

A photograph of the Oklahoma City skyline, featuring several prominent skyscrapers and a mix of urban buildings under a clear blue sky. The text is overlaid on the upper portion of the image.

FY 18 Budget Process: Options for Responding to Projected Shortfall

March 30, 2017

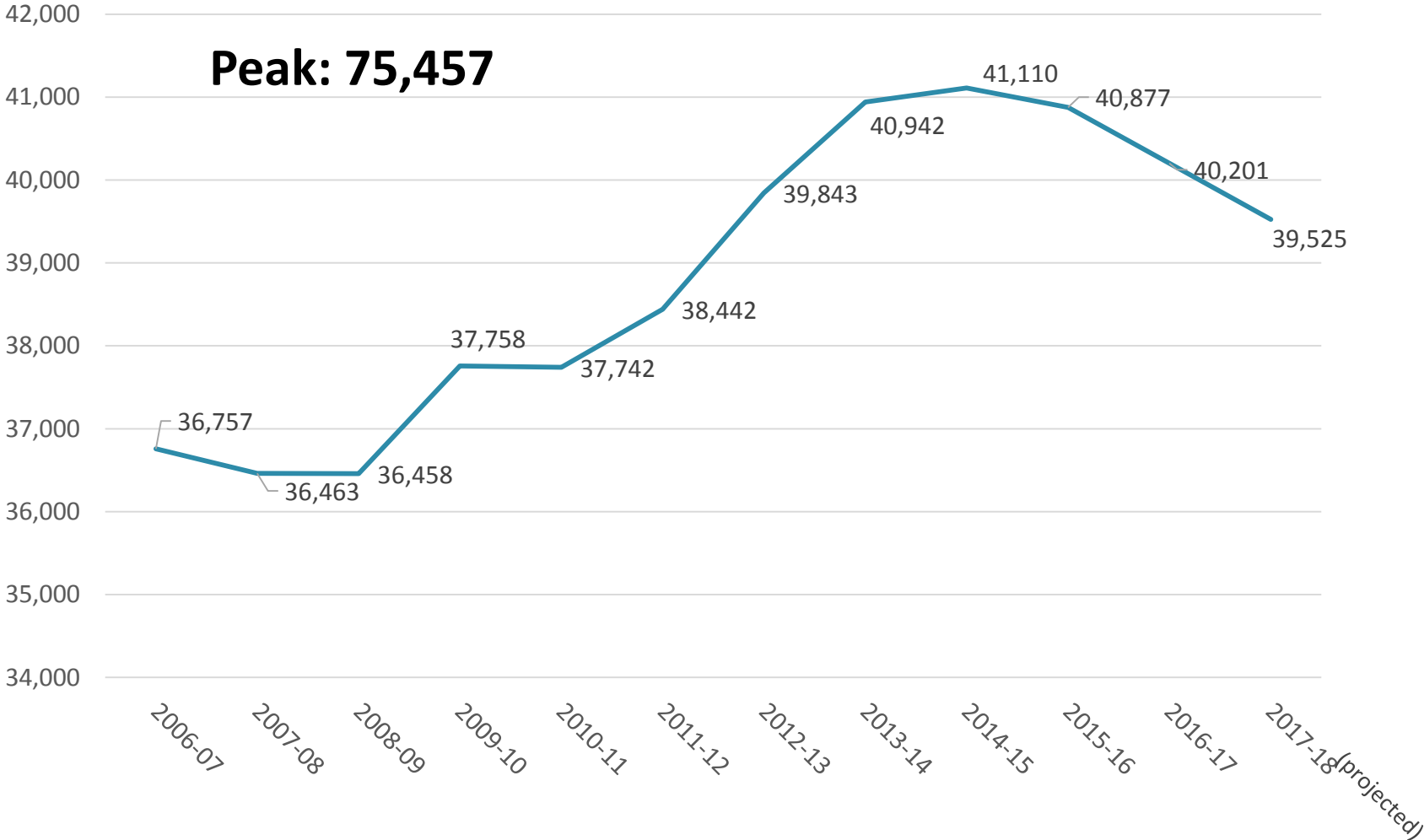
Oklahoma City Public Schools

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
 - Textbooks & library/media budgets
 - Elementary school & fine arts supplies
 - Athletic equipment

District enrollment trends

OKCPS Neighborhood School Enrollment



FY 18 Budget Facts

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+**

TOTAL budget savings



\$2,213,550+

Total savings over 10 years

= \$22,135,500+

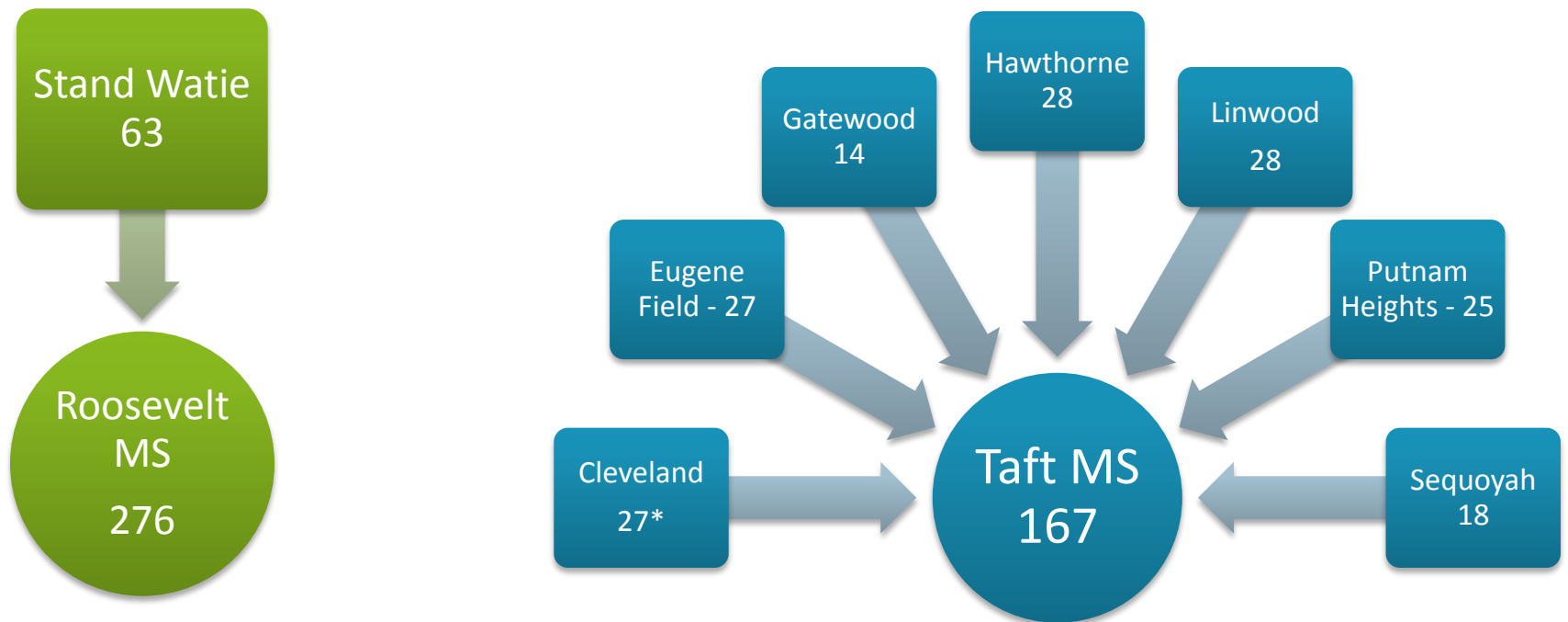
Recommendation

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)

Position	2016-17	2017-18
Teacher – K	26	26
Teacher – 1, 2, 3	28	28
Teacher – 4, 5, 6	31	32

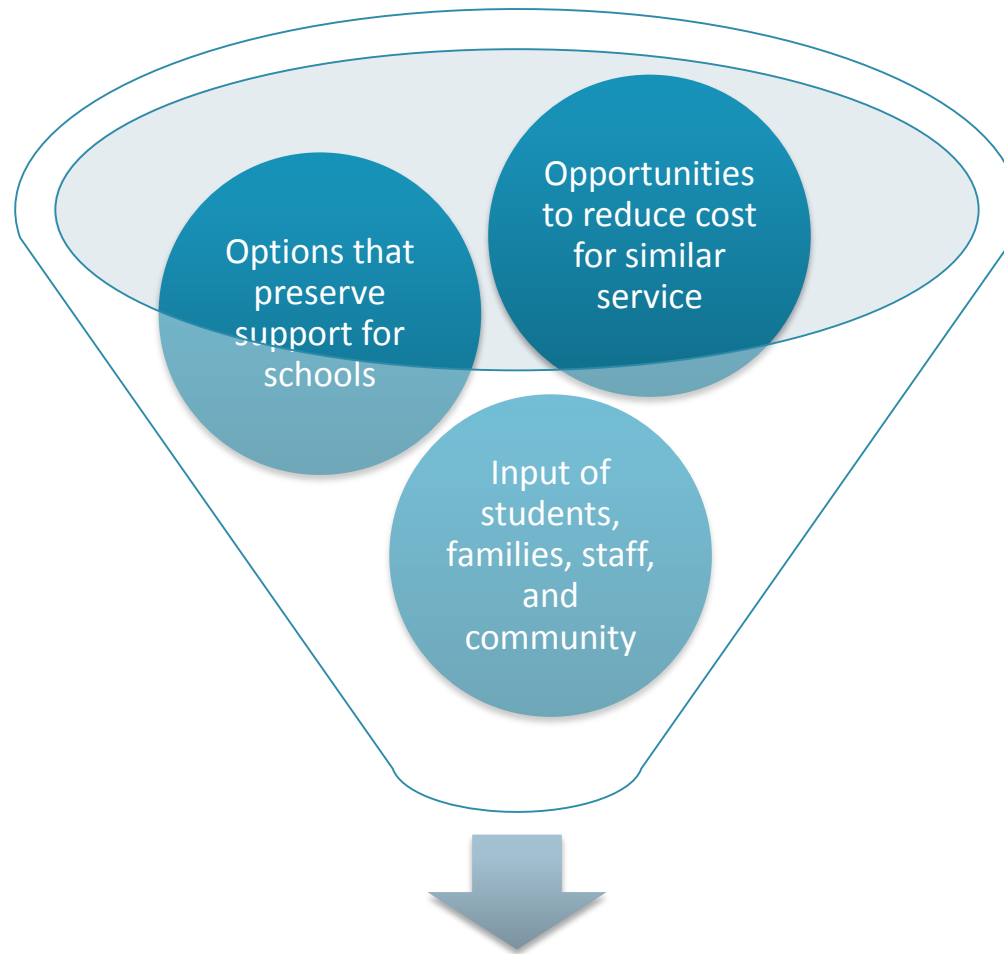
Low Enrollment Class Splits

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. 2nd/3rd)
- 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



Budget Reduction Priorities

Prioritized list of budget cuts

Tier 3 = up to \$10 million – deeper school support cuts

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

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

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

Tier 2 = Additional \$2-3 million – reduce operating cash

- 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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