

1 STATE OF OKLAHOMA

2 2nd Session of the 58th Legislature (2022)

3 COMMITTEE SUBSTITUTE  
4 FOR

5 HOUSE BILL NO. 4465

6 By: Wallace and Martinez of the  
7 House

8 and

9 Thompson and Hall of the  
10 Senate

11 COMMITTEE SUBSTITUTE

12 An Act relating to education; specifying  
13 apportionment of certain appropriated funds;  
14 providing for the budgeting of funds in certain  
15 categories and amounts; requiring development of  
16 certain performance measures; requiring transfers of  
17 certain funds; limiting authority to reduce certain  
18 apportionments; requiring certain funds to be  
19 expended for certain purposes; stating purposes for  
20 allocated funds; requiring certain transfer of funds;  
21 stating legislative intent regarding expenditures for  
22 direct costs; prohibiting the State Department of  
23 Education from contracting for certain administrative  
24 costs in certain program; providing for duties and  
compensation of employees of the State Department of  
Education; requiring the reduction or withholding of  
State Aid funds for certain purposes; authorizing the  
State Board of Education to request transfer of  
certain funds; authorizing the request of early  
allocations for certain funds; requiring proportional  
reductions of allocations under certain conditions;  
authorizing exemption from budgetary limits for  
unanticipated federal funds; providing procedures;  
requiring approval of exemption request under certain  
conditions; requiring budgeting of certain funds in  
certain years; providing lapse dates; requiring

1 certain budgeting procedures; and prohibiting certain  
2 budgeting procedures.

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4 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

5 SECTION 1. For the fiscal year ending June 30, 2023, the  
6 support of public school activities by the State Board of Education  
7 payable from monies appropriated and authorized by Enrolled Senate  
8 Bill No. 1040 of the 2nd Session of the 58th Oklahoma Legislature  
9 shall be apportioned as follows:

10 1. Funds appropriated and authorized by Sections 1 through 7 of  
11 Enrolled Senate Bill No. 1040 of the 2nd Session of the 58th  
12 Oklahoma Legislature:

13 Local and State-supported Financial

14 Support of Public Schools \$2,437,246,699.00

15 SUBTOTAL, PARAGRAPH 1 \$2,437,246,699.00

16 2. Funds appropriated by Sections 8 through 12 of Enrolled  
17 Senate Bill No. 1040 of the 2nd Session of the 58th Oklahoma  
18 Legislature:

19 Certified Employee Health Benefit

20 Allowance \$359,193,470.00

21 Support Employee Health Benefit

22 Allowance \$194,211,359.00

23 Teachers' Retirement Credit \$35,000,000.00

1	Purchase of Textbooks and	
2	Instructional Materials	\$45,190,000.00
3	Alternative and High Challenge	
4	Education	\$14,000,000.00
5	Education Leadership Oklahoma	\$4,300,000.00
6	Advanced Placement Incentives	\$1,500,000.00
7	Reading Sufficiency Act	\$13,000,000.00
8	Required Assessments	\$9,205,685.00
9	Teach for America	\$2,000,000.00
10	Street School	\$180,000.00
11	Ag in the Classroom	\$38,000.00
12	Imagine Math	\$1,000,000.00
13	Imagine Reading	\$1,000,000.00
14	Oklahoma Arts Institute	\$320,000.00
15	Early Intervention	\$16,225,341.00
16	Secure Schools Program	\$2,350,000.00
17	Great Expectations	\$500,000.00
18	Child ID	\$500,000.00
19	Academic Standards Implementation	\$300,000.00
20	Teacher and Leader Effectiveness	\$250,000.00
21	Student Information Security	\$500,000.00
22	ACT Work Keys	\$250,000.00
23	Early Childhood Initiative	\$12,000,000.00
24	School Lunch Matching	\$3,500,000.00

1 SUBTOTAL, PARAGRAPH 2 \$716,513,855.00

2 3. Funds appropriated by Section 12 of Enrolled Senate Bill No.

3 1040 of the 2nd Session of the 58th Oklahoma Legislature:

4 Administrative and Support

5 Functions of the State Department

6 of Education \$19,145,366.00

7 SUBTOTAL, PARAGRAPH 3 \$19,145,366.00

8 TOTAL State School Aid and Programs \$3,172,905,920.00

9 SECTION 2. For the fiscal year ending June 30, 2023, the State  
10 Board of Education shall budget all funds in the following  
11 categories and amounts:

12	<u>Category</u>	<u>Total</u>
13	Payroll, Salaries or Wages,	\$21,532,290.00
14	Including Tax-sheltered Deferment	
15	Contracts and Longevity Payments	
16	Authorized by State Statutes	
17	Professional and Personal Services	
18	Contracts	\$27,083,585.00
19	Other Operating Funds	\$3,215,841,664.00
20	Expenditure of Federal Funds	\$1,878,011,533.00
21	TOTAL	\$5,142,469,072.00

22 The agency shall develop outcome-based performance measures for  
23 each budget category.

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1 SECTION 3. The funds appropriated in Sections 13 and 14 of  
2 Enrolled Senate Bill No. 1040 of the 2nd Session of the 58th  
3 Oklahoma Legislature in the amount of Four Million Two Hundred  
4 Twenty-six Thousand Seven Hundred Ninety-nine Dollars  
5 (\$4,226,799.00) shall be transferred to the School Consolidation  
6 Assistance Fund.

7 SECTION 4. The funds appropriated in Sections 15 and 16 of  
8 Enrolled Senate Bill No. 1040 of the 2nd Session of the 58th  
9 Oklahoma Legislature in the amount of Four Million Two Hundred  
10 Twenty-six Thousand Seven Hundred Ninety-nine Dollars  
11 (\$4,226,799.00) shall be transferred to the Teachers' Retirement  
12 System Dedicated Revenue Revolving Fund, and further transferred as  
13 authorized in Section 17 of Enrolled Senate Bill No. 1040 of the 2nd  
14 Session of the 58th Oklahoma Legislature.

15 SECTION 5. The funds allocated in Section 1 of this act  
16 specifically for the purpose of funding the Teachers' Retirement  
17 Credit shall be transferred to the Teachers' Retirement System of  
18 Oklahoma.

19 SECTION 6. If the funds allocated in Section 1 of this act  
20 specifically for the purpose of funding the Teachers' Retirement  
21 Credit are insufficient to fully fund the employee contribution  
22 credits provided for in Section 17-108.2 of Title 70 of the Oklahoma  
23 Statutes as invoiced by the Teachers' Retirement System of Oklahoma,  
24 the Department may reduce in equal proportions funds allocated in

1 Section 1 of this act to Education Leadership Oklahoma, Advanced  
2 Placement Incentives, Reading Sufficiency Act, Teacher and Leader  
3 Effectiveness, Alternative and High Challenge Education, Required  
4 Assessments, Ag in the Classroom, Imagine Math, Imagine Reading, ACT  
5 Work Keys, Child ID, and Oklahoma Arts Institute. The total amount  
6 of funds reduced shall not exceed the additional amount required to  
7 fully fund the employee contribution credits.

8 SECTION 7. The funds allocated in Section 1 of this act for the  
9 purpose of funding Education Leadership Oklahoma shall be expended  
10 as follows:

11 1. One Million Dollars (\$1,000,000.00) shall be transferred to  
12 the Oklahoma National Board Certification Revolving Fund created in  
13 Section 6-204.4 of Title 70 of the Oklahoma Statutes for the purpose  
14 of awarding annual bonuses as directed; and

15 2. Three Million Three Hundred Thousand Dollars (\$3,300,000.00)  
16 shall be transferred to the Oklahoma School Psychologist, Speech-  
17 language Pathologist, and Audiologist National Certification  
18 Revolving Fund created in Section 6-206.1 of Title 70 of the  
19 Oklahoma Statutes for the purpose of awarding annual bonuses as  
20 directed.

21 SECTION 8. The funds allocated in Section 1 of this act for  
22 Advanced Placement Incentives shall be expended for the purpose of  
23 providing assistance for students in financial need, grants to  
24 districts wanting to start new AP programs and expanding

1 professional development, pursuant to the provisions of Section  
2 1210.703 of Title 70 of the Oklahoma Statutes.

3 SECTION 9. The funds allocated in Section 1 of this act for  
4 Reading Sufficiency shall be expended pursuant to the provisions of  
5 Section 1210.508A et seq. of Title 70 of the Oklahoma Statutes.

6 SECTION 10. The funds allocated in Section 1 of this act for  
7 Teacher and Leader Effectiveness shall be expended for the purpose  
8 of improving the effectiveness of teachers and leaders in the public  
9 school system through continued development, pursuant to Section 6-  
10 101.16 of Title 70 of the Oklahoma Statutes.

11 SECTION 11. The funds allocated in Section 1 of this act for  
12 Required Assessments shall be expended for the purpose of  
13 administering a statewide student assessment system for grades three  
14 through twelve, pursuant to Section 1210.508 of Title 70 of the  
15 Oklahoma Statutes.

16 SECTION 12. The funds allocated in Section 1 of this act for  
17 Alternative and High Challenge Education shall be expended for the  
18 purpose of operating the statewide system of alternative education  
19 programs as provided in Section 1210.568 of Title 70 of the Oklahoma  
20 Statutes, and for encouraging school districts to participate in  
21 innovative alternative education programs.

22 SECTION 13. The funds allocated in Section 1 of this act for  
23 Early Intervention shall be transferred to the Early Intervention  
24 Fund 250. It is the intent of the Legislature that funding

1 available for SoonerStart Early Intervention Services be expended  
2 for direct services to eligible infants, toddlers, and their  
3 families. The State Department of Education shall not contract,  
4 pay, or reimburse for administrative cost recovery personnel,  
5 accounting, management information system costs, and maintenance and  
6 operations at the state or local level or indirect costs which do  
7 not comply with the requirements of Section 13-125 of Title 70 of  
8 the Oklahoma Statutes.

9 SECTION 14. The funds allocated in Section 1 of this act for  
10 the Early Childhood Initiative shall be expended for the purpose of  
11 funding the early childhood program pursuant to the provisions of  
12 Section 10-105.4 of Title 70 of the Oklahoma Statutes.

13 SECTION 15. The funds allocated in Section 1 of this act for  
14 the Academic Standards Implementation shall be expended for the  
15 purpose of funding standards implementation pursuant to the  
16 provisions of Section 11-103.6 of Title 70 of the Oklahoma Statutes.

17 SECTION 16. State Aid funds shall be reduced or withheld by the  
18 State Board of Education in an amount necessary to ensure compliance  
19 with the provisions of this act.

20 SECTION 17. The State Board of Education is authorized to  
21 request the Office of Management and Enterprise Services to transfer  
22 appropriated funds to the appropriate dispensing fund.

23 SECTION 18. The State Superintendent of Public Instruction may  
24 request through the Director of the Office of Management and



1 Enterprise Services the early transfer by the Oklahoma Tax  
2 Commission of tax collections to the Education Reform Revolving Fund  
3 for the purpose of early allocation to the Board's disbursing funds  
4 to alleviate cash-flow problems.

5 SECTION 19. If funds appropriated in Sections 1 through 16 of  
6 Enrolled Senate Bill No. 1040 of the 2nd Session of the 58th  
7 Oklahoma Legislature are not sufficient to fully fund the provisions  
8 of this act, each school district which qualifies for funds,  
9 excluding Financial Support of Public Schools, pursuant to the  
10 provisions of this act shall take a proportionate reduction.

11 SECTION 20. A. The State Superintendent of Public Instruction  
12 may request, in the manner provided in this section, that receipt  
13 and expenditure of unanticipated federal funds awarded after July 1,  
14 2022, be exempt from expenditure limitations and from budgetary  
15 limitations.

16 1. The Superintendent shall make a request for exemption to the  
17 Office of Management and Enterprise Services in writing and file a  
18 revised budget work program.

19 2. The Superintendent shall also file copies of the request for  
20 exemption and budget work program revisions with the Oklahoma House  
21 of Representatives Appropriations and Budget Committee Chair and the  
22 Oklahoma State Senate Appropriations Committee Chair. The House  
23 Appropriations and Budget Committee Chair and/or the Senate  
24 Appropriations Committee Chair shall notify the Office of Management

1 and Enterprise Services of any noncompliance of the request with  
2 legislative intent within twelve (12) calendar days of their receipt  
3 of the exemption request.

4 B. The Office of Management and Enterprise Services shall  
5 approve the request for exemption unless both the Chair and Vice  
6 Chair of the Joint Legislative Committee on Budget and Program  
7 Oversight provide written notification to the Office of Management  
8 and Enterprise Services within twelve (12) calendar days of the  
9 Committee's receipt of the exemption request that the exemption  
10 subverts the intention and objectives of the Legislature in  
11 establishing the original limit. The Office of Management and  
12 Enterprise Services shall give written notice of approval or  
13 disapproval of each exemption to the agency, the Governor, the Chair  
14 of the House Appropriations and Budget Committee and the Chair of  
15 the Senate Appropriations Committee within eighteen (18) calendar  
16 days of receiving the request.

17 SECTION 21. Appropriations made by this act, not including  
18 appropriations made for capital outlay purposes, may be budgeted for  
19 the fiscal year ending June 30, 2023 (hereafter FY-23) or may be  
20 budgeted for the fiscal year ending June 30, 2024 (hereafter FY-24).  
21 Funds budgeted for FY-23 may be encumbered only through June 30,  
22 2023, and must be expended by November 15, 2023. Any funds  
23 remaining after November 15, 2023, and not budgeted for FY-24, shall  
24 lapse to the credit of the proper fund for the then current fiscal

1 year. Funds budgeted for FY-24 may be encumbered only through June  
2 30, 2024. Any funds remaining after November 15, 2024, shall lapse  
3 to the credit of the proper fund for the then current fiscal year.  
4 These appropriations may not be budgeted in both fiscal years  
5 simultaneously. Funds budgeted in FY-23, and not required to pay  
6 obligations for that fiscal year, may be budgeted for FY-24, after  
7 the agency to which the funds have been appropriated has prepared  
8 and submitted a budget work program revision removing these funds  
9 from the FY-23 budget work program and after such revision has been  
10 approved by the Office of Management and Enterprise Services.

11 SECTION 22. The duties and compensation of employees, not  
12 otherwise prescribed by law, necessary to perform the duties imposed  
13 upon the State Department of Education by law shall be set by the  
14 State Board of Education.

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