

FY 20 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 25, 2018
SUBJECT: FY 20 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.

This budget request includes a total increase of \$440.6 million more than was appropriated in FY 19. This amount includes restored operational dollars into the state funding formula of \$253 million so that the class size moratorium can be lifted. Additionally, the request includes \$58 million to create a new School Counselor Corps, restoring much needed supports for students including both guidance counseling and mental health supports.

Funding to the Public School Activities line item is also increased by \$79 million, providing additional classroom dollars in the areas of alternative education, reading, supports for low-performing schools, early childhood and supports for teachers. The FY 20 budget request also includes funding necessary for Instructional Materials, the Flexible Benefit Allowance and Administrative Functions line items.

Attached Documentation:

- FY 20 Budget Request
- FY 20 Program Descriptions
- FY 20 Budget Request Presentation

JH/ct

Oklahoma State Board of Education

Budget Request for Fiscal Year 2020

Purpose	FY 19 Appropriation	FY 20 Request	Total Increase/(Decrease)	Notes
1 Financial Support of Public Schools (70 O.S. 18-200.1)	2,278,122,289	2,551,019,697	272,897,408	dollars needed to lift moratorium on class size, pay for increased teacher count
2 <i>Increase for Operations</i>	<i>19,872,648</i>	<i>272,897,408</i>	<i>253,024,760</i>	
3 School Counselor Corps	-	58,163,751	58,163,751	Increase number of school counselors to improve student:counselor ratio.
4 Instructional Materials (70 O.S. 16-114a)	33,000,000	40,250,000	7,250,000	Secondary ELA (\$65 ea.), Instructional Technology, Personal Financial Literacy (\$30 ea.)
5 Flexible Benefit Allowance (70 O.S. 26-104)	483,733,116	503,415,468	19,682,352	includes projected growth in staff and 4.5% premium increase
6 <i>Certified Personnel</i>	<i>312,923,030</i>	<i>326,103,891</i>	<i>13,180,861</i>	
7 <i>Support Personnel</i>	<i>170,810,086</i>	<i>177,311,577</i>	<i>6,501,491</i>	
8 Support of Students and Teachers (previously Public School Activities)	94,969,026	174,306,923	79,337,897	
9 Administrative and Support Functions	15,980,190	19,339,638	3,359,448	restore agency capacity to FY 16 level
10 Lottery Trust Fund - Transfer to TRS Revolving Fund (62 O.S 34.93 and 3A O.S. 713(C)(3))	3,590,263	3,590,263	-	determined by statute
11 Lottery Trust Fund - Transfer to School Consolidation Assistance Fund (70 O.S. 7-203)	3,590,263	3,590,263	-	determined by statute
12 TOTAL APPROPRIATION	2,912,985,147	3,353,676,003	440,690,856	

Oklahoma State Board of Education	Support of Students and Teachers
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Purpose	FY 19 Appropriation	FY 20 Request	Total Increase/ (Decrease)	Notes
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Strategic Plan Pillar 1: Achieve Academic Success	(To ensure a high-quality public education, the OSDE will close the opportunity and achievement gap for each student in Oklahoma.)
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1	Alternative Education Programs and Admin (70 O.S. 1210.561, 70 O.S. 1210.568)	10,060,988	39,949,742	29,888,754	amount spent by districts in FY 18
2	Early Intervention SoonerStart (70 O.S. 13-124)	14,400,341	16,607,757	2,207,416	restoring 20 staff members of 60 lost since 2008
3	Early Childhood Initiative (70 O.S. 10-105.4)	10,650,000	15,000,000	4,350,000	expand Lawton program/new center in Tulsa
4	Required Assessments (70 O.S. 1210.508, 20 USC §6311(b)(2))	7,500,000	13,427,900	5,927,900	meet ESSA requirements/peer review, cost for US History test
5	State School Support		11,837,684	11,837,684	match federal investment in supporting low-performing schools
6	Reading Sufficiency (70 O.S. 1210.508D)	6,500,000	11,753,700	5,253,700	amount needed for 78,358 students KG-3 * \$150
7	Competitive Grants Pool	-	6,500,000	6,500,000	funding to GE, Street School, Imagine Math and other programs
8	<i>Great Expectations</i>	400,000	-	-	<i>fund from Grants Pool</i>
9	<i>Street School</i>	180,000	-	-	<i>fund from Grants Pool</i>
10	School Lunch Matching & MOE (7 CFR 210-17 and 7 CFR 235.11(a))	3,069,419	3,500,000	430,581	estimate to cover any increase to required state match
11	Accountability Implementation/Dashboards (70 O.S. 1210.545, 20 USC §6311(c))	-	1,771,640	1,771,640	FY 20 contracted costs
12	AP Teacher Training and Test Fee Assistance (70 O.S. 1210.703)	523,141	1,530,500	1,007,359	test fee assist., AP start up grants to districts, PD institutes
13	Standards Implementation (70 O.S. 11-103.6, 20 USC §6311(b)(1))	150,000	350,000	200,000	Science and Fine Arts revision, curriculum frameworks
14	Oklahoma Arts Institute	200,000	200,000	-	maintain current funding
15	Charter Schools Incentive Fund (70 O.S. 3-144)	-	100,000	100,000	cover start up costs for new charter schools
16	Ag in the Classroom	38,000	38,000	-	
17	Total	53,671,889	122,566,923	69,475,034	

Strategic Plan Pillar 2: Build Exceptional Educators and Schools	(The OSDE will support the recruitment, preparation and retention of highly qualified teachers and leaders.)
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18	Teachers' Retirement System (70 O.S. 17-108.2)	32,712,137	33,500,000	787,863	estimated growth in teachers
19	Teacher Professional Development	-	5,300,000	5,300,000	meet requirements and create network improvement communities
20	National Board Teacher Bonus (70 O.S. 6-204.2)	3,285,000	3,250,000	(35,000)	projection based on need - stipends for 650 teachers
21	Psychologists, Speech Pathologists and Audiologists Bonus (70 O.S. 6-206)	3,650,000	3,900,000	250,000	projection based on need - stipends for 780 FTEs
22	Teach for America	1,250,000	2,500,000	1,250,000	FY 14 amount restored - 1st year of program
23	Teacher Induction Program (70 O.S. 6-195)	150,000	1,740,000	1,590,000	amount needed for \$500 mentor stipend (3180 1st yr teachers)
24	Improvements to Student Information System	-	1,000,000	1,000,000	projected amount to implement digital transcripts
25	Teacher and Leader Effectiveness Programs (70 O.S. 6-101.16)	250,000	550,000	300,000	PL Focus, Moving UP, Lead to Succeed, Emergency Cert training
26	Total	41,297,137	51,740,000	10,442,863	

Grand Total	\$ 94,969,026	\$ 174,306,923	\$ 79,337,897	
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**Oklahoma State Board of Education
Program Descriptions for Fiscal Year 2020 Budget Request**

Purpose	Description	FY 20 Request
Financial Support of Public Schools (70 O.S. 18-200.1)	State funds appropriated for local school districts are distributed through the state aid formula on a weighted average daily membership (WADM) basis.	2,551,019,697
School Counselor Corps	Increase number of school counselors to improve student:counselor ratio.	58,163,751
Instructional Materials (70 O.S. 16-114a)	Funds are 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 secondary ELA (\$65 ea) and Instructional Technology/Personal Financial Literacy (\$30 ea.).	40,250,000
Flexible Benefit Allowance (70 O.S. 26-104)	See next two items.	503,415,468
<i>Certified Personnel</i>	Projected benefit amount for 51,976 school district certified personnel to offset health insurance costs.	<i>326,103,891</i>
<i>Support Personnel</i>	Projected benefit amount for 32,597 school district support personnel to offset health insurance costs.	<i>177,311,577</i>

Purpose	Description	FY 20 Request
Support of Public School Activities	Funds allocated to school districts and other entities for implementation of various education programs and initiatives.	174,306,923
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 280 programs including coops across the state serving approximately 11,412 students. Graduation rate for these students is 81%. Funding level requested is based on the need as demonstrated by OCAS reporting.	39,949,742
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. Additional funds will restore 20 of 60 staff members that have been lost since 2008.	16,607,757
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. Additional funding requested to expand the program to Lawton and open a fourth center in Tulsa.	15,000,000

Purpose	Description	FY 20 Request
Required Assessments (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. Additional funding is needed to ensure assessments are valid under requirements of ESSA, meet peer review requirements and pay for new U.S. History assessment.	13,427,900
State Support to Low-Performing Schools	Funds would provide support to low-performing schools that are identified as in need of support, but are not receiving federal school improvement funding. Funds also would increase capacity for coaching from OSDE for these schools.	11,837,684
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. In previous years, schools have received approximately 50% of the amount originally intended for the program. Requested funds would provide assistance to 78,358 students, based on a formula of \$150 per student – the suggested funding amount in state statute at the initiation of the program.	11,753,700
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, this same amount provided funding to 18 programs.	6,500,000

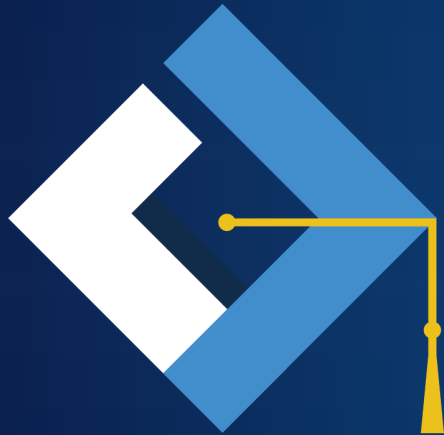
Purpose	Description	FY 20 Request
<i>Great Expectations</i>	GE is a teacher professional development program based on the latest research of the most effective teaching practices. Funds are used for educators from approximately 119 schools (88 GE model schools and 31 scholarship schools) to attend the GE institute, held in multiple locations around the state. This will benefit approximately 62,000 students. GE would be funded through the grant pool.	-
<i>Street School</i>	Street School is an academic and therapeutic program designed for youth that have dropped out or are at risk of dropping out. Program assists the hardest to reach and most deficient students in increasing college, career and citizen-readiness. The program serves approximately 130 students. Funding levels would restore the program to the grant it received through the competitive grants pool in FY 16. Street School would be funded through the grant pool.	-
School Lunch Matching & MOE (7 CFR 210-17 and 7 CFR 235.11(a))	Minimum amount necessary for the state match and maintenance of effort required by USDA in order to receive federal funds for the National School Lunch Program. In FY 17 schools provided 136,909,835 meals to students.	3,500,000
Accountability Implementation and Dashboards (70 O.S. 1210.545, 20 USC §6311(c))	Required to implement new changes to the A-F report card. The amount is needed for year two of development and implementation as reported under the fiscal impact of HB 1693 (2017).	1,771,640

Purpose	Description	FY 20 Request
AP Teacher Training, Test Fee Assistance and new program grants (70 O.S. 1210.703)	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. Funding would allow test fee assistance for students in financial need, for grants to districts wanting to start new AP courses, which have ceased with funding cuts, and expand professional development needed for AP teachers.	1,530,500
Standards Implementation (70 O.S. 11-103.6, 20 USC §6311(b)(1))	Funds are used for implementation of curricular standards. For review in Fy 20 are science and fine arts. Funds will be used to continue development of frameworks and other materials to help teachers understand the standards, and for training around the state.	350,000
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.	200,000
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 capped at \$50,000 per charter school.	100,000

Purpose	Description	FY 20 Request
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 maintained at prior year level.	38,000
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.	33,500,000
Teacher Professional Development (70 O.S. 6-193)	Funds allocated to districts for professional development activities. Funding also to be used to create network improvement communities to better support teachers across the state. Funding level requested is based on the amount of state dollars reported in OCAS as being spent for professional development.	5,300,000
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 20 is 650.	3,250,000

Purpose	Description	FY 20 Request
Psychologists, Speech Pathologists and Audiologists Bonus (70 O.S. 6-206)	Contingent on funds available, 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 based on projected number of FTEs to receive the bonus, approximately 780	3,900,000
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 14/historic level.	2,500,000
Teacher Induction Program (70 O.S. 6-195)	The program requires each first-year teacher, including first-year emergency certified teachers, to have a mentor. There were approximately 3,180 first-year teachers in 2018. Funds are used for providing professional development, support and coaching to the mentors. Funds also requested to restore previously eliminated stipends in the amount of \$500 to each mentor.	1,740,000
Improvements to Student Information System	Funds requested for implementation of electronic transcripts and improvements to the WAVE.	1,000,000
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 – PL Focus. Funds will also be used to continue training programs for assistant principals (Moving UP) and principals (Lead to Succeed) and emergency certified teachers.	550,000

Purpose	Description	FY 20 Request
Administrative and Support Functions	Funds used for support to schools in a variety of areas including curriculum, accountability, finance and professional development and information technology. Additional funds for unfilled positions due to budget shortfall and to expand agency capacity in critical areas.	19,339,638
Lottery Trust Fund - Transfer to TRS Revolving Fund (H.B. 2242, 2015, 62 O.S 34.93 and 3A O.S. 713(C)(3))	Funds appropriated to the Teachers' Retirement System Dedicated Revenue Revolving Fund to fund the current unfunded liability of the Teachers' Retirement System.	3,590,263
Lottery Trust Fund - Transfer to School Consolidation Assistance Fund (H.B. 2242, 2015, 70 O.S. 7-203)	Funds appropriated to SDE to assist district consolidation, annexation, shared superintendent, severance payments and ACE technology.	3,590,263
TOTAL APPROPRIATION		3,353,676,003



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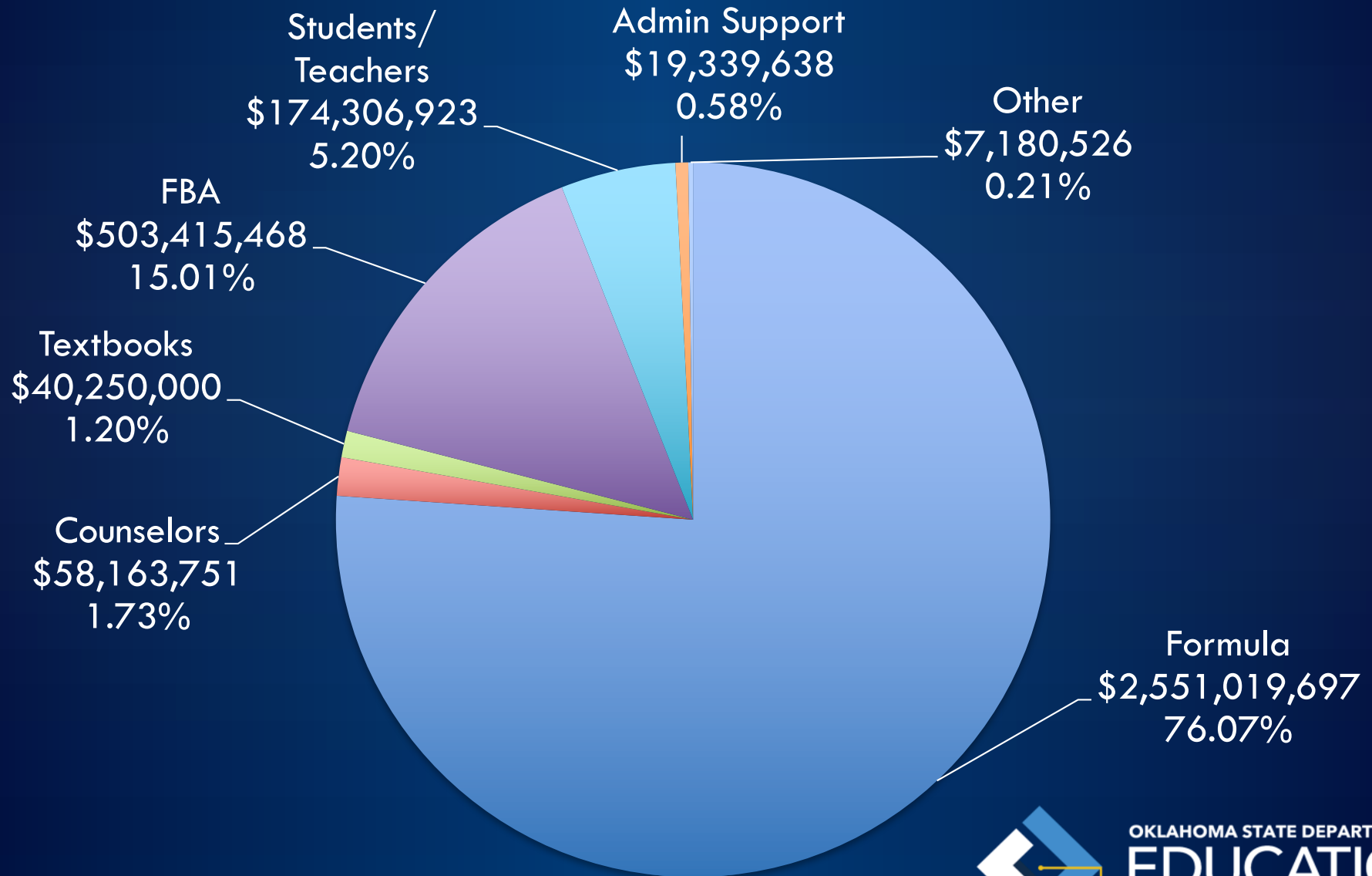
Fiscal Year 2020 Budget Request

October 25, 2018

Carolyn Thompson

Chief of Government Affairs

FY 20 Budget Request



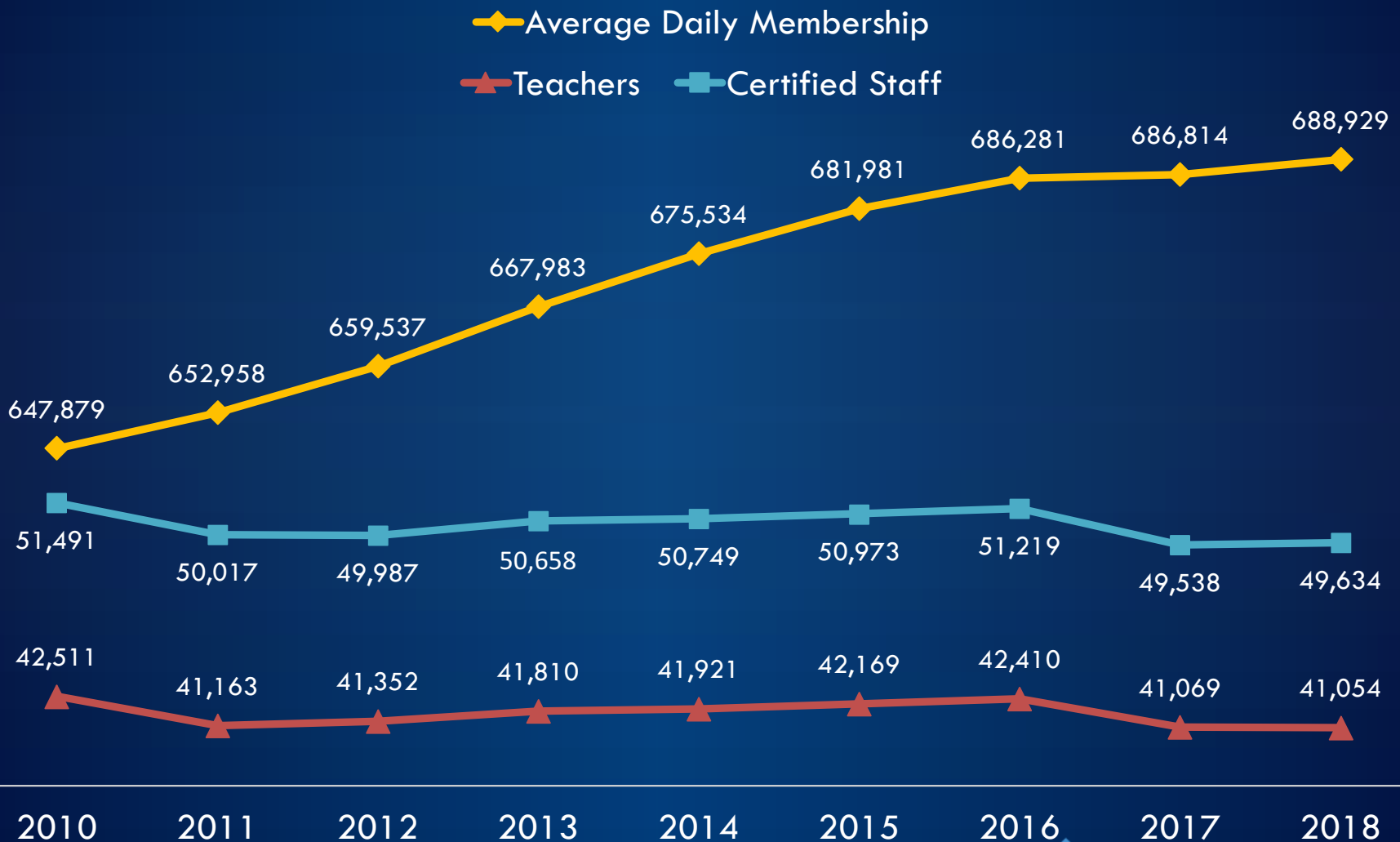
Funding to Reduce Class Size

In order to enforce class size limits,
an additional **\$272,897,357** must be
invested in the formula.

➔ Investment: additional **\$259.40**
per student (Weighted ADM)



Increasing Gap between Teacher and Student Count



Strategic Investment in School Counselors

- American School Counselor Association recommended student to counselor ratio
 - 250 students to 1 counselor
 - Oklahoma's student to counselor ratio
 - 435 students to 1 counselor
- ➔ Investment: **\$58,163,751**



School Counselor Corps

- Hire additional School Counselors to support students with Individual Career Academic Planning (ICAP)
- Increase graduation rate, reduce drop out rate
- Hire additional LPCs to meet mental health needs of students
- Support counselors with trauma-informed training



Flexible Benefit Allowance Allocation

(Providing Health Insurance to over 84,000 Oklahoma Educators)

(In Millions \$)



FY 2020 request: \$503,415,468

Increase of: \$19,682,352



OKLAHOMA STATE DEPARTMENT OF
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Instructional Materials

FY 19 appropriation for Math = \$33,000,000

➤ Actual Cost = \$58,650,000

FY 20 request for Secondary ELA

➤ Actual Cost = \$65/book

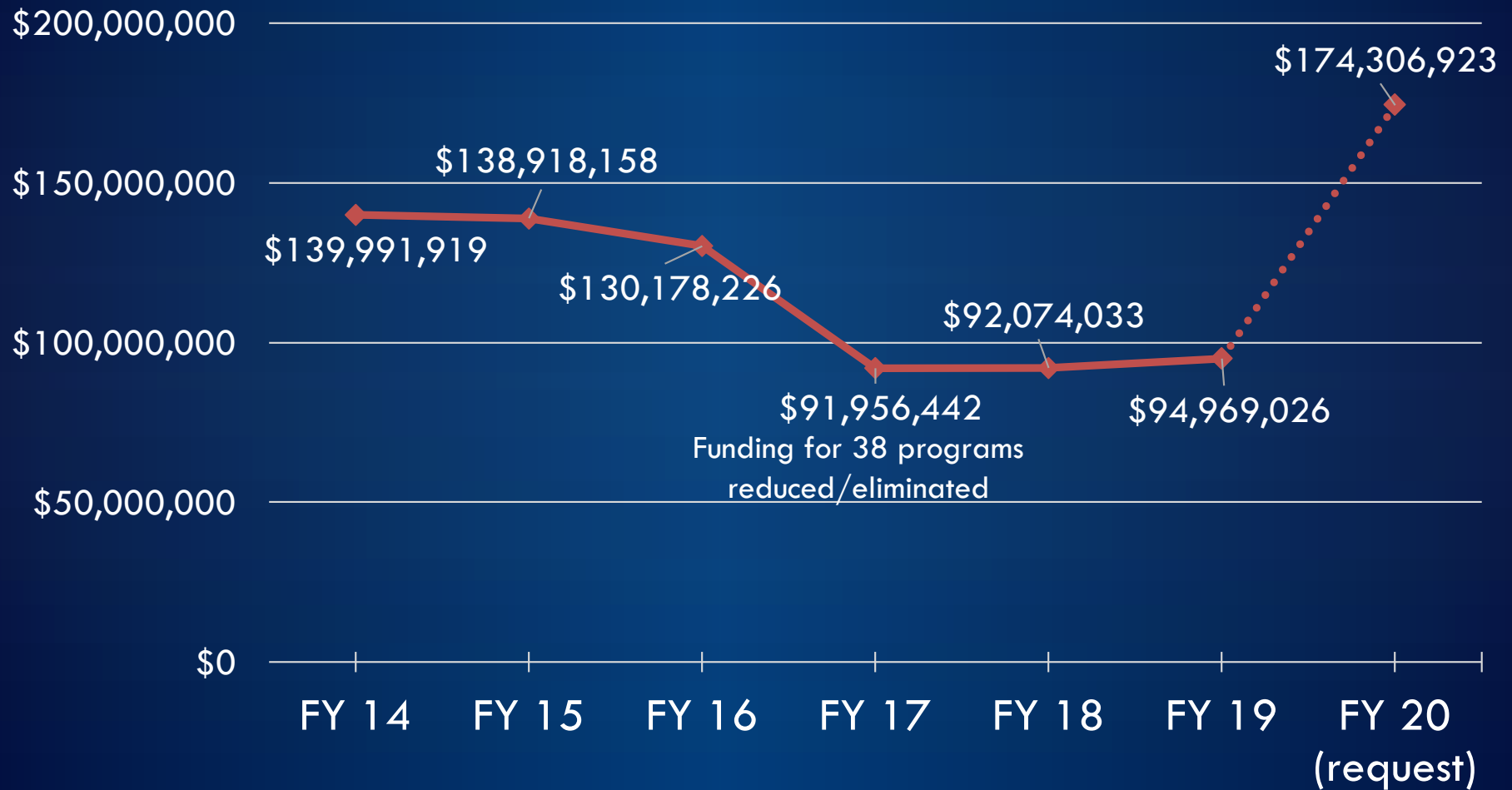
FY 20 request for Instructional Technology/PFL

➤ Actual Cost = \$30/book

➔ Investment: \$40,250,000



Support of Teachers and Students (previously Public School Activities)



Alternative Education State Funding

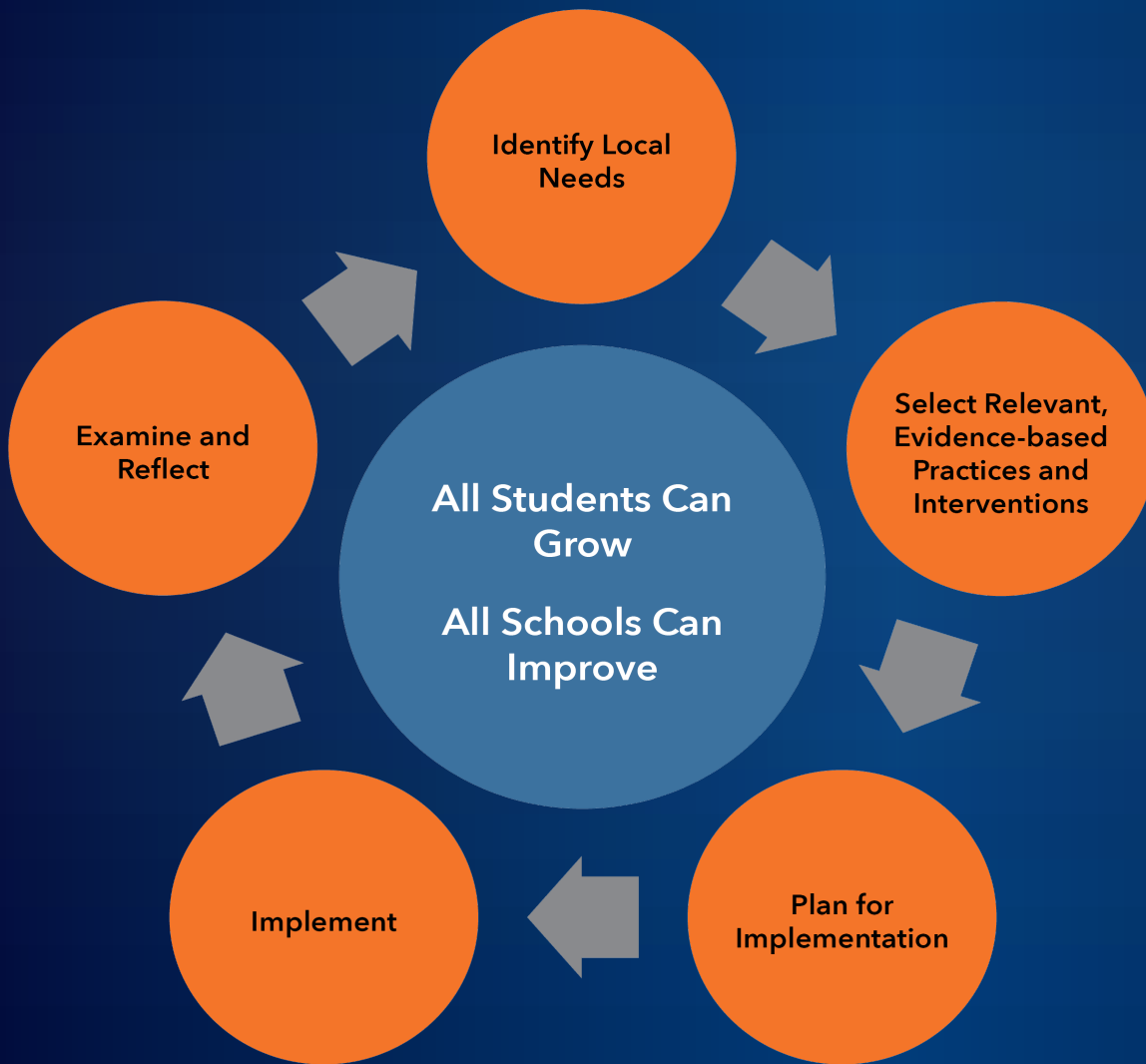


District Allocation and Expenditures

Fiscal Year	State Alternative Education Allocation	Alternative Education Expenditures from Other Sources	Total Alternative Education Expenditures
2016	\$12,151,992	\$28,866,665	\$41,018,657
2017	\$10,048,454	\$28,363,343	\$38,411,797
2018	\$10,605,211	\$29,344,531	\$39,949,742

➔ Investment: **\$39,949,742**

Invest in Supporting Schools



➔ **Investment:**
\$11,837,684



OKLAHOMA STATE DEPARTMENT OF
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What do teachers need outside of pay?

66% of teachers say they would have to have more than pay to go back to the classroom.

Professional Development/Network Improvement
Communities (NICs)

➔ Investment: **\$5,300,000**

Teacher Induction Program/Support for New
Teachers

➔ Investment: **\$1,740,000**



Strategic Investments in the Classroom

- Fund **RSA** at \$150 per student for 78,358 students needing support
- Fund grants to support expansion of **STEM, math, reading**, special education programs
- Increase access to **Advanced Placement** courses
- Bonuses for Psychologists, **Speech Pathologists, Audiologists**
- Increase access to **early childhood** programs

FY 20 Budget Increase Request

Financial Support of Schools	\$272,897,408
School Counselor Corps	\$58,163,751
Instructional Materials	\$7,250,000
Flexible Benefit Allowance	\$19,682,352
Support of Teachers/Students	\$79,337,897
Agency Support for Schools	\$3,359,448
TOTAL	\$440,690,856