

1 ENGROSSED HOUSE
2 BILL NO. 4465

By: Wallace and Martinez of the
House

3 and

4 Thompson and Hall of the
5 Senate

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

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

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

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

9 Local and State-supported Financial

10 Support of Public Schools	\$2,437,246,699.00
11 SUBTOTAL, PARAGRAPH 1	\$2,437,246,699.00

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

15 Certified Employee Health Benefit

16 Allowance	\$359,193,470.00
17 Support Employee Health Benefit	
18 Allowance	\$194,211,359.00
19 Teachers' Retirement Credit	\$35,000,000.00
20 Purchase of Textbooks and	
21 Instructional Materials	\$45,190,000.00
22 Alternative and High Challenge	
23 Education	\$14,000,000.00
24 Education Leadership Oklahoma	\$4,300,000.00

1	Advanced Placement Incentives	\$1,500,000.00
2	Reading Sufficiency Act	\$13,000,000.00
3	Required Assessments	\$9,205,685.00
4	Teach for America	\$2,000,000.00
5	Street School	\$180,000.00
6	Ag in the Classroom	\$38,000.00
7	Imagine Math	\$1,000,000.00
8	Imagine Reading	\$1,000,000.00
9	Oklahoma Arts Institute	\$320,000.00
10	Early Intervention	\$16,225,341.00
11	Secure Schools Program	\$2,350,000.00
12	Great Expectations	\$500,000.00
13	Child ID	\$500,000.00
14	Academic Standards Implementation	\$300,000.00
15	Teacher and Leader Effectiveness	\$250,000.00
16	Student Information Security	\$500,000.00
17	ACT Work Keys	\$250,000.00
18	Early Childhood Initiative	\$12,000,000.00
19	School Lunch Matching	\$3,500,000.00
20	SUBTOTAL, PARAGRAPH 2	\$716,513,855.00

21 3. Funds appropriated by Section 12 of Enrolled Senate Bill No.
22 1040 of the 2nd Session of the 58th Oklahoma Legislature:
23
24

1	Administrative and Support	
2	Functions of the State Department	
3	of Education	\$19,145,366.00
4	SUBTOTAL, PARAGRAPH 3	\$19,145,366.00
5	TOTAL State School Aid and Programs	\$3,172,905,920.00

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

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

19 The agency shall develop outcome-based performance measures for
20 each budget category.

21 SECTION 3. The funds appropriated in Sections 13 and 14 of
22 Enrolled Senate Bill No. 1040 of the 2nd Session of the 58th
23 Oklahoma Legislature in the amount of Four Million Two Hundred
24 Twenty-six Thousand Seven Hundred Ninety-nine Dollars

1 (\$4,226,799.00) shall be transferred to the School Consolidation
2 Assistance Fund.

3 SECTION 4. The funds appropriated in Sections 15 and 16 of
4 Enrolled Senate Bill No. 1040 of the 2nd Session of the 58th
5 Oklahoma Legislature in the amount of Four Million Two Hundred
6 Twenty-six Thousand Seven Hundred Ninety-nine Dollars

7 (\$4,226,799.00) shall be transferred to the Teachers' Retirement
8 System Dedicated Revenue Revolving Fund, and further transferred as
9 authorized in Section 17 of Enrolled Senate Bill No. 1040 of the 2nd
10 Session of the 58th Oklahoma Legislature.

11 SECTION 5. The funds allocated in Section 1 of this act
12 specifically for the purpose of funding the Teachers' Retirement
13 Credit shall be transferred to the Teachers' Retirement System of
14 Oklahoma.

15 SECTION 6. If the funds allocated in Section 1 of this act
16 specifically for the purpose of funding the Teachers' Retirement
17 Credit are insufficient to fully fund the employee contribution
18 credits provided for in Section 17-108.2 of Title 70 of the Oklahoma
19 Statutes as invoiced by the Teachers' Retirement System of Oklahoma,
20 the Department may reduce in equal proportions funds allocated in
21 Section 1 of this act to Education Leadership Oklahoma, Advanced
22 Placement Incentives, Reading Sufficiency Act, Teacher and Leader
23 Effectiveness, Alternative and High Challenge Education, Required
24 Assessments, Ag in the Classroom, Imagine Math, Imagine Reading, ACT

1 Work Keys, Child ID, and Oklahoma Arts Institute. The total amount
2 of funds reduced shall not exceed the additional amount required to
3 fully fund the employee contribution credits.

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

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

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

17 SECTION 8. The funds allocated in Section 1 of this act for
18 Advanced Placement Incentives shall be expended for the purpose of
19 providing assistance for students in financial need, grants to
20 districts wanting to start new AP programs and expanding
21 professional development, pursuant to the provisions of Section
22 1210.703 of Title 70 of the Oklahoma Statutes.

23
24

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

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

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

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

20 SECTION 13. The funds allocated in Section 1 of this act for
21 Early Intervention shall be transferred to the Early Intervention
22 Fund 250. It is the intent of the Legislature that funding
23 available for SoonerStart Early Intervention Services be expended
24 for direct services to eligible infants, toddlers, and their

1 families. The State Department of Education shall not contract,
2 pay, or reimburse for administrative cost recovery personnel,
3 accounting, management information system costs, and maintenance and
4 operations at the state or local level or indirect costs which do
5 not comply with the requirements of Section 13-125 of Title 70 of
6 the Oklahoma Statutes.

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

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

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

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

21 SECTION 18. The State Superintendent of Public Instruction may
22 request through the Director of the Office of Management and
23 Enterprise Services the early transfer by the Oklahoma Tax
24 Commission of tax collections to the Education Reform Revolving Fund

1 for the purpose of early allocation to the Board's disbursing funds
2 to alleviate cash-flow problems.

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

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

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

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

1 legislative intent within twelve (12) calendar days of their receipt
2 of the exemption request.

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

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

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

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

14 Passed the House of Representatives the 18th day of May, 2022.

15
16 _____
17 Presiding Officer of the House
18 of Representatives

19 Passed the Senate the ____ day of _____, 2022.

20
21 _____
22 Presiding Officer of the Senate

23
24