

**NEBRASKA TAXPAYERS FOR FREEDOM ISSUE PAPER:  
OMAHA PUBLIC SCHOOL DISTRICT CONTINUES TO SQUANDER TAX \$\$.**

**BACKGROUND.** The Omaha Public School District continues to waste taxpayer dollars despite its financial crunch caused by a huge \$812+ million pension fund liability. OP\$ for years has refused to follow suggestions for budget cuts and reform from our taxpayer group despite our repeated attempts to coax it into budget savings with ideas used by other school districts. Both federal and state aid to OP\$ is lessening, and the Legislature has refused to help pay for OP\$ pension debt. However, OP\$ continues to lobby senators for additional state financial aid for its operating costs, dollars coming from taxpayers all across NE.

**PROFLIGATE SPENDING CONTINUES.** Examining the most recent budget materials, we found many instances of unnecessary spending and overspending.<sup>1</sup>

Item	Employee numbers	FY 2017-18	FY 2018-19
Deans & Counselors	217/220	\$12,859	\$13,353
Accompanists	8/8	\$218,400	\$220,000
Extra pay - 1st category		\$11,703,295	\$12,538,327
Extra pay - 2nd category		\$1,748,310	\$1,729,675
Overtime pay		\$1,798,527	\$1,851,592
Accumulated sick leave		\$162,636	\$172,584
2nd category sick leave		\$433,068	\$575,497
3rd category sick leave		\$189,233	\$319,265
4th category sick leave		\$1,383,585	\$1,130,873
Heating fuel		\$3,272,500	\$3,275,700
Local phone bill		\$272,636	\$278,215
Supplies		\$14,358,543	\$14,921,147
Agricultural activities		\$6,500	\$84,020
Board of Education costs		\$723,410	\$778,000
OPS radio		\$281,849	\$308,092
OPS TV		\$203,561	\$216,439
English as a 2nd Language		\$20,827,605	\$21,747,640
Occupational therapy		\$1,487,692	\$1,562,692
Saturday sports activities		\$135,591	\$137,838
Social workers		\$361,944	\$368,243
Summer school music		\$56,581	\$58,181
Summer school sports		\$4,765	\$4,923

Deans of students are an unnecessary addition to the educational bureaucracy. Accompanists are totally unnecessary staff. The district should hire a rabid junkyard dog labor negotiator who can whittle away and eliminate extra pay, overtime pay, and payment for unused sick leave. OPS should follow other government subdivisions to buy long-term contracts on fuel to save money. All staff members should have access to a landline or cell phone but not both. To avoid spikes in supply costs, form interlocal agreements with adjacent school districts to buy in bulk. OP\$ is a thoroughly urban school district; it needs no ag activities. The Board should cut its own budget by sending fewer members to conventions, etc. Members can take notes and bring back materials for other board members. There is no state mandate why the district needs radio and TV programming; there exists no public clamor for them. OP\$ board members and staff should heavily lobby the Legislature and Congress to pass bills to cut the flow of illegal aliens into the U.S. Amnesty legislation only encourages additional illegal immigration and burdens OPS classrooms. Weekend sports activities and summer school sports and music classes not mandated; they are very expendable. Public schools need no social workers; families can apply for welfare services through HHS offices.

**DISCOURAGING STATISTICS.** The student/teacher ratio in OPS elementary schools is a low 14.89, 19.80 students per instructor in middle school, and 18.54 students per teacher in high school.<sup>2</sup> Several studies find that teacher/student ratios as high as 1/30 allow students to excel in class. Unused budgetary monies of \$168.7 million in 2010-2011 still standing at \$28 million in 2017-18 rolled over to the next year, though these funds could have returned to taxpayers in the

<sup>1</sup> OPS Open Book on OPS website.

<sup>2</sup> Report to the Community, June, 2018, p. 5.

form of a lower property tax rate.<sup>3</sup> Refugees from 15 countries comprise 5.5% of total OPS enrollment, adding to its ESL and special ed expenses. In the 2017 school year, 6,539 elementary and 2,051 secondary school students sat in ESL classes.<sup>4</sup> Yet, OPS refuses to combat illegal immigration to NE. OPS is the only Class V school district in the state. This class has no legal limit on the amount of bonded indebtedness it can incur, allowing OPS to float as many bonds as it wants, the principle and interest paid by property taxpayers.<sup>5</sup> OPS bonded indebtedness rose from \$475,305,584 from Sept. 2017 to \$551,264,958 in Aug. 2018.<sup>6</sup> It brags its total personnel count continues to shrink with layoffs: 6,760 in 2013-2014, 6,750 in 2018-2019, only 10 fewer employees!<sup>7</sup> State aid to OPS dropped from \$288,227,935 in 2017-2018 to \$275,686,280 in 2018-2019. Federal aid to OPS dropped from \$930,000 in 2017-2018 to \$905,000 in 2018-2019. Local property taxpayers make up the difference. Interest from investments totaled \$1.2 million in 2017-2018 but only \$300,000 in 2018-2019.<sup>8</sup> OPS needs investment guidance.

**ACADEMIC MEDIOCRITY.** In meeting the NE College & Career Readiness Standards, OPS Grades 3 posted only 39%, 4th Grades only 43%, 5th Grades only 37%, 6th Grades only 32%, 7th Grades 28%, and 8th Grades 31%.<sup>9</sup> In the 2016-17 school year, only 39.44% of students were proficient in elementary Language Arts, only 32.3% proficient in middle school Language Arts.<sup>10</sup> The trend in OPS math scores drops from Grade 3 to Grade 8.<sup>11</sup> Students in 2016 proficient in math totaled about 52%, 50% in science.<sup>12</sup> In 2017-2018, the NE Dept. of Education classified OPS as *Needs Improvement*. OPS proficiency in Language Arts was 33% compared to 51% statewide. OPS math proficiency set at 30% compared to 51% statewide. In science, OPS proficiency was 45% compared to 68% statewide. In 11th Grade ACT test scores, OPS ranked at 22% in math and 31% in science, compared to state percentages of 50% and 54%. The OPS graduation rate stood at 78% compared to 89% statewide. OPS students going on to college totaled 65% in contrast to 74% statewide. Of the Class of 2017, 21.4% were unemployed and not looking for work.<sup>13</sup> State assessments showed no non-proficiency reduction and no science score improvement.

**GRADUATION & DROPOUTS.** The OPS graduation rate decreased by 0.4% in 2016-2017. The graduation rate in 2013-2014 was 80.7% and 78.7% in 2016-2017. The dropout rate slightly increased, from 2.5% to 3.1% since 2012-2013, especially among white and Indian students.<sup>14</sup> The OPS Strategic Plan Outcomes envisioned an increased percentage of students graduating high school and decreased number of students dropping out, also a lower number of students opting out of the district by 5% yearly.<sup>15</sup> Obviously not happening.

**SCHOOL ATMOSPHERE.** In an OPS school climate survey between 2017 and 2018, fewer staff believed the atmosphere in school positive, fewer staff believed that students were proud of their school, fewer staff were proud of their school, fewer staff demonstrated concern for their students, fewer staff and administrators valued student opinions, fewer believed that students showed respect for each other or that staff members exhibited trust and acceptance among each other, and that parents and visitors were not welcomed at school. Fewer students felt safe at school. Fewer of them thought all students treated with respect at school.<sup>16</sup> Fewer teachers believed that expectations, procedures, and consequences clearly defined at school, and fewer believed that procedures for correcting problem behaviors implemented consistently by the administration. Fewer teachers thought consequences fairly and consistently applied to all students. Fewer believed effective teaching practices used to minimize problem behavior in classrooms. Fewer teachers



<sup>3</sup> Ibid, p. 10. OPS 2018-2019 Budget, p. 25.

<sup>4</sup> OPS 2018-2019 Budget, p. 10.

<sup>5</sup> Ibid, p. 23.

<sup>6</sup> Ibid., p. 23.

<sup>7</sup> Ibid., p. 21.

<sup>8</sup> Ibid., p. 62.

<sup>9</sup> Ibid., p. 361.

<sup>10</sup> Ibid, p. 7.

<sup>11</sup> Ibid., p. 362.

<sup>12</sup> Nebraska State Accountability statistics.

<sup>13</sup> OPS 2018-2019 Budget., p. 366.

<sup>14</sup> Graduation & Dropout Rates 2016-2017, pp. 3,6.

<sup>15</sup> OPS 2018-2019 Budget, p. 36.

<sup>16</sup> Ibid., p. 366.

thought that students behaved well in class and used appropriate social skills at school. Fewer parents believed that school staff regularly communicated with parents about student progress. Fewer parents thought that school staff invited parents to serve on school boards and committees.<sup>17</sup>

**POSITIVE POINTS.** OPS total cost per pupil was \$11,582 in 2016-2017 compared to a higher \$12,230 per student statewide.<sup>18</sup> However, note that small school districts have no economies of scale. OPS refinances bonds to save money. OPS budgets always are easy to read and have won recent budget awards from the Association of School Business Officials International and from the Government Finance Officers Assoc. of the U.S. and Canada. An interlocal financial agreement with the Millard Public Schools for transporting students and another with the City of Omaha for police officers in schools saves tax dollars.<sup>19</sup> The property tax levy for 2017-2018 was 1.25739 compared to 1.24501 for 2018-2019, a lower levy but not counting property valuation increases.<sup>20</sup> OPS has fostered a positive ecological culture, dramatically reducing its environmental impact, and has accumulated approximately \$9.8 million in cost reduction and avoidance and avoided greenhouse gas emissions 88,165 Mt of CO<sub>2</sub>, equivalent to emissions produced by burning 395 railcars of coal. OPS concluded an energy study of all its buildings in an effort to identify opportunities for energy and resource efficiency improvements and the associated cost saving opportunities. The district partnered with Verdis Group, an Omaha consulting firm, to benchmark all OPS buildings using the Energy Star system. All OPS schools received a rating representing their level of energy efficiency. The ratings provide a means for benchmarking the energy efficiency of each school against the energy performance of other schools across the country.

**SUGGESTED SAVINGS.** Although OPS contends that it seriously is cutting its budget, we have found many items that warrant elimination or reduction. Of its office staff, eliminate the equity and diversity committee, along with its director, workshops, and newsletter. Although OPS student academic achievement is mediocre in core curricula, OPS finds funding for community diversity events like the following that could face elimination: LGBT History Month, LGBT Pride Month, Slavery & Human Trafficking Day, No Name-calling Week, Celebrate Your Name Week, Self-Harm



Awareness Day, International Day of Happiness, World Smile Day, World Kindness Day, International Day for Elimination of Racial Discrimination, Malcolm X Day, International Day of Indigenous Peoples, Multicultural Day, National Sexual Assault Awareness Day, Mental Health Awareness Month, National Domestic Violence Day, Haitian Heritage Month, National Teacher Appreciation Days, World Refugee Day, and one valued commemoration, a Bill of Rights Day. Surprising that OPS kids learn anything because of so many days to celebrate. Eliminate Saturday programs (saving \$137,838)<sup>21</sup>, the Summer Meals Programs, and Summer Library Reading Program. OPS has both an in-house counsel and contract with an outside law firm. Legal services cost \$1,435,500.<sup>22</sup> Dispense with one. End adult

education, saving \$191,688.<sup>23</sup> independent study programs, and the Secondary Success Program. Dispense with Community Achievement Awards, school health clinics, and elementary and middle school counselors. End the Head Start program, because studies show that its academic benefits disappear after 2-3 school years. Eliminate Indian-Centered Education. Privatize building and grounds services. OPS has 392 full time custodial staff FY 2018-19 and 62 full time maintenance staff; privatization could save dollars here.<sup>24</sup> Use lowest bids on contracts, notwithstanding company minority status. End after school snacks and meals. Stop sponsoring barbeque picnics. OPS property insurance rose from \$930,000 in 2017-2018 to \$1.9 million in 2018-2019. Hunt for cheaper premiums. Supplies costs increased from \$14,358,543 to \$14,971,147 in 2018-2019.<sup>25</sup> Utilize interlocal agreements. The increase in costs for contracted professionals stems from a need for additional ESL interpreters for students and families, a cogent reason for OPS to lobby for deportation of illegal aliens.<sup>26</sup> In the student assignment transportation plan, end all placements in non-neighborhood schools. OPS transports students on buses they need not transport, including those living closer to school and those seeking voluntary reassignment. Stop increases in contracted transportation services that cause the increase in

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<sup>17</sup> Ibid., p. 367.

<sup>18</sup> Ibid., p. 16.

<sup>19</sup> Ibid., p. 13.

<sup>20</sup> Ibid., p. 14.

<sup>21</sup> Ibid., p. 68.

<sup>22</sup> Ibid., p. 66.

<sup>23</sup> Ibid., p. 122.

<sup>24</sup> Ibid., p. 21.

<sup>25</sup> Ibid., p. 66.

<sup>26</sup> Ibid., p. 72.

cost of transporting students outside the district.<sup>27</sup> End unnecessary busing. The educational service unit, ESU 19, attached to OPS provides services that OPS could provide by itself; its budget also increased in FY 2018-2019. Revenue from OPS KIOS radio station has dropped, so drop the station.<sup>28</sup> Open the District Citizens Advisory Commission to taxpayer watchdogs who will actually suggest needed budget cuts.

**BENEFITS CUTS.** Fringe benefits constitute 25.05% of the total OPS General Fund budget.<sup>29</sup> Single teaching staff and administrative employees now pay only 2% of their health care benefits; OPS pay 98%.

## BUDGET



OPS pays the total cost of the \$28.62 per month dental coverage. For health insurance for employee and spouse per month, the employee pays only 25%, and OPS pays 75%. The total General Fund budget 2017-2018 totaled \$608,843,809, the 2018-2019 budget totaled \$617,090,766, only a 1% increase. However, employee benefits tacked to salaries, \$11,245,000 in 2017-2018, compared to \$11,600,000 in 2018-2019, rose 3%.<sup>30</sup> Total fringe benefits rose by 10.19% between these 2 years.<sup>31</sup> OPS employees should pay a larger percentage of their health care benefits, like private employees. The new superintendent contract, extended from June, 2021 to June, 2022, increased her tax-sheltered annuity by

1.8% of her base salary, then by 3.18% of her base salary. Plus 5 additional vacation days. The yawning pension funding gap should preclude such generosity. Eliminate accumulated sick leave of over \$2 million.<sup>32</sup>

**TAKE ACTION NOW.** Whether or not you live in the OPS school district, its administration will continue to badger the Legislature to give it more state tax money to not only bail out its \$812+ million underfunded pension fund but also to pay for its continued egregious wasteful spending programs and activities. Contact your state senators TODAY, even though the Legislature is not in session, and tell them to vote NO on bills next year that give OPS additional state funding from your tax dollars. Email [netaxpayers@gmail.com](mailto:netaxpayers@gmail.com) for state senator contact information and to join our NTF *Legislature Watch Project*.

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<sup>27</sup> Ibid., p. 104.

<sup>28</sup> Ibid., p. 169.

<sup>29</sup> Ibid., p. 61.

<sup>30</sup> Ibid., p. 12.

<sup>31</sup> Ibid., p. 29.

<sup>32</sup> Ibid., p. 65.