

TULSA PUBLIC SCHOOLS

2023-2024 Preliminary Budget Preview





Fiscal Year 2023-2024 Budget Preview

Today's Agenda:

- FY24 preliminary budget preview
- Update on federal recovery dollars



Our Budget Reflects Our Values, Focused on Who We Serve

OUR CORE VALUES



EQUITY

We know that our diversity is a community treasure, and we are committed to dismantling practices and systems that perpetuate inequities, being actively anti-bias, anti-racist, and working toward justice and opportunity for all.



CHARACTER

We are honest, trustworthy, and have high standards of behavior. We make decisions based on what our students and community need, and we do the right thing even when it is hard.



EXCELLENCE

We work together to give Tulsa the world-class schools it needs and deserves. We expect a lot of one another, and we support one another in achieving our shared, high expectations.



TEAM

We care for one another and work together to celebrate success, learn from struggles, and work to help every team member be their best selves.

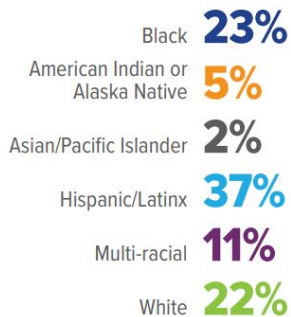


JOY

Joy at school and at work makes us more productive, because when we create, innovate, and imagine, our motivation grows. Also, we love to have fun!

OUR 33,873 STUDENTS*

RACIAL/ETHNIC DISTRIBUTION*



Economically disadvantaged
80%

Gifted and talented
11%

Students with disabilities
13%

Multilingual learners
36%



*As of October 1, 2022.

**Represents both current and former multilingual learners

OUR SCHOOLS

45
ELEMENTARY
SCHOOLS

10
MIDDLE
SCHOOLS

9
HIGH
SCHOOLS

7
ALTERNATIVE
SCHOOLS

6
DISTRICT-
AUTHORIZED
CHARTER SCHOOLS

1
VIRTUAL
SCHOOL



Tulsa Public Schools Budget Timeline

February - April

- District initiates budget planning for upcoming year
- Board approves Budget Amendment for current year

April - May

- Legislature passes bills to appropriate funds for next year
- District assessing site and school budget requests along with staffing plan for next year

December - January

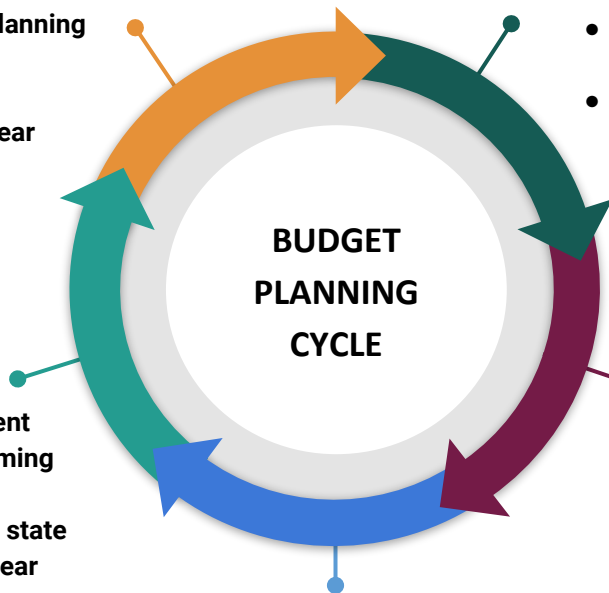
- District Assesses Enrollment and WADM trend for upcoming year
- District receives mid-year state aid allocation for current year

September - October

- District Assesses Enrollment and WADM trend for current year

June

- Board approves preliminary Budget for coming year.
- Budget also includes estimated actuals for current year

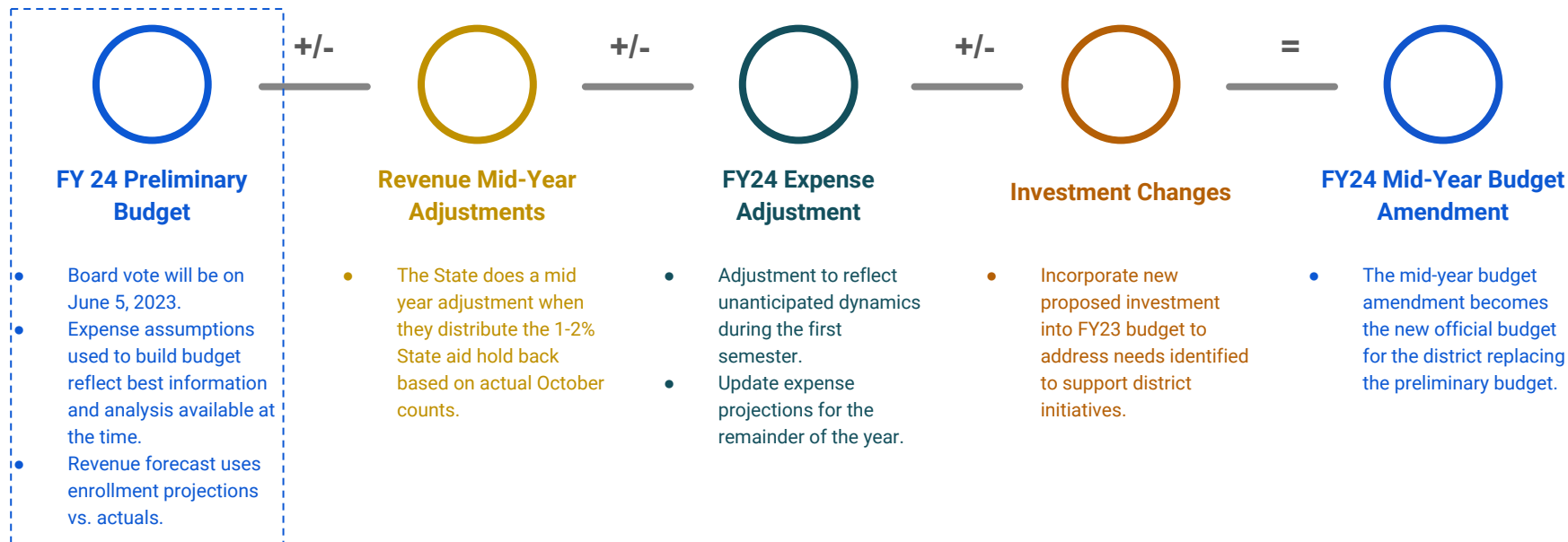




FY24 Preliminary Budget Preview

Annual budget cycle

In June, the board will vote on the preliminary budget for 2023-2024. This budget will be built on the best information available at the time and will include our assumptions for revenue and expenses, as well as take into account our recent work on compensation.



Strategic Plan Year 1: 2022-2023

Strategic Plan Year 2: 2023-2024

Key Investments

- Support students to **recover** from the pandemic through *Ready. Set. Summer!*, high-dosage tutoring, school counselors, etc.
- Focus on recruiting and retaining staff through **higher cost of living adjustments** (COLA) and **one-time bonuses**

- Support students to **accelerate** learning through *Ready. Set. Summer!*, focus on science of reading, an evidence-based literacy curriculum, high school course sharing opportunities, etc.
- Focus on recruiting and retaining staff through **sustained compensation increases**

Funding Strategy

- Leverage **stimulus** dollars to help provide additional support to students and compensation to staff
- Actively **built our fund balance** (rainy day fund) to support future compensation work

- Start to sunset stimulus investments and move some investments to **sustainable funding sources**
- We are actively managing our **multi-year outlook** to repurpose dollars in order to sustain these changes



Our FY24 investments in compensation are unprecedented and total **\$21.3M**.

We focused compensation investments in roles furthest away from market rates, with the greatest number of vacancies, and for staff that work directly with students.

Teachers

- Additional retirement contribution
- Extra duty stipends
- Additional career increment
- Recruitment incentives
- Credit for all years of teaching experience for out of State
- Teacher apprentice salary increase
- Additional pay for special education

\$6.1M in recurring, **\$7.8M total**

Support professionals

- \$2/hour increase in addition to standard COLA
- Additional career increment
- Additional pay for special education paraprofessionals and cafeteria managers

\$11.3M in recurring, **\$11.8M total**

All other staff

- Retention incentive for principals and assistant principals
- Additional career increment

\$1.1M in recurring, **\$1.7M total**



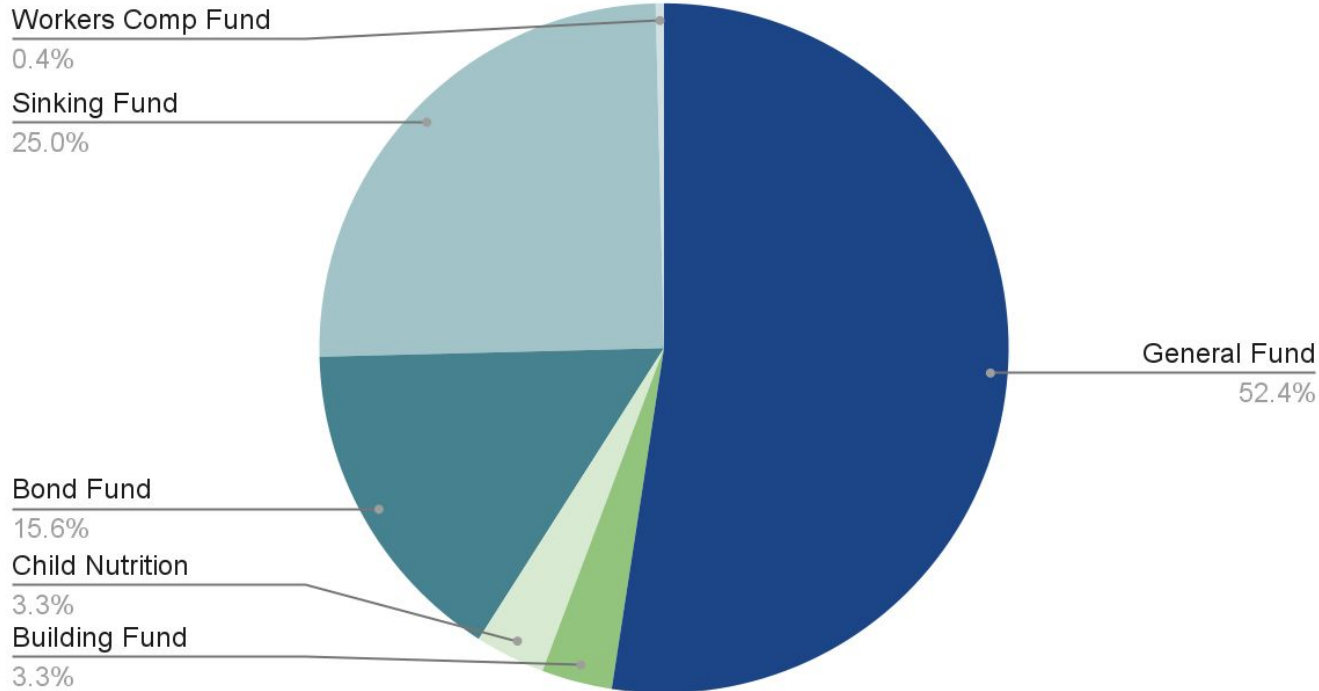
We are accomplishing the investment in compensation by:

- Strategically managing all fund sources (stimulus, other general fund, child nutrition, and building fund)
- Leveraging savings from increased rates of vacancies in recent years
- Proposing an increase to the total FY24 budget across all fund sources
- Planning for outyear re-prioritization of investments in order to sustain this increase



We make investment decisions across multiple fund sources.

Total FY24 Budget: \$685.8M

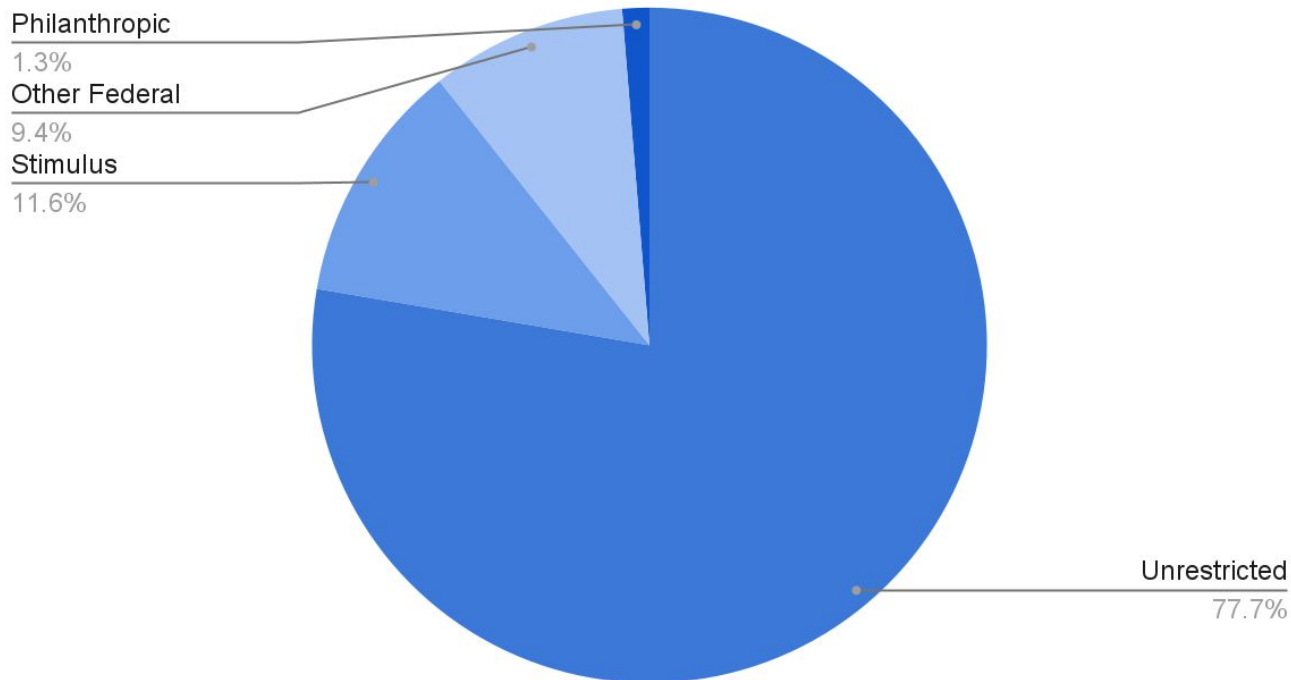


Category	FY24 Preliminary Budget
General Fund	
Revenue	\$406,821,781
Expenses	\$359,554,250
Building Fund	
Revenue	\$25,235,968
Expenses	\$22,711,114
Child Nutrition Fund	
Revenue	\$23,393,944
Expenses	\$22,593,944
Bond Fund	
	\$106,781,895
Sinking Fund	
	\$171,537,257
Workers Comp Fund	
	\$2,668,003



The majority of our budget and focus is spent on our General Fund.

Total FY24 General Fund Budget: \$359.6M





General Fund Expenses





How has our budget shifted for FY24? - General Fund.



-\$7.6M

-We have updated our baseline forecasting assumptions based on vacancy and retention rates from the most recent years to more accurately reflect our workforce dynamics



+\$17.7M

-Investment on FY24 compensation adjustments for hourly support professionals & teachers

-Includes filling additional positions

-Total investment is \$21.3M (\$17.7M is from general fund).



+\$1.8M

-Investment in school sites (personnel and non-personnel, includes additional behavior and interpretation services)



+\$1M

-Increased operational costs due to inflation (utilities, fuel, waste management)



-\$10M

-Decreased stimulus investments (associated with a decrease in revenue)



+\$2.9M

(1.0% increase)

-Total change from FY23 Amended to FY24 Preliminary

**FY23
Amended
Budget -
EXPENSES
\$356.7
million**

**FY24
Preliminary
Budget -
EXPENSES
\$359.6
million**




Our biggest General Fund expenses are our school site staffing plan and other staff that support sites.

79% of our General Fund budget is directed to school sites*, including:


- School site staffing plan: **\$179.1M** allocated
 - Teachers and librarians
 - Instructional support personnel
 - Social workers and nurses
 - Counselors and deans
 - Psychologists, speech pathologists, and physical therapists
 - School leaders

Schools with higher percentages of economically disadvantaged populations receive greater per pupil amounts of federal dollars to spend on additional teaching staff, tutoring, parent engagement, etc. - **this is supplemental to the staffing plan** (\$14.1M Title I dollars allocated to sites)



These staff are allocated directly to school sites. **The Board will be voting on the staffing plan on the June 5th agenda.** It is the same staffing plan as FY22-23.

- Investments in operational support professionals: **\$23.6M** allocated
 - Transportation
 - Custodians
 - Before/after learning
 - Refugee liaisons
 - Maintenance/Plant Operations
 - Groundskeepers
 - School security officers



These staff are shared across and directly support schools



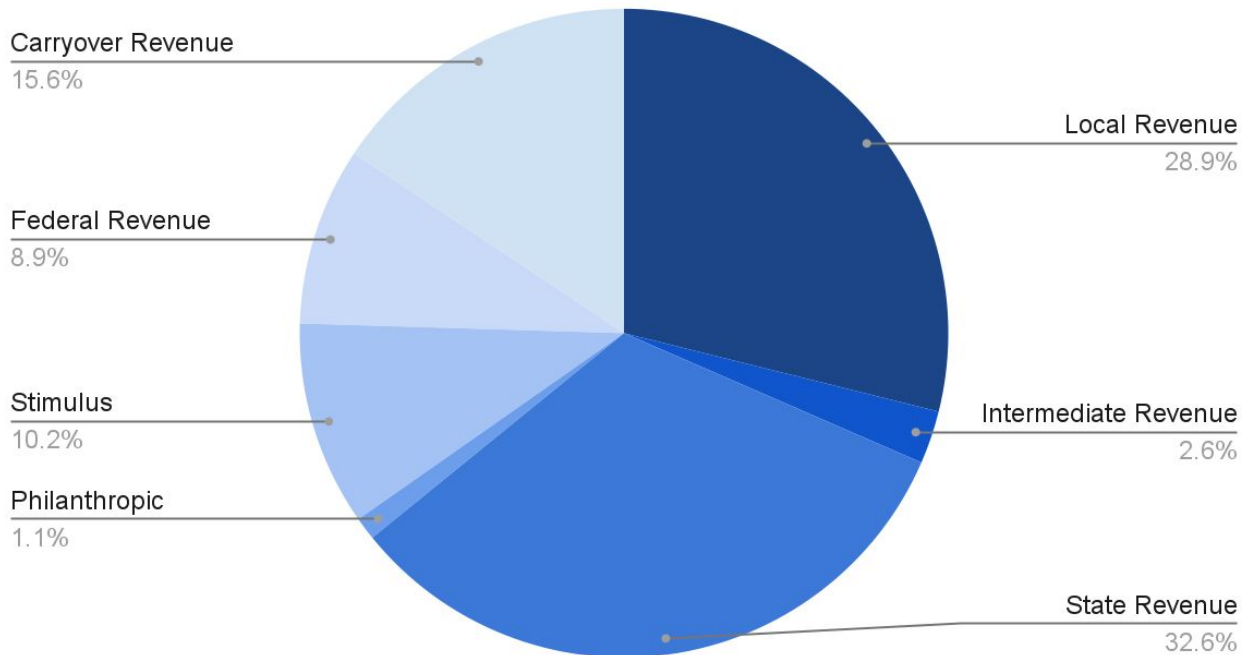
General Fund Revenue





General Fund revenue sources 2023-24

Total FY24 General Fund Revenue: \$406.8M





How has our revenue shifted from FY23? - General Fund



Revenue - Preliminary Budget



\$1.8
million

- A flat anticipated state formula aid
- Increase in Ad valorem valuation and other local source



+\$3.6 million

- An increase in carryover mainly due to vacancies last year



-\$14.1 million

- ESSER funding sunsetting



Net Change
\$8.7 million
(2.0% decrease)

**FY23
Amended
Budget -
REVENUE
\$415.5
million**

**FY24
Preliminary
Budget -
REVENUE
\$406.8
million**



What can we expect from the state in terms of revenue?

What we know so far from this afternoon's announcement:

- \$625 million in recurring total investment into public education.
- \$500 million directly into the educating funding formula, including a six-week paid maternity leave.
- Teacher pay raises of \$3,000 for teachers with 0 to 4 years of experience, \$4,000 for teachers with 5 to 9 years of experience, \$5,000 for teachers with 10 to 15 years of experience and \$6,000 for teachers with 15 or more years of experience.
- An additional \$10 million into a three-year literacy program to employ a literacy instructional team to support school districts.
- \$125 million to the Redbud Fund.
- An additional \$150 million into a three-year pilot program for school safety and security.

For TPS, this would be an increase of about \$22.5 million, with approximately \$9.2 million going toward teacher salaries. This could translate into approximately \$13.3 million in discretionary funding (\$392/student).

NOTE: There is a lot of detail not available to us yet that may impact the level of funding we receive and what may be used for. This is only preliminary information, NOT to be used as actual and/or official budget numbers.



Multi-year outlook



How are we managing our expenses?

- **We have been actively managing revenue and expenses:** We have built our fund balance, which allows us to sustain the proposed changes in future years thanks to the rainy-day fund we have been building for this purpose
- **We are planning for outyears:**
 - We are actively planning for areas of repurposing/redistribution in order to sustain compensation-related investments
 - We have begun planning for stimulus-funded investments that will need to be sunsetted or we will need to repurpose dollars for in FY25
- **We can do anything, but we can't do everything:** We have built reserves for compensation-related investments - additional investments outside of compensation will come with associated trade-offs



We are making conservative assumptions and building contingencies for outyears.

	Assumptions we're planning for	But we're watching out for...	Potential Impact of Changes
Revenue	Enrollment: Increase next year but declines steadily for the next 4 years	Further decreases in enrollment from policies like voucher expansion can't be quantified	↓
	State Funding: No changes to state funding	Increases to State Aid, even if dedicated to teachers, will increase revenue	↑
	Federal Stimulus: Stimulus will end after next school year in FY25	Some portion or all of stimulus is extended	↑
	Philanthropy: Local grants will start expiring	Opportunities to earn more philanthropic dollars	↑
	New bond: On or after FY26 we will ask Tulsans to support another bond	Not being able to pass the bond which will pause bond-funding projects like school maintenance	↓
<hr/>			
Expenses	Compensation: Investments continue and work to attract and retain talent. We'll repurpose other dollars to sustain this in the long-term	Compensation investment does not increase retention and fill rates for teachers and support staff	—
	Federal Stimulus: We'll continue a small number of investments proven to be effective	Any additional stimulus investments that need to be continued will require further repurposing of dollars from elsewhere	↓



We will continue to monitor the impact of our investments to inform multi-year planning

- We will continue to track progress on our goals in order to inform investments aligned to our **strategic plan**
- FY23 and FY24 are the start of a much larger effort to transform our compensation structure into a **total rewards** concept that supports employees' needs in a comprehensive way
 - As part of a broader evaluation plan, we will be monitoring fill rates next year to understand the impact of our compensation investments.
- In our commitment to effective use of resources, we have already begun to make decisions around **return-on-investment (ROI)** to ensure financial sustainability and strategic alignment



Update on Federal Recovery Fund Investments

Federal Recovery Funding

- Planning for Fiscal Years 24 and 25 began in February of 2023, when we engaged the Community Advisory Committee and evaluated community survey feedback.
 - We also examined our ever-evolving needs of the district as we continue to respond to Covid-19.
 - Based on these needs, we developed a plan to spend the remaining \$55.3M of our stimulus dollars.
- The district plan for the 2023-24 budget will include utilizing \$51.2 million remaining in project funding from the ESSER III award.
- During 2023-24, we anticipate to use the remaining ESSER funds for TPS towards projects and positions established during 2022-23.
 - In addition, we will use approximately \$2.9 million to sustain existing positions due to lack of state investment in operational revenue streams.
- All ESSER funding must be spent by the end of September 2024.



FY24 Projected Based on Recommendation

<p>Covid Prevention and Mitigation</p> <ul style="list-style-type: none">• HVAC repairs• Merv13 Filters• PPE and other materials to support student safety	<p>\$25,528,193</p>
<p>Strategies to Address Learning Loss</p> <ul style="list-style-type: none">• Summer Expanded Learning• Tulsa Community Foundation - The Opportunity Project• Kelly Services for substitute teachers• Tulsa Virtual Academy instructional staff	<p>\$19,871,152</p>
<p>Other Resources to Support the Strategic Plan</p> <ul style="list-style-type: none">• Transition grade orientation days• Family and community partnerships• Leadership development coaches	<p>\$1,758,656</p>
<p>Additional Investments</p> <ul style="list-style-type: none">• Temporary staff support for custodians and child nutrition• Staffing - federal programs, data application, purchasing, students & family support services• Recruitment and Retention Incentives• Indirect cost	<p>\$8,141,999</p>



Summary - FY24 - FY25 Proposed Budget for Stimulus Investments

- **Maintains** previously identified **FY24 projects**
- **Preserves** academic and wellness **school-based staff** in positions for an additional year
- **Realigns funding** to address learning loss (summer learning, academic intervention, compensatory services)
- Supports **three new, pandemic-related projects**: Temporary support due to vacancies, Tulsa Virtual Academy, Kelly Services
- Sustain ***Ready. Set. Summer!*** in July 23 and July 24



Federal Recovery Funding

We have plans to spend all of our dollars by the September 2024 deadline, but we are aware of external factors that might affect our ability to spend as outlined.

Type of investment	What could make us spend <i>less</i> recovery dollars on these types of investments?	What could make us spend <i>more</i> recovery dollars on these types of dollars?
Staff	We may have difficulty hiring, which will lead to long-term vacant positions	We may choose to expand programming and hire additional staff
Goods/materials	If we receive additional funding for these costs, ESSER funds will be freed up and can be reallocated toward other investments.	Continued supply chain issues; rising costs due to inflation
Services	We may find that the program is not achieving the results we want to see and may choose to modify it; the program may grow too expensive to sustain	High interest in program from students, family, and staff, leading to a decision to expand access



Federal Recovery Funding

- We are seeing the positive impact of these additional resources on supporting students recover from the pandemic, and on keeping our students and families safe.
- Going forward, Federal recovery dollars will continue to be important on advancing recovery efforts, and will also enable launching important strategic initiatives to advance work towards achieving board goals.
- As investments are identified and prioritized, we are working to avoid creating any “funding cliffs” with stimulus dollars and are actively addressing structural deficits in the system to set us up for success post-stimulus.



Appendix





FY24 Budget Proposal

Category	FY23 Amended Budget	FY24 Preliminary Budget
General Fund		
Revenue	\$415,521,273	\$406,821,781
Expenses	\$356,701,335	\$359,554,250
Building Fund		
Revenue	\$25,630,747	\$25,235,968
Expenses	\$21,447,842	\$22,711,114
Child Nutrition Fund		
Revenue	\$27,693,177	\$23,393,944
Expenses	\$26,693,177	\$22,593,944
Bond Fund		
	\$103,781,895	\$106,781,895
Sinking Fund		
	\$162,140,309	\$171,537,257
Workers Comp Fund		
	\$3,479,917	\$2,668,003

FY23 budget trending to close as reflected in the mid year amendment.

The year is not yet done, and we may still encounter supply, delivery, or inflation issues.

The Funds included in the School District's Budget

Fund	Purpose	Primary Source of Revenue
General Fund	General expenses that are non capital in nature.	<ul style="list-style-type: none"> • State aid (unrestricted) • Ad valorem (unrestricted) • Federal (restricted) • Flexible benefit allowance (restricted) • County 4 mill • Philanthropic grants & contributions (restricted) • Motor vehicle (unrestricted)
Building Fund	<ul style="list-style-type: none"> • Repair & maintenance of buildings • Purchase of furniture, equipment and computer software • Energy & utility costs • Fire & casualty insurance • Security 	<ul style="list-style-type: none"> • Ad valorem • Flexible benefit allowance
Child Nutrition	All expenses related to the child nutrition program.	<ul style="list-style-type: none"> • Federal • Contracts
Capital improvement (bond)	Approved bond proposal - construction, technology, textbooks and other durable goods, buses.	<ul style="list-style-type: none"> • Bond sales
Debt Service	Repayment of bonds and judgements and related interest.	<ul style="list-style-type: none"> • Ad valorem