

Omaha Public Schools board cuts \$29 million from budget

By Michael Walters
16 June 2018

Last week the Omaha Public Schools (OPS) board voted to implement \$29.53 million in budget cuts resulting in the elimination of 180 jobs, the freezing of current employee's pay and halting the planned purchase of new text books for the upcoming 2018-2019 school year. The cuts are being made on the recommendation of the district's budget advisory committee, which consists of union leaders, teachers, administrators and community members.

The slashing of the budget for the largest school district in Nebraska will result in the elimination of positions in the central office, bus drivers, student support liaisons, accountants and IT professionals. Additionally, the district will implement a salary freeze on current staff, excluding teachers.

Students will be affected by the cancellation of a planned \$7 million textbook adoption and cuts to the budget for class field trips and classroom supplies in elementary and secondary schools. According to the findings of a survey by the National Center for Education Statistics, 94 percent of teachers across the US are already forced to spend hundreds of dollars of their own money on school supplies to cover budget shortfalls.

OPS is using a required \$18.7 million payment to the pension fund as political cover for the cuts. In January the budget advisory committee held its first meeting to begin prioritizing cuts in anticipation of decreased state aid and the required pension payment.

Nevertheless, in early March the teachers union, the Omaha Education Association (OEA), pushed through a concessions contract that did not make any effort to protect teachers and staff from the expected budgetary shortfall. One month after the contract was ratified, OPS issued notice to 75 teachers and professionals that their jobs were being considered for elimination.

Speaking to the close working relationship between the district and the union, Charles Wakefield, OPS's chief human resources officer, told the *Omaha World-Herald* "the contract wasn't just about coming to agreement on financial incentives — it also emphasizes the importance of collaboration between the teachers union and OPS administration. Teachers have repeatedly asked for a seat at the table when big decisions are being made, such as the length of the school day, curriculum changes and the recent hiring of a new superintendent."

The concessions contract resulted in a 1.5 percent increase in salary and benefits, well below the rate of inflation, and a meager \$150 pay increase for new teachers. New teachers, who are often starting off saddled with thousands of dollars in student loan debt, will start at \$41,150. In contrast, newly hired OPS superintendent Cheryl Logan's compensation package is approximately \$462,000 or more 11 times the salary of a first-year teacher.

Part of the budget shortfall stems from a 2016 bill supported by Republican and Democratic legislators which changed the formula for school funding. After final approval by the Nebraska Legislature the bill was signed into law by multi-millionaire Governor Pete Ricketts, son of billionaire Joe Ricketts who founded TD Ameritrade. The bill eliminated a method of distributing tax revenue across districts known as the "common levy" and in exchange for its elimination OPS was given an additional \$13.4 million in support. However, as a result, the district is projected to receive \$12.5 million less in state aid for the coming school year.

The OPS pension fund, which was 85 percent funded before the market crash of 2008, lost 17.2 percent of its value in the subsequent two years. Like many other

municipalities, Omaha avoided making full payments to the fund in order to avoid cuts to other services. The plan is presently 64 percent funded as a result of the economic downturn and six years in which the district made no payments at all.

In April, a proposal to shore up the fund by issuing \$300 million in bonds was rejected by the Nebraska Legislature. State senator Brett Lindstrom threatened that if the pension funding problem is not addressed there will be more layoffs in the future. The pension contribution obligation is expected to rise to \$26.9 million in 2022.

School board member Ben Perlman has already warned of even deeper cuts in the future, stating, “Without [a tax increase], I fear we face absolutely draconian cuts that will make this feel like a picnic.”

While the lie that public schools cannot be funded because “there is no money” is parroted by both capitalist parties and accepted by the unions, billions of dollars are controlled by the state’s wealthiest people. In fact, the world’s third richest person, Warren Buffett, lives in Omaha. His personal net worth of \$84 billion could fund the Omaha public school system at the current rate for the next 137 years. Buffett’s holding company Berkshire Hathaway controls assets estimated at \$702 billion, including the city’s only major newspaper, the *Omaha World-Herald*.

“The city says there’s no money,” Corey, an IT worker in Omaha, told the *World Socialist Web Site*, “but Buffett, the ‘Oracle of Omaha,’ is one of three people who own as much as 150 million Americans. So the money does exist, but it’s been taken from the working class by Buffett and his class. Instead of being put to productive use by paying teachers and building schools, it’s being hoarded by the wealthy, and/or invested in the stock market to make them even richer.”

Even as public education funding is slashed endless sums are made available for militarism and war-planning. Seven miles southeast of the city limits the US government is building a new \$1.3 billion headquarters for Strategic Command, the Pentagon’s unified command unit which oversees all US nuclear and global strike forces.

The primary building contractor is Kiewit Phelps, a joint venture of the Kiewit Corporation of Omaha and Hensel Phelps of Greeley, Colorado. Kiewit’s

chairman Emeritus is billionaire Walter Scott Jr. who is a childhood friend of Buffett and currently a Berkshire Hathaway board member.

Speaking to the level of social inequality in Omaha, Corey observed: “A few years ago they built a brand-new, multi-, multi-million dollar stadium [TD Ameritrade Park] on the near north side to host the College World Series. They pushed out the poor and homeless who were living in that area, and it sits empty 90 to 80 percent of the year. It’s part of the gentrification happening in American central cities. Now, not only are workers being priced out of their own neighborhoods, their children being told in so many words that they don’t deserve a quality education.”

“This is not just a localized process; it’s happening all around the United States and around the world.”

To contact the WSW and the
Socialist Equality Party visit:

<http://www.wsws.org>