Tulsa Public Schools

Special Meeting and Hearings

April 25, 2016

Oklahoma is experiencing a crippling education funding crisis.

NEWSOK

Another Oklahoma across-the-board government budget cut ordered

by Rick Green · Published: March 3, 2016 · Updated: Mar

THE SHAWNEE NEWS-STAR

State budget cuts impact local schools

TIMES RECORD

Posted January 6, 2016 - 10:41am

Oklahoma Educators Facing Shortages In Funding, Teachers

COWETA AMERICAN

Coweta Public School budget takes a big hit from the state

Posted: Tuesday, January 12, 2016 6:00 am

TULSA WORLD

Tulsa Public Schools considers four-day school week, eliminating buses to meet next year's budget cuts

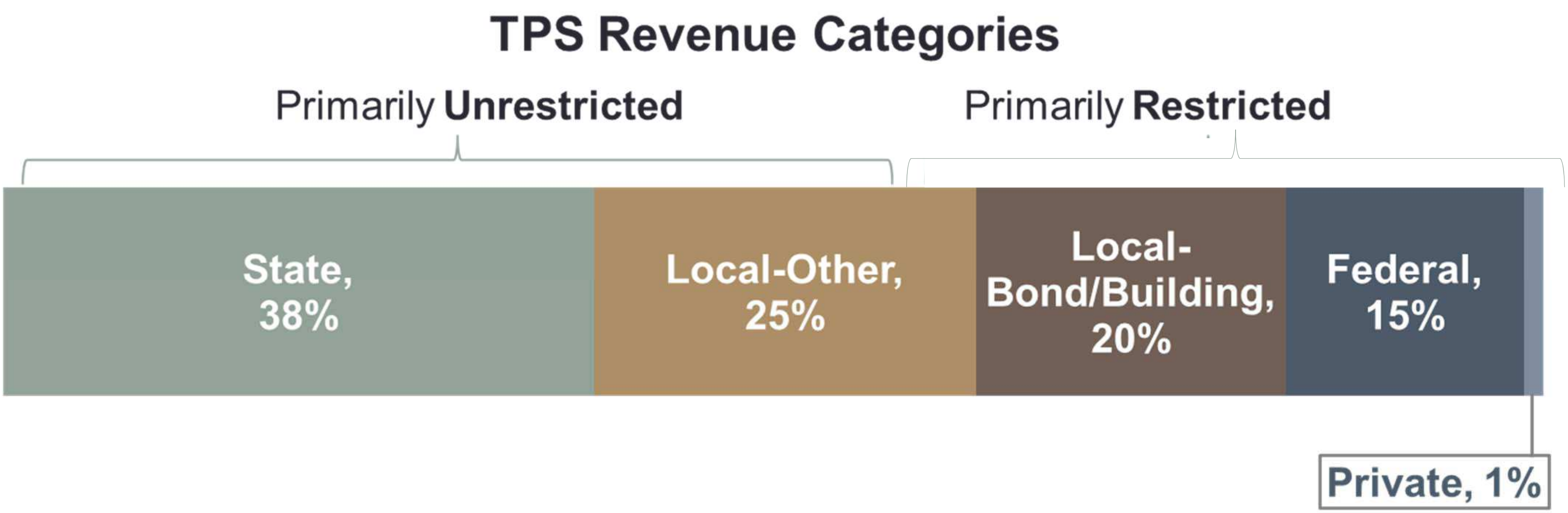
- Other cuts, including transportation, are also considered.

Putting it into context: What TPS could lose in this budget crisis

- TPS explores bigger classes, cutting athletics, bands, security, buses.

Education Funding Sources

- Public schools in Oklahoma are funded through a variety of sources—state, local and federal sources, as well as private grants.
- Some funds are unrestricted in how they may be spent, and other funds are restricted.



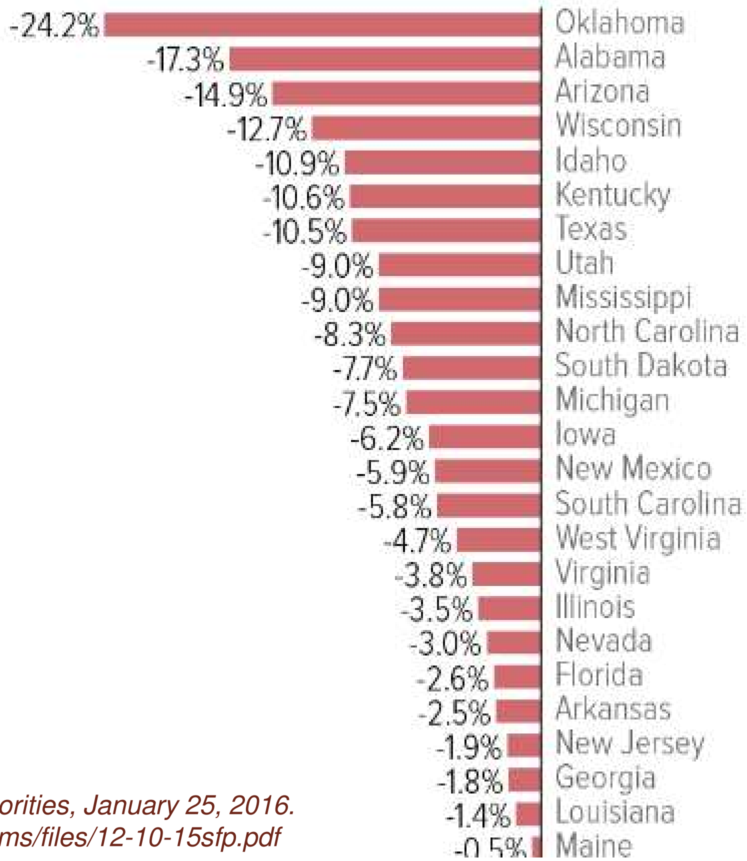
State aid, through the state's allocation formula, is the largest source of funding for TPS and the largest contributor to our general fund.

The TPS general fund—using state aid dollars

- Pays staff like teachers, principals, librarians and bus drivers
- Pays operating expenses
- Buys supplies, materials, furniture, textbooks and other equipment

Oklahoma's state aid cuts are already the largest in the country.

After inflation, Oklahoma's state formula preK-12 education funding per student is down by 24.2 percent from fiscal years 2008 - 2016.



Source: Center on Budget and Policy Priorities, January 25, 2016.
http://www.cbpp.org/sites/default/files/atoms/files/12-10-15sfp.pdf

Financial State of Affairs: FY16

-$5.2M (7%)

State aid allocations to TPS reduced by a total of $5.2M (7%) in early 2016 as a result of the current state collections being $323.8 million (8%) below estimate.

+$3.3M

Rainy day fund appropriation provided TPS with $2.14 million in additional state aid for 2015-16, and $1.14 million for flex benefits insurance.

-$1.9M net change in state aid for TPS

FY16 Cost Savings Measures Taken To Date

Cost Savings Measures	Savings Amount to General Fund
FY16 central office hiring freeze	$750K
Risk management improvements	$900K
Fuel savings	$250K
Travel reductions	$100K
Other spending adjustments	$850K
Early retirement incentive and attrition incentive	Not direct savings, but minimizes impact of shortfall on filled positions

*Includes savings in state and non-state funding.

Financial State of Affairs: FY17

Anticipated OK state revenue shortfall **$1.3B**

Potential reduction in TPS state aid
Comes from reduction of $100-$300 per weighted average daily membership (ADM or "per pupil spending") **$6.7-20.2M**

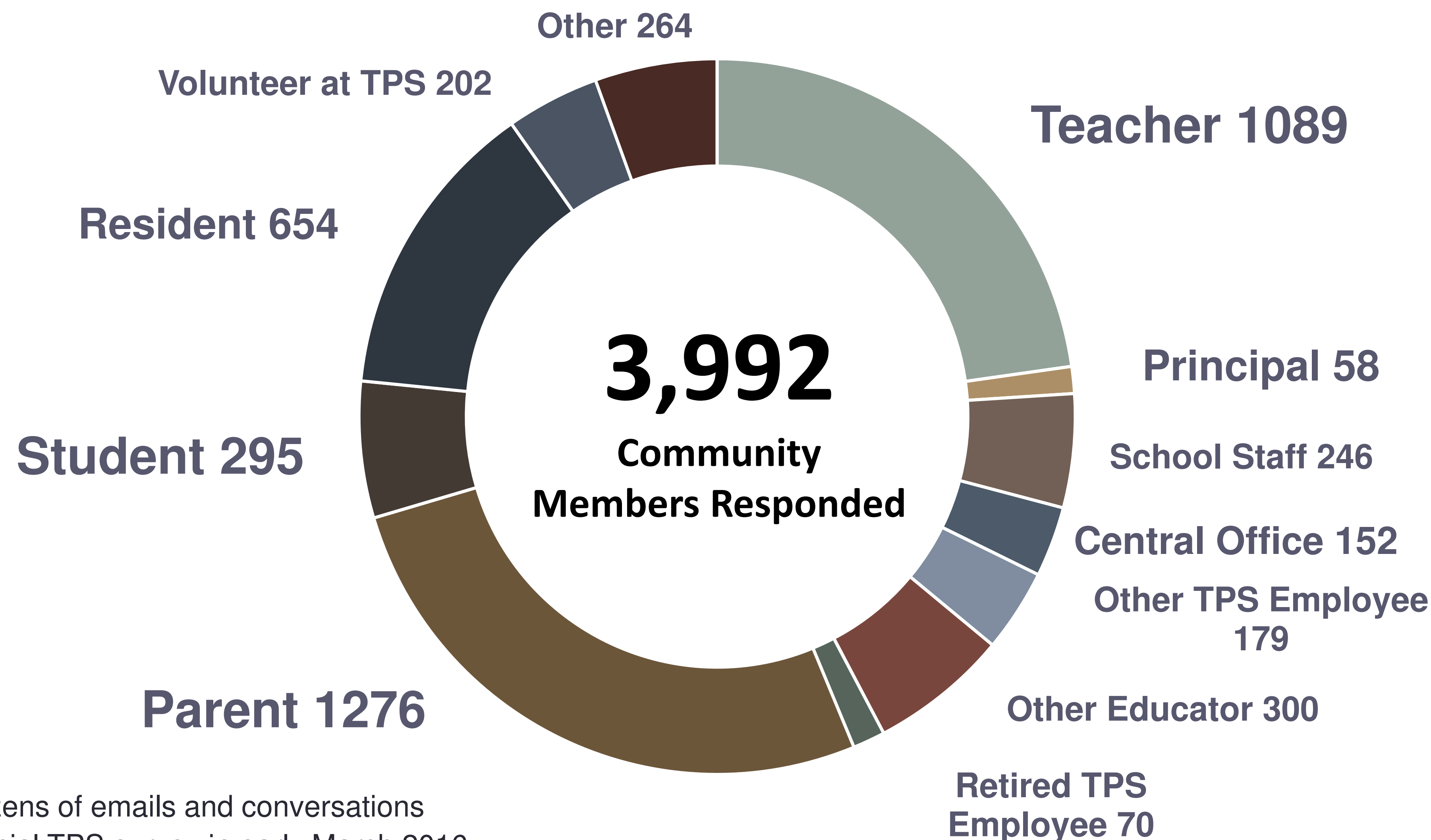
Estimated TPS cuts
Assumes $200 per weighted ADM reduction **$13.5M**

FY17 Anticipated Non-personnel Cost Savings Measures

Cost Savings Measures	Savings Amount to General Fund
Reduce contracts for services/shift funding to donor funded	$1.9M
Proposal to modify athletics programming	$210K
Proposal to revise bell times reducing transportation costs (non-labor savings only)*	$400K
Other Spending Adjustments	$700K

*Includes savings in state and non-state funding. Total transportation savings including labor are $1.2 - 1.4M.

TPS has gathered significant public input



- Dozens of emails and conversations
- Official TPS survey in early March 2016
- Nearly 4,000 unduplicated respondents. Many participants reported as being in more than one category.

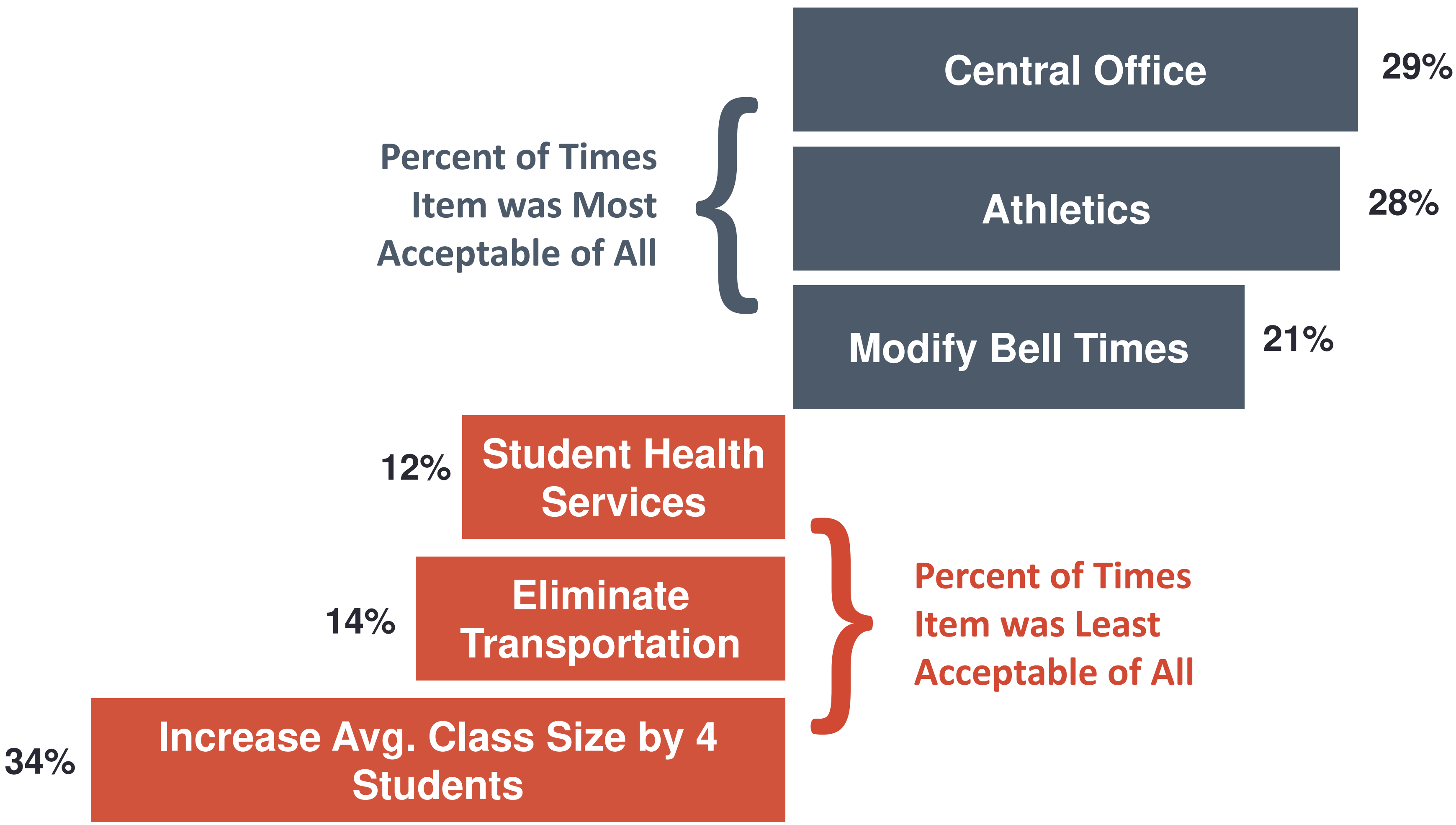
Respondents Ranked the Options in the Following Order

Cost-Saving Measure	Rank
Reduce Central Office Expenditures	*1*
Modify Bell Times (to reduce transportation costs)	*2*
Reduce Athletic Expenditures	*3*
Increase Class Size by 1 Student	*4*
Eliminate Bus Transportation	*5*
Reduce Library Service Expenditures	*6*
Reduce Campus Security and Police Expenditures	*7*
Increase Class Size by 2 Students	*8*
Reduce Student Health Service Expenditures at Schools	*9*
Reduce Fine Arts Expenditures	*10*
Reduce Student Counseling	*11*
Increase Class Size by 3 Students	*12*
Increase Class Size by 4 Students	*13*

Most acceptable

Least acceptable

Community members ranked measures affecting students the most as the LEAST acceptable.



Community Member	Most Popular	Second Most Popular	Third Most Popular
Parent of Current or Future TPS Student	Central Office	Modify Bell Times	Athletics
TPS Teacher	Central Office	Modify Bell Times	Athletics
Tulsa Resident	Athletics	Modify Bell Times	Central Office
TPS Student	Athletics	Increase Avg. Class Size by 2 students	Increase Avg. Class Size by 3 students
Other	Athletics	Modify Bell Times	Central Office
TPS Volunteer	Central Office	Modify Bell Times	Athletics
Other Educator	Athletics	Central Office	Modify Bell Times
TPS School Staff	Central Office	Modify Bell Times	Athletics
Other TPS Staff	Central Office	Athletics	Modify Bell Times
TPS Central Office Staff	Modify Bell Times	Athletics	Central Office
Retired TPS Employee	Central Office	Athletics	Modify Bell Times
TPS Principal	Central Office	Modify Bell Times	Athletics

Survey respondents also tried to create cost savings options in the context of their relative savings potential.

Responding to the state budget cuts requires careful analysis of cost-saving potential as well as spending priorities. If you were forced to adjust the district's spending by $1000, how would you do that given the cost-saving potential of each choice?

Athletics: enter $9 to reduce athletic expenditures, such as coaching stipends, by 5 percent	$	0
Bell times: enter $108 to modify bell times such that elementary schools start and end slightly earlier and secondary schools start and end slightly later	$	0
Central office: enter $126 to reduce central office expenditures by a total of 10 percent	$	0
Central office: enter $189 to reduce central office expenditures by a total of 15 percent	$	0
Class size: enter $200 to increase average K-12 class size by a total of 1 student	$	0
Class size: enter $380 to increase average K-12 class size by a total of 2 students	$	0
Class size: enter $460 to increase average K-12 class size by a total of 3 students	$	0

Percent of Complete Savings Lists that Included These Measures

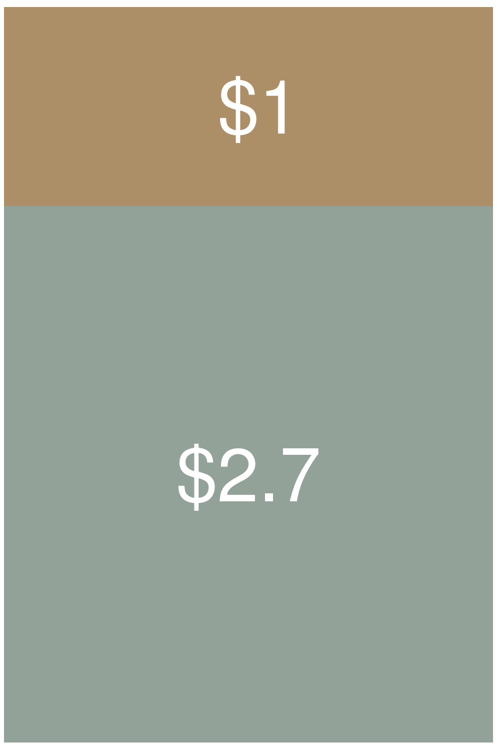
$200	Increase avg. class size by 1 or more student(s)	100%
$126	Reduce central office expenditures by 10 percent or more	95%
$108	Modify bell times to reduce transportation costs	86%
$9	Reduce athletics	72%
$385	Eliminate bus transportation	64%
$72	Reduce school library services	60%
$13	Reduce student health services	57%
$108	Reduce length of school week	56%
$1,021	**Total**	

Saving Money Through Central Office Cuts

Central office staff members are the non-school site TPS employees who serve our schools in crucial roles, such as:

- Bus drivers
- Police and security officers
- Mechanics and repairmen
- Human capital partners
- Budgeting and purchasing specialists
- Technology and data specialists
- Curriculum developers
- Teacher mentors
- Leaders and coaches of educators

Proposed central office cuts will save $3.7M.



Federal fund savings, which can be sent to the sites to help offset the effects of state funding shortfall

Direct savings toward state funding shortfall

Analysis Used to Determine Central Office Staffing Adjustments

Strict Protocol	Used strict protocol to analyze team members' responsibilities and determine which functions were required and most essential to sustain
Need-Based Position Decisions	Selected positions to recommended for deletion, defunding or reconfiguration based upon district need, not the individuals holding the positions
Role of Performance/ Years of Service	Considered employee performance and years of service only when a position to be deleted was held by more than one individual—and then, only as dictated by applicable collective bargaining agreement.

Recommended Adjustments to Central Office Staffing

Delete or defund 175 central office positions

- 79 are vacant (67 delete, 12 defund), through hiring freeze
- 7 resignations/retirements
- 89 to be deleted that are currently filled (12 of which to be eliminated as expected attrition occurs)

Create and fund 73 reconfigured/new positions

- 48 new/reconfigured positions
- 25 new positions with responsibilities not assumed before
  - 4 not currently funded

= -102 positions in central office

- Reduces central office staff counts by 10%
- Reduces central office salary and benefits obligations/expenditures by $3.7M

Note: Agenda Item B pertains to the 142 positions listed on Exhibit A. Agenda Item C pertains to the elimination of 21 instructional coach positions, and Agenda Item D pertains to 12 bus driver positions to be eliminated by the superintendent as attrition occurs.

Rationale for the Reduction in Positions

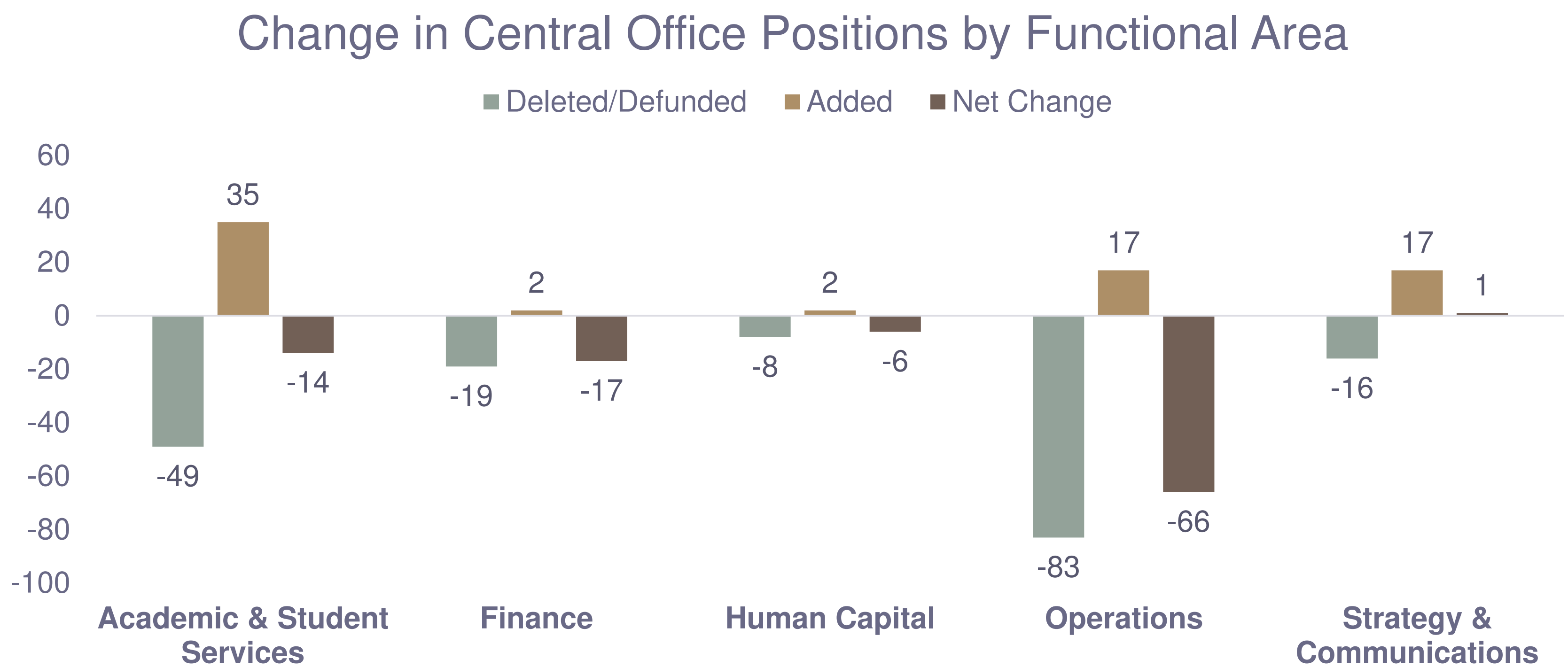
- Addresses the severe impact of the devastating state education funding shortfall
- Reduces the cuts that will impact schools and students
- Allows TPS to align the work of the district's central office to the demands and expectations of our new strategic plan

Central office reductions coincide with the deletion of district offices and a more efficient and effective organization of functions.

Some functions absorbed; some discontinued or reduced…

Eliminate Chief of Staff Office	Primary functions absorbed by a reorganized Office of Deputy Superintendent (not a new office)
Eliminate TLE Department	Functions divided and responsibilities between the existing Human Capital Office and new Data Strategy & Analytics Office
Eliminate the Accountability Office	Distribute functions within existing Operations Office, existing Student & Family Supports and the new Data Strategy & Analytics Office
Reconfigure Communications	Reconfigured to Communications & Public Relations

Proposed reductions and creations of positions are spread across central office.



Example Depts	Curriculum & Instr Prof Learning Student/Family Support	Accounting Federal Programs Purchasing	Office of HC TLE (to be elim.)	Campus Police Transportation Informational Tech.	Communications Data Analytics (new) Chief of Staff

*The creations in Strategy and Communications reflect the elimination of 4 TLE positions within the Human Capital area of work and those positions' reconfiguration and integration into the Strategy and Communications area of work.
*Counts of reductions and creations reflect action in tonight's meeting across agenda items B, C, D and E.

Individuals affected by reduction were provided:

- Personal meetings with human capital representative and their supervisor
- Detailed letter describing the rationale and the employee’s right to a hearing
- Description of attrition and retirement incentive opportunities, if applicable
- Invitation to apply for current vacancies and upcoming reorganized positions

Requests for Hearings

There are 175 positions recommended for deletion/defunding.*

There are 3 individuals who have requested a hearing:

- Linda Pickens, Payroll Analyst
- Roger Shideler, TV Station Manager
- Ashlee Whitehead, Human Capital Recruiter

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Purpose of the Hearing

The purpose of tonight's hearing is serious but straightforward.

You will hear evidence about the financial exigencies and reorganization needs of the district and determine whether to approve the Superintendent's recommendation to:

- Eliminate or defund the positions of the certified and non-certified positions listed on Exhibit A, as of July 1, 2016, effectively non-reemploying the individuals in those positions.

- Non-reemploy the three individuals contesting the recommendation also effective July 1, 2016.