FY 18 Budget Process: Options for Responding to Projected Shortfall

March 30, 2017

Oklahoma City Public Schools
FY 18 Budget Facts

• Anticipate $4 – 10 million in additional cuts, could be as high as $16.5 million

• Reduced funding is likely new reality – best case scenario is flat funding, enrollment is declining

• Many of the cuts included in the $30 million in targeted cuts/revenue sources for FY 17 are not sustainable
  o Textbooks & library/media budgets
  o Elementary school & fine arts supplies
  o Athletic equipment
District enrollment trends

OKCPS Neighborhood School Enrollment

Peak: 75,457

Oklahoma City Public Schools
Options:

A – Seek permanent cost savings through reducing the number of schools OKCPS operates plus additional savings from cutting contracts and central office expenditures, spending down operating cash.

B – Reduce teaching positions by increasing elementary class sizes plus additional savings from cutting contracts and central office expenditures, spending down operating cash.
Plan A – Permanent Cost Savings through Consolidations
Fixed budget savings

$1,213,550+

Fixed savings over 10 years

= $12,135,500+
Variable budget savings

$1,000,000+

Variable savings over 10 years = $10,000,000+
Recommendation

Delay school consolidations discussion until Winter 2017-18, following a comprehensive demographic study, facility assessment, and redistricting process.
Plan B – Reduce Teaching Positions Through Grade Consolidations & Raising Class Size
6th grade consolidation

* Includes 6th graders from Wilson
# Staffing ratios (Elementary)

<table>
<thead>
<tr>
<th>Position</th>
<th>2016-17</th>
<th>2017-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Teacher – K</td>
<td>26</td>
<td>26</td>
</tr>
<tr>
<td>Teacher – 1, 2, 3</td>
<td>28</td>
<td>28</td>
</tr>
<tr>
<td>Teacher – 4, 5, 6</td>
<td>31</td>
<td>32</td>
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</tbody>
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Low Enrollment Class Splits

Use 85% threshold to reduce the number of vacant seats:

• If a class is projected to be 85%+ vacant, no additional teacher will be allocated
• May require schools to have classes serving two grade levels at once (e.g. 2\textsuperscript{nd}/3\textsuperscript{rd})
• Schools would have choice about how to split classes
• Will impact most elementary schools when combined with the +1 class size increase
Budget Reduction Priorities
Filters for prioritization

- Options that preserve support for schools
- Opportunities to reduce cost for similar service
- Input of students, families, staff, and community

Budget Reduction Priorities
Prioritized list of budget cuts

Tier 1 = $4 million – central office cuts & Plan B

Tier 2 = up to $6-7 million – reduce operating cash

Tier 3 = up to $10 million – deeper school support cuts
Tier 1 targeted budget reductions

Tier 1 = $4 million – central office cuts (+ Plan B)

- Cut contracts including:
  - Learner First
  - Equal Opportunity Schools
  - Center for Education Leadership
  - STAR testing (pending SDE approval)

- Explore reducing cost for School Resource Officers (SRO) program

- Move central office to temporary sites (close 900 N Klein)
- Cancel bus leases
- Cancel school on May 30, 2017
Tier 2 targeted budget reductions

- Spend down the district’s fund balance (operating cash) by 1-2% of overall revenue
- Fund balance cash reserves must remain around $20 million
- Some cash reserves must be available in the event of additional state revenue failures
Tier 3 targeted budget reductions

Tier 3 = Additional $3-4 million – deeper school support cuts

• Reduce central office positions:
  ➢ Combine positions
  ➢ Eliminate and manage some vacancies
• Reduce annual duty work days (furlough/leave reduction for Fall, Winter, Spring Breaks)
• Align new ProTech employee annual leave accruals with peer organizations (will not affect existing staff)
Future cost/revenue solutions

Ideas to be explored in 2017-18 for future budgets

• A redistricting process to include school closing recommendations
• Consider future reductions-in-force, if necessary
• Sell or lease surplus properties
• Align building use process and charges with neighboring systems
• Explore bringing consistency to charter school leases and right-sizing support and administrative fees for charters
• Sell advertisement space in buildings and buses, district publications and website
• Evaluate cost savings from upgrading HVAC systems
• Bring School Resource Officer (SRO) program in-house
• Further reduce utility cost by unplugging electronics on weekends
• Reconsider continuous learning calendar
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