

1 ENGROSSED SENATE
2 BILL NO. 1067

By: Thompson and Hall of the
Senate

3 and

4 Wallace and Hilbert of the
5 House

6
7 An Act relating to education; specifying
8 apportionment of certain appropriated funds;
9 providing for the budgeting of funds in certain
10 categories and amounts; requiring development of
11 certain performance measures; requiring transfers of
12 certain funds; limiting authority to reduce certain
13 apportionments; requiring certain funds to be
14 expended for certain purposes; stating purposes for
15 allocated funds; requiring certain transfer of funds;
16 stating legislative intent regarding expenditures for
17 direct costs; prohibiting the State Department of
18 Education from contracting for certain administrative
19 costs in certain program; providing for duties and
20 compensation of employees of the State Department of
21 Education; requiring the reduction or withholding of
22 State Aid funds for certain purposes; authorizing the
23 State Board of Education to request transfer of
24 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
certain budgeting procedures; and prohibiting certain
budgeting procedures.

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

SECTION 1. For the fiscal year ending June 30, 2022, the
support of public school activities by the State Board of Education

1 payable from monies appropriated and authorized by Enrolled House
2 Bill No. 2900 of the 1st Session of the 58th Oklahoma Legislature
3 shall be apportioned as follows:

4 1. Funds appropriated and authorized by Sections 1 through 7 of
5 Enrolled House Bill No. 2900 of the 1st Session of the 58th Oklahoma
6 Legislature:

7	Local and State-supported Financial	
8	Support of Public Schools	\$2,437,246,699.00
9	SUBTOTAL, PARAGRAPH 1	\$2,437,246,699.00

10 2. Funds appropriated by Sections 8 through 12 of Enrolled
11 House Bill No. 2900 of the 1st Session of the 58th Oklahoma
12 Legislature:

13	Certified Employee Health Benefit	
14	Allowance	\$347,081,644.00
15	Support Personnel Health Benefit	
16	Allowance	\$188,455,377.00
17	Teachers' Retirement Credit	\$34,500,000.00
18	Purchase of Textbooks and Instructional	
19	Materials	\$60,000,000.00
20	Alternative and High Challenge Education	\$12,000,000.00
21	Education Leadership Oklahoma	\$4,800,000.00
22	Advanced Placement Incentives	\$1,000,000.00
23	Reading Sufficiency Act	\$12,000,000.00
24	Teacher and Leader Effectiveness	\$250,000.00

1	Required Assessments	\$8,205,685.00
2	Teach for America	\$2,000,000.00
3	Teacher Induction Program	\$375,000.00
4	Street School	\$180,000.00
5	Ag in the Classroom	\$38,000.00
6	Imagine Math	\$1,000,000.00
7	Early Intervention	\$14,400,341.00
8	School Lunch Matching	\$3,500,000.00
9	Secure Schools Program	\$2,350,000.00
10	Early Childhood Initiative	\$12,000,000.00
11	Oklahoma Arts Institute	\$320,000.00
12	SUBTOTAL, PARAGRAPH 2	\$704,456,047.00

13 3. Funds appropriated by Section 12 of Enrolled House Bill No.
14 2900 of the 1st Session of the 58th Oklahoma Legislature:

15	Administrative and Support Functions of	
16	the State Department of Education	\$15,027,640.00
17	SUBTOTAL, PARAGRAPH 3	\$15,027,640.00
18	TOTAL State School Aid and Programs	\$3,156,730,386.00

19 SECTION 2. For the fiscal year ending June 30, 2022, the State
20 Board of Education shall budget all funds in the following
21 categories and amounts:

22	<u>Category</u>	<u>Total</u>
23	Payroll, Salaries or Wages Including	\$18,227,387.00

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1	Tax-sheltered Deferment Contracts and	
2	Longevity Payments Authorized by	
3	State Statutes	
4	Professional and Personal Services	\$28,696,456.00
5	Contracts Other Operating Funds	\$3,126,828,823.00
6	Expenditure of Federal Funds	\$2,644,741,337.00
7	TOTAL	\$5,818,494,003.00

8 The agency shall develop outcome-based performance measures for
9 each budget category.

10 SECTION 3. The funds appropriated in Sections 13 and 14 of
11 Enrolled House Bill No. 2900 of the 1st Session of the 58th Oklahoma
12 Legislature in the amount of Three Million Eight Hundred Twenty-
13 seven Thousand Eight Hundred Ninety-nine Dollars (\$3,827,899.00)
14 shall be transferred to the School Consolidation Assistance Fund.

15 SECTION 4. The funds appropriated in Sections 15 and 16 of
16 Enrolled House Bill No. 2900 of the 1st Session of the 58th Oklahoma
17 Legislature in the amount of Three Million Eight Hundred Twenty-
18 seven Thousand Eight Hundred Ninety-nine Dollars (\$3,827,899.00)
19 shall be transferred to the Teachers' Retirement System Dedicated
20 Revenue Revolving Fund.

21 SECTION 5. The funds allocated in Section 1 of this act
22 specifically for the purpose of funding the Teachers' Retirement
23 Credit shall be transferred to the Teachers' Retirement System of
24 Oklahoma.

1 SECTION 6. If the funds allocated in Section 1 of this act
2 specifically for the purpose of funding the Teachers' Retirement
3 Credit are insufficient to fully fund the employee contribution
4 credits provided for in Section 17-108.2 of Title 70 of the Oklahoma
5 Statutes as invoiced by the Teachers' Retirement System of Oklahoma,
6 the Department may reduce in equal proportions funds allocated in
7 Section 1 of this act to Education Leadership Oklahoma, Advanced
8 Placement Incentives, Reading Sufficiency, Teacher and Leader
9 Effectiveness Programs, Alternative and High Challenge Education,
10 Required Assessments, Ag in the Classroom and Imagine Math. Total
11 amount of funds reduced shall not exceed the additional amount
12 required to fully fund the employee contribution credits.

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

16 1. One Million Five Hundred Thousand Dollars (\$1,500,000.00)
17 shall be transferred to the Oklahoma National Board Certification
18 Revolving Fund created in Section 6-204.4 of Title 70 of the
19 Oklahoma Statutes for the purpose of awarding annual bonuses as
20 directed; and

21 2. Three Million Three Hundred Thousand Dollars (\$3,300,000.00)
22 shall be transferred to the Oklahoma School Psychologist, Speech-
23 language Pathologist, and Audiologist National Certification
24 Revolving Fund created in Section 6-206.1 of Title 70 of the

1 Oklahoma Statutes for the purpose of awarding annual bonuses as
2 directed.

3 SECTION 8. The funds allocated in Section 1 of this act for
4 Advanced Placement Incentives shall be expended for the purpose of
5 providing assistance for students in financial need, grants to
6 districts wanting to start new AP programs and expand professional
7 development, pursuant to the provisions of Section 1210.703 of Title
8 70 of the Oklahoma Statutes.

9 SECTION 9. The funds allocated in Section 1 of this act for
10 Reading Sufficiency shall be expended pursuant to the provisions of
11 Section 1210.508D of Title 70 of the Oklahoma Statutes.

12 SECTION 10. The funds allocated in Section 1 of this act for
13 Teacher and Leader Effectiveness shall be expended for the purpose
14 of improving the effectiveness of teachers and leaders in the public
15 school system through continued development, pursuant to Section 6-
16 101.16 of Title 70 of the Oklahoma Statutes.

17 SECTION 11. The funds allocated in Section 1 of this act for
18 Required Assessments shall be expended for the purpose of
19 administering a statewide student assessment system for grades three
20 through eight and in high school, pursuant to Section 1210.508 of
21 Title 70 of the Oklahoma Statutes.

22 SECTION 12. The funds allocated in Section 1 of this act for
23 Alternative and High Challenge Education shall be expended for the
24 purpose of operating the statewide system of alternative education

1 programs as provided in Section 1210.568 of Title 70 of the Oklahoma
2 Statutes, and for encouraging school districts to participate in
3 innovative alternative education programs.

4 SECTION 13. The funds allocated in Section 1 of this act for
5 the Teacher Induction Program shall be expended pursuant to the
6 provisions of Section 6-195 of Title 70 of the Oklahoma Statutes.

7 SECTION 14. The funds allocated in Section 1 of this act for
8 Early Intervention shall be transferred to the Early Intervention
9 Fund 250. It is the intent of the Legislature that funding
10 available for SoonerStart Early Intervention Services be expended
11 for direct services to eligible infants, toddlers and their
12 families. The State Department of Education shall not contract, pay
13 or reimburse for administrative cost recovery personnel, accounting
14 and management information system costs, maintenance and operations
15 at the state or local level or indirect costs which do not comply
16 with the requirements of Section 13-125 of Title 70 of the Oklahoma
17 Statutes.

18 SECTION 15. The funds allocated in Section 1 of this act for
19 the Early Childhood Initiative shall be expended for the purpose of
20 funding the early childhood program pursuant to the provisions of
21 Section 10-105.4 of Title 70 of the Oklahoma Statutes.

22 SECTION 16. The duties and compensation of employees, not
23 otherwise prescribed by law, necessary to perform the duties imposed
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1 upon the State Department of Education by law shall be set by the
2 State Board of Education.

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

6 SECTION 18. The State Board of Education is authorized to
7 request the Office of Management and Enterprise Services to transfer
8 appropriated funds to the appropriate dispensing fund.

9 SECTION 19. The Superintendent of the State Board of Education
10 may request through the Director of the Office of Management and
11 Enterprise Services the early transfer by the Oklahoma Tax
12 Commission of tax collections to the Education Reform Revolving Fund
13 for the purpose of early allocation to the Board's disbursing funds
14 to alleviate cash-flow problems.

15 SECTION 20. If funds appropriated in Sections 1 through 16 of
16 Enrolled House Bill No. 2900 of the 58th Oklahoma Legislature are
17 not sufficient to fully fund the provisions of this act, each school
18 district which qualifies for funds, excluding Financial Support of
19 Public Schools, pursuant to the provisions of this act shall take a
20 proportionate reduction.

21 SECTION 21. A. The Superintendent of the State Board of
22 Education may request, in the manner provided in this section, that
23 receipt and expenditure of unanticipated federal funds awarded after
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1 July 1, 2021, be exempt from expenditure limitations and from
2 budgetary limitations.

3 1. The Superintendent shall make a request for exemption to the
4 Office of Management and Enterprise Services in writing and file a
5 revised budget program.

6 2. The Superintendent shall also file copies of the request for
7 exemption and budget work program revisions with the House of
8 Representatives Appropriations and Budget Committee Chair and the
9 Senate Appropriations Committee Chair. The House Appropriations and
10 Budget Committee Chair and/or the Senate Appropriations Committee
11 Chair shall notify the Office of Management and Enterprise Services
12 of any noncompliance of the request with legislative intent within
13 twelve (12) calendar days of their receipt of the exemption request.

14 B. The Office of Management and Enterprise Services shall
15 approve the request for exemption unless both the Chair and Vice
16 Chair of the Joint Legislative Committee on Budget and Program
17 Oversight provide written notification to the Office of Management
18 and Enterprise Services within twelve (12) calendar days of the
19 Committee's receipt of the exemption request that the exemption
20 subverts the intention and objectives of the Legislature in
21 establishing the original limit. The Office of Management and
22 Enterprise Services shall give written notice of approval or
23 disapproval of each exemption to the agency, the Governor, the Chair
24 of the House Appropriations and Budget Committee and the Chair of

1 the Senate Appropriations Committee within eighteen (18) calendar
2 days of receiving the request.

3 SECTION 22. Appropriations made by Enrolled House Bill No. 2900
4 of the 1st Session of the 58th Oklahoma Legislature, not including
5 appropriations made for capital outlay purposes, may be budgeted for
6 the fiscal year ending June 30, 2022 (hereafter FY-22) or may be
7 budgeted for the fiscal year ending June 30, 2023 (hereafter FY-23).
8 Funds budgeted for FY-22 may be encumbered only through June 30,
9 2022, and must be expended by November 15, 2022. Any funds
10 remaining after November 15, 2022, and not budgeted for FY-23, shall
11 lapse to the credit of the proper fund for the then current fiscal
12 year. Funds budgeted for FY-23 may be encumbered only through June
13 30, 2023. Any funds remaining after November 15, 2023, shall lapse
14 to the credit of the proper fund for the then current fiscal year.
15 These appropriations may not be budgeted in both fiscal years
16 simultaneously. Funds budgeted in FY-22, and not required to pay
17 obligations for that fiscal year, may be budgeted for FY-23, after
18 the agency to which the funds have been appropriated has prepared
19 and submitted a budget work program revision removing these funds
20 from the FY-22 budget work program and after such revision has been
21 approved by the Office of Management and Enterprise Services.

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Passed the Senate the 18th day of May, 2021.

Presiding Officer of the Senate

Passed the House of Representatives the ____ day of _____,
2021.

Presiding Officer of the House
of Representatives