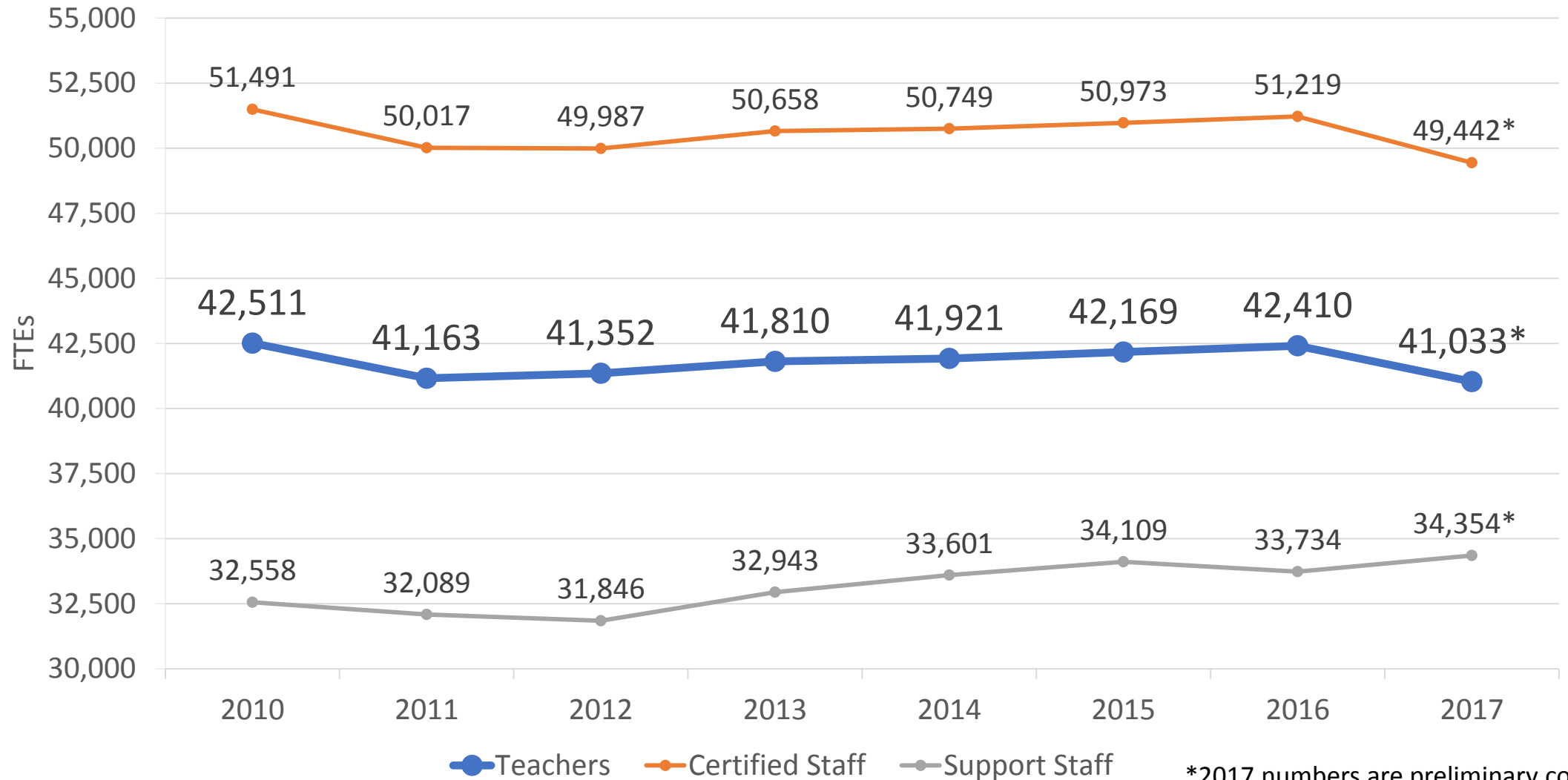
Oklahoma minimum starting salary for new teacher

**\$34,000**

Oklahoma minimum starting salary for new teacher with doctorate

Oklahoma minimum salaries have not increased since  
**2008**

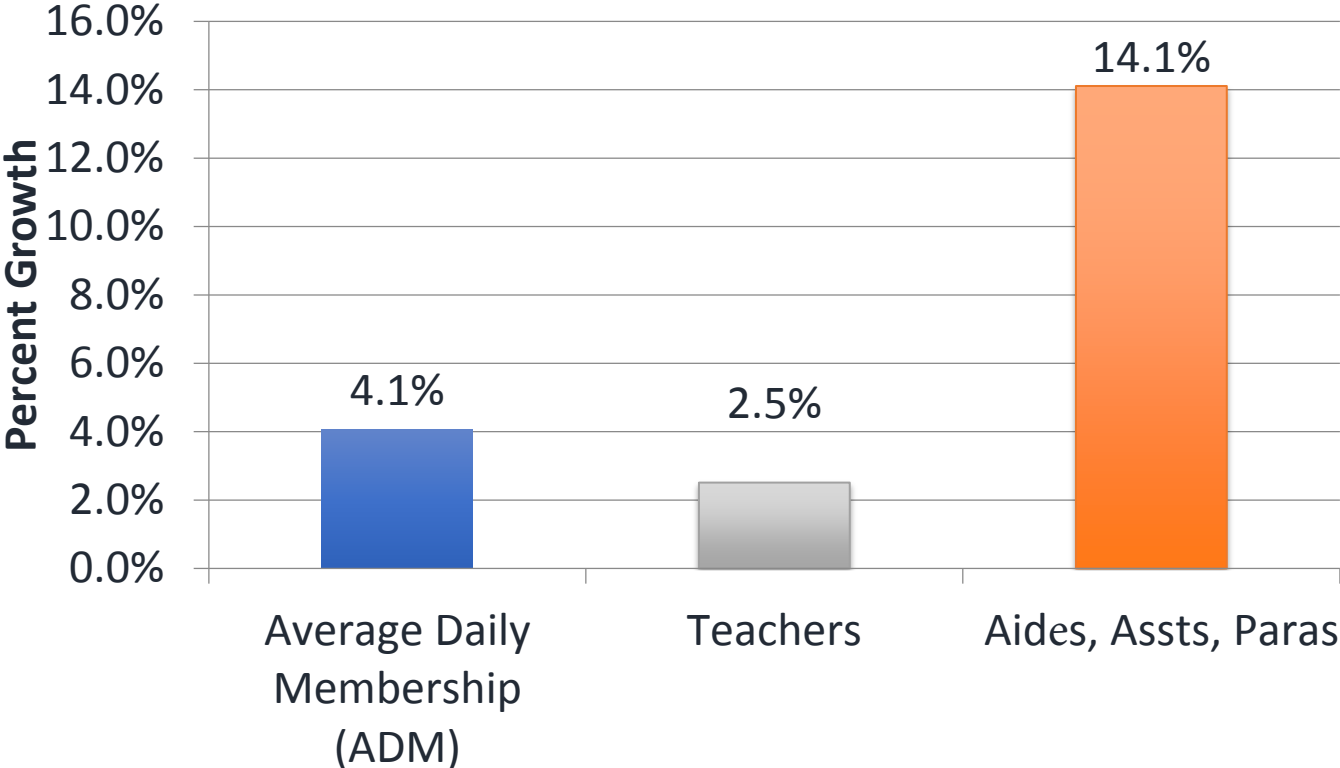
# CHANGE IN SCHOOL PERSONNEL OVER TIME



\*2017 numbers are preliminary counts based on Oct. 1 reporting.

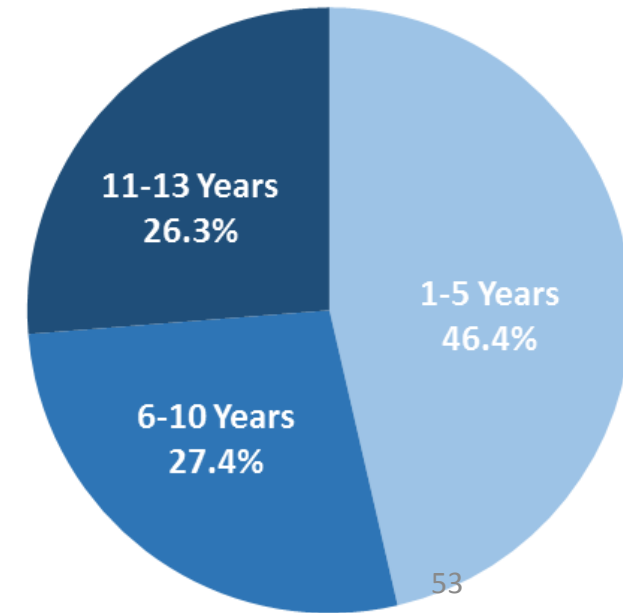
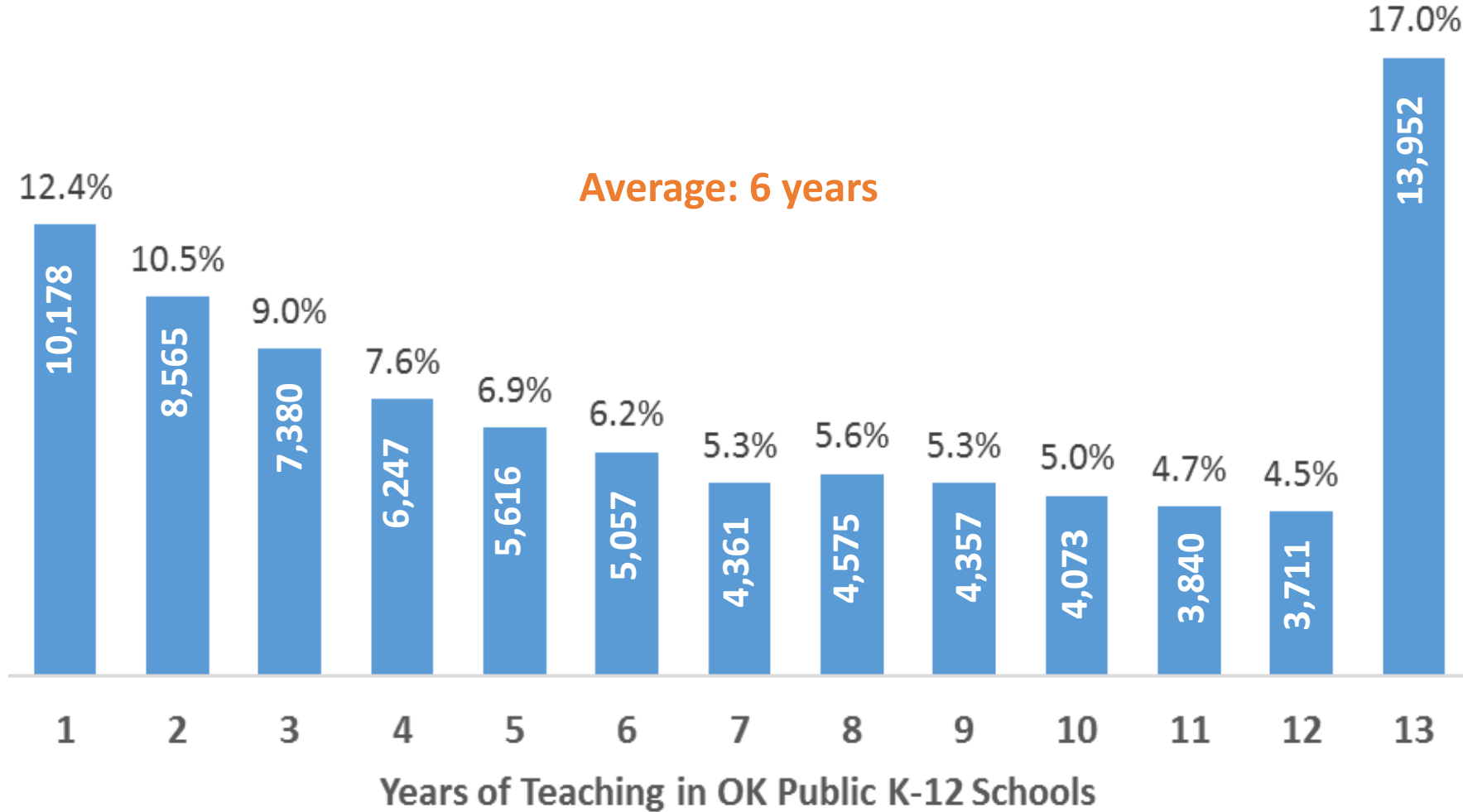
# GROWTH IN CLASSROOM SUPPORT STAFF SINCE 2011

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.



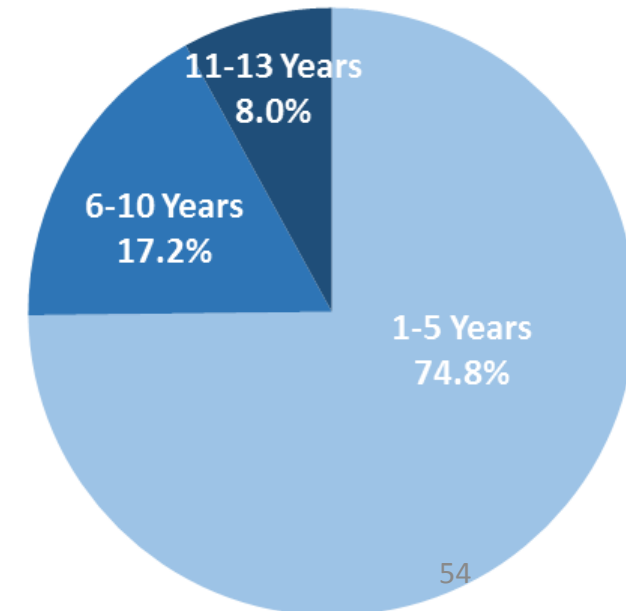
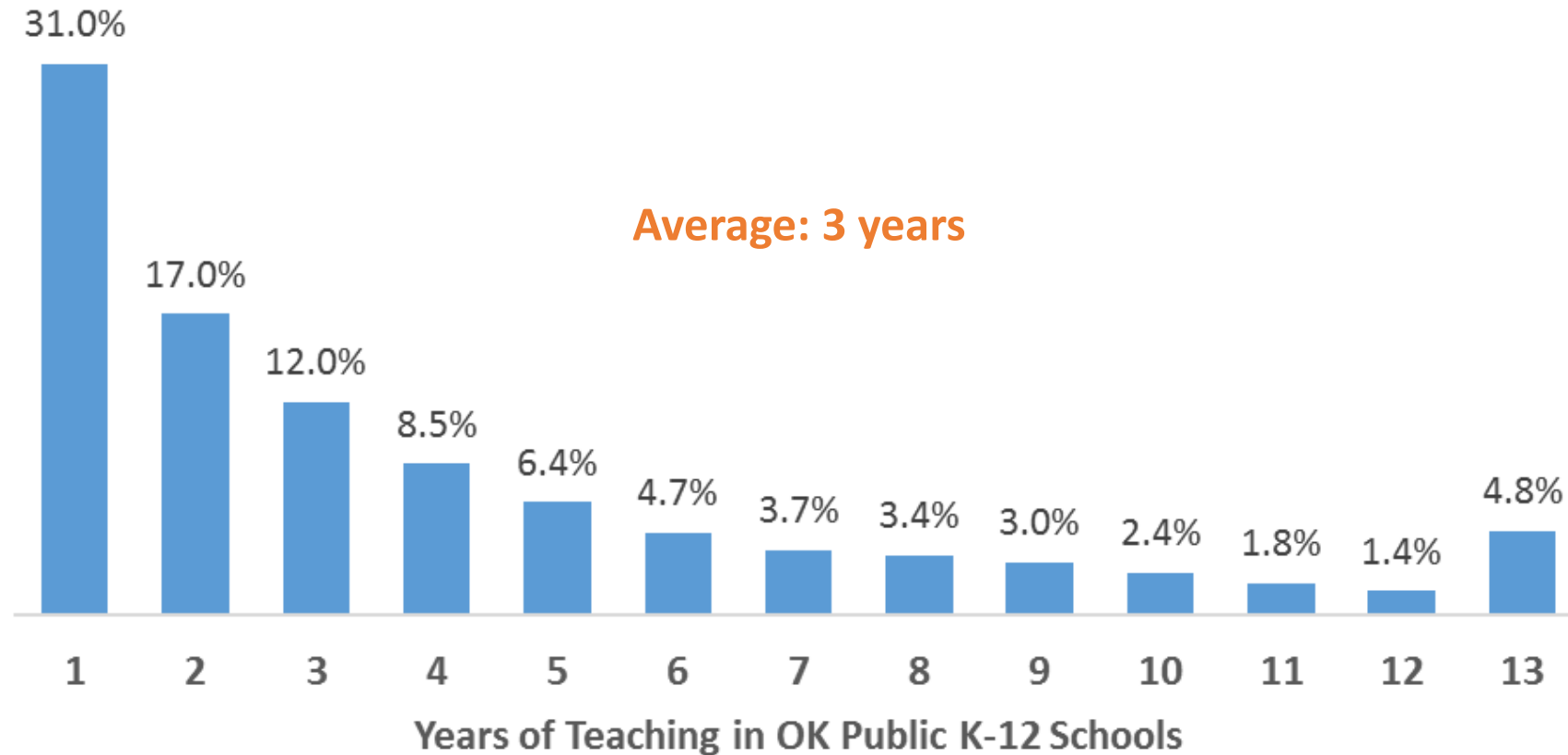
# HOW LONG DO TEACHERS STAY?

(RETENTION RATE OVER THE LAST 13 YEARS, 2005-2017)



# HOW LONG DID TEACHERS STAY IN THE SAME SCHOOL?

(RETENTION RATE OVER THE LAST 13 YEARS, 2005-2017)



# EMERGENCY TEACHER CERTIFICATIONS

**32 Certificates**

**2011-2012**



Source: OSDE Office of Teacher Certification

# EMERGENCY TEACHER CERTIFICATIONS

**97 Certificates**

**2012-2013**



# EMERGENCY TEACHER CERTIFICATIONS

**189 Certificates**  
**2013-2014**



Source: OSDE Office of Teacher Certification

**32 | 2011-2012**   **97 | 2012-2013**



# EMERGENCY TEACHER CERTIFICATIONS

**505 Certificates  
2014-2015**



Source: OSDE Office of Teacher Certification

**32 | 2011-2012    97 | 2012-2013    189 | 2013-2014**

# EMERGENCY TEACHER CERTIFICATIONS

## 1,063 Certificates 2015-2016



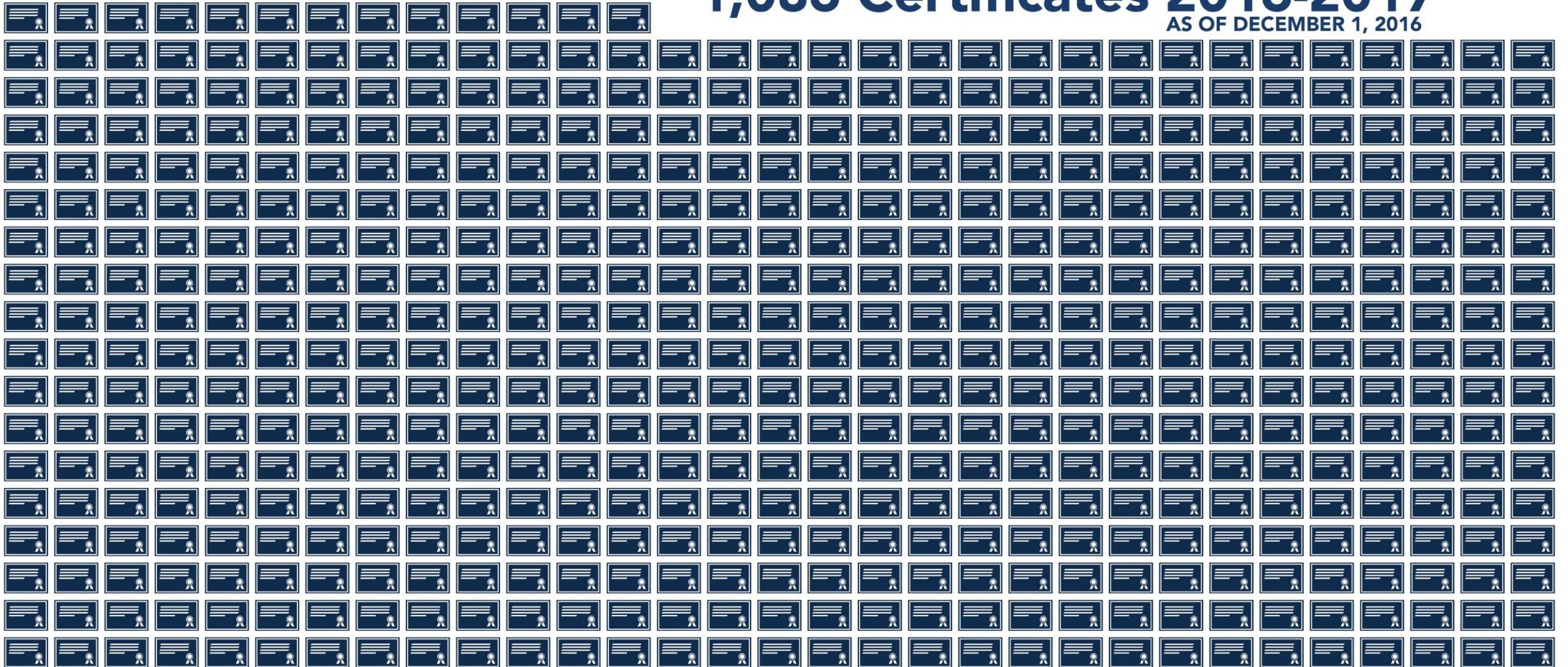
Source: OSDE Office of Teacher Certification

**32 | 2011-2012    97 | 2012-2013    189 | 2013-2014    505 | 2014-2015**



# EMERGENCY TEACHER CERTIFICATIONS

## 1,086 Certificates 2016-2017 AS OF DECEMBER 1, 2016

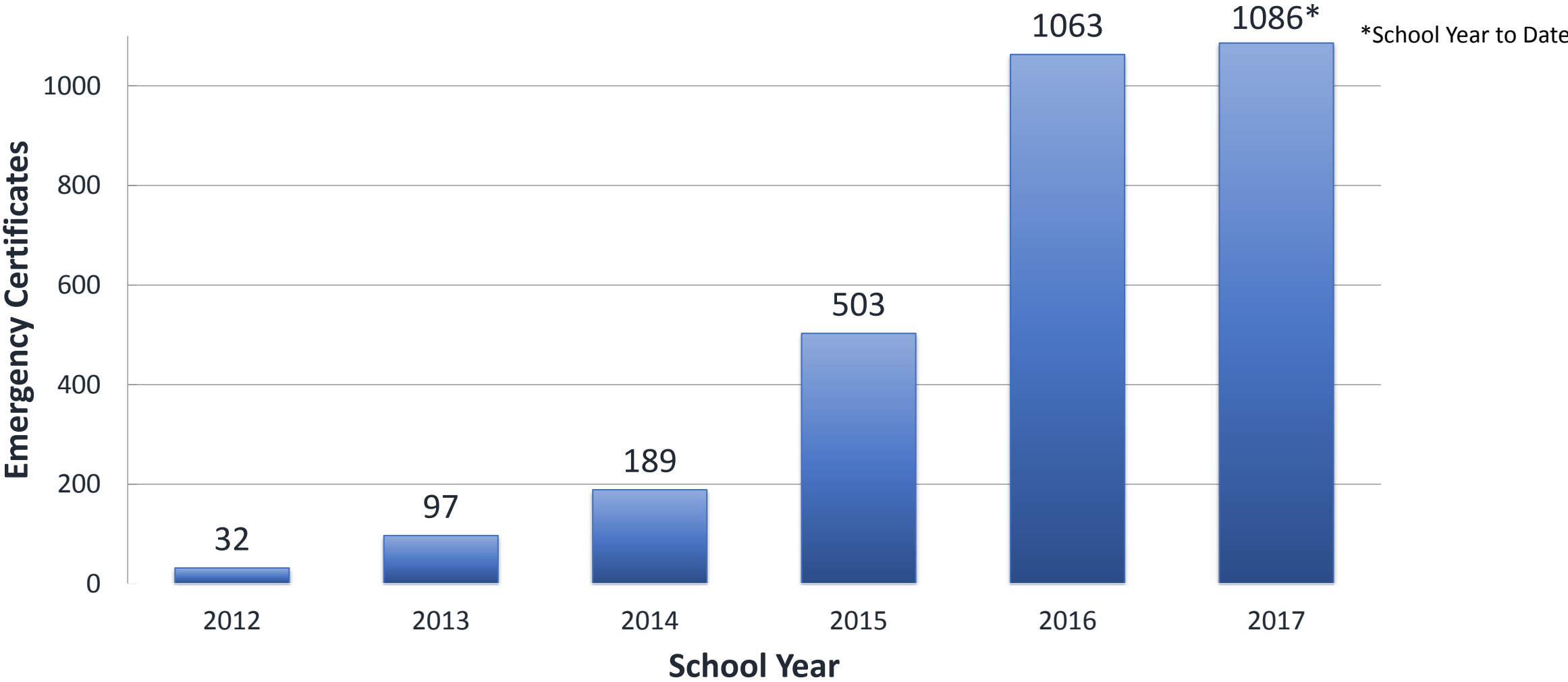


Source: OSDE Office of Teacher Certification

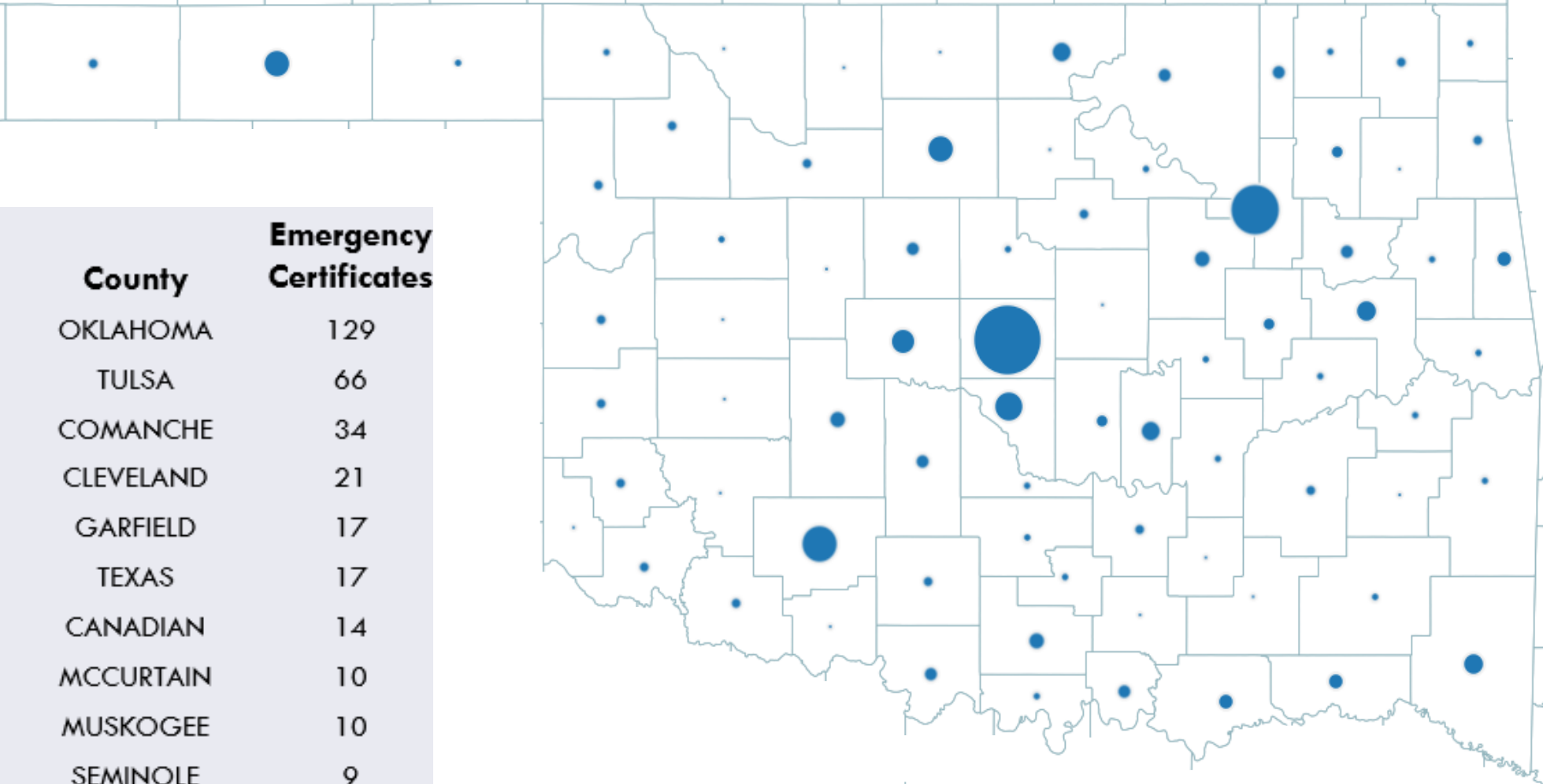
**32 | 2011-2012    97 | 2012-2013    189 | 2013-2014    505 | 2014-2015    1,063 | 2015-2016**

# EMERGENCY CERTIFICATES ISSUED

(TEMPORARILY NON-CERTIFIED IN FIELD OF NEED)



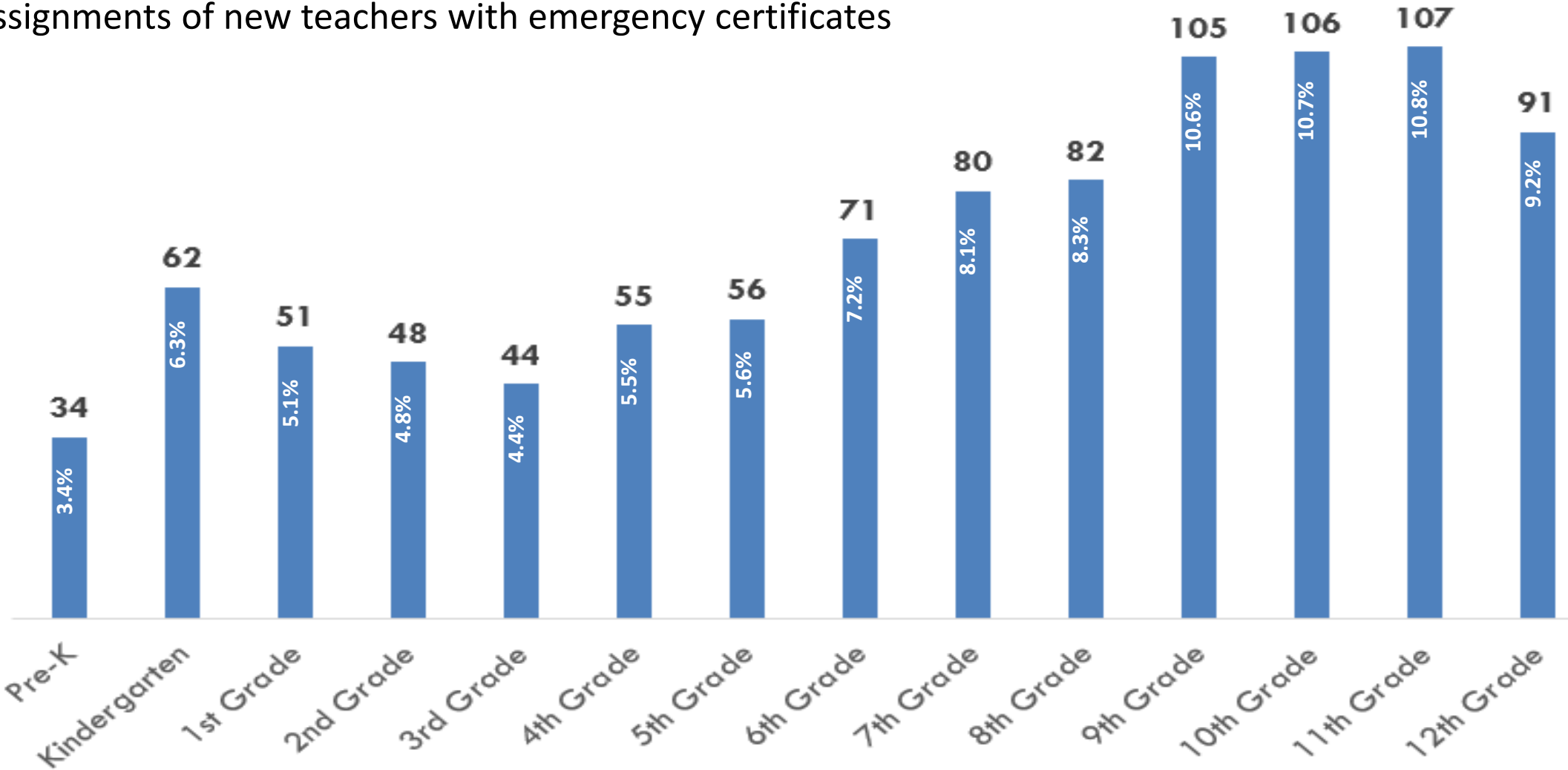
# EMERGENCY CERTIFICATES BY COUNTY



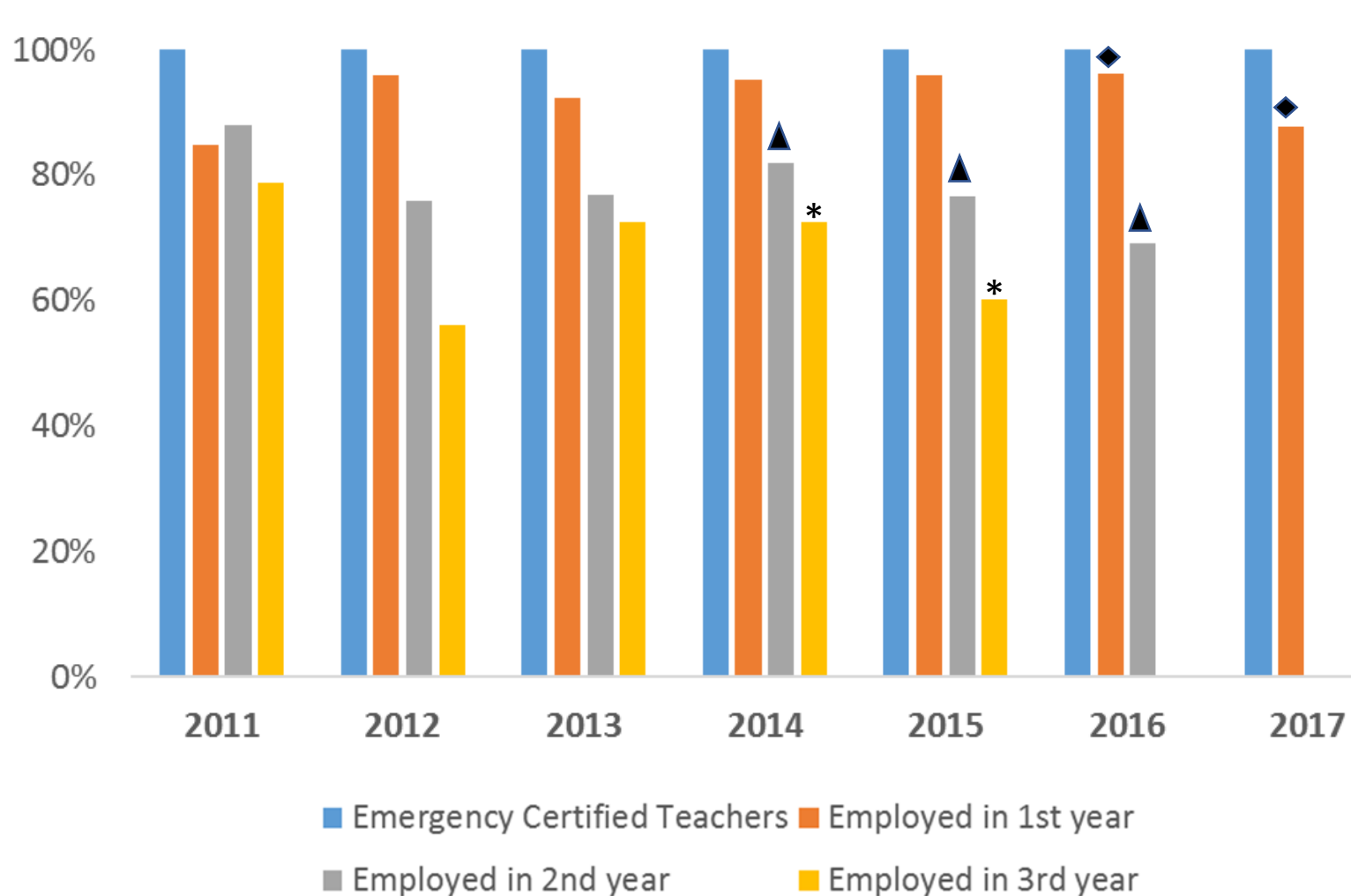
Region	County	Emergency Certificates
C	OKLAHOMA	129
NE	TULSA	66
SW	COMANCHE	34
C	CLEVELAND	21
NW	GARFIELD	17
NW	TEXAS	17
C	CANADIAN	14
SE	MCCURTAIN	10
NE	MUSKOGEE	10
SE	SEMINOLE	9

# EMERGENCY CERTIFICATES BY CLASS

Class assignments of new teachers with emergency certificates



# EMERGENCY CERTIFIED TEACHER RETENTION



## Average Retention Rate

- Employed in 1<sup>st</sup> yr: 92.6%
- Employed in 2<sup>nd</sup> yr: 78.1%
- Employed in 3<sup>rd</sup> yr: 68.0%

◆ The employment rate decreases from 96.3% in 2016 to 87.6% in 2017.

▲ 2<sup>nd</sup> year retention rate decreases from 81.9% in 2014 to 69.1% in 2016.

\* 3<sup>rd</sup> year retention rate decreases from 72.5% for certificates issued in 2014 to 60.2% in 2015.



# EMERGENCY TEACHER CERTIFICATIONS

**52,350**  
**STUDENTS**  
TAUGHT BY AN EMERGENCY  
CERTIFIED TEACHER



## HIGHEST NEEDS\*



**254 ELEMENTARY**



**178 EARLY CHILDHOOD**



**160 SCIENCE**



**62 MATH**



**62 SOCIAL STUDIES**

\*Special Education not eligible for emergency certification.