

OKLAHOMA STATE SENATE
JOINT
COMMITTEE REPORT

May 23, 2023

JOINT COMMITTEE ON APPROPRIATIONS AND BUDGET

SB36

By: Thompson (Roger) et al of the Senate and Wallace et al of the House

Title: Public finance. Specifying certain duty of Director of Office of Management and Enterprise Services. Emergency.

Recommendation: **DO PASS AS AMENDED BY CS**

AYES: 20

Brooks, Burns, Dugger, Floyd, Hall, Haste, Hicks, Howard, Jech, Kirt, Matthews, Montgomery, Prieto, Pugh, Rader, Rosino, Stephens, Thompson (K), Thompson (R), Woods

NAYS: 0

CONSTITUTIONAL PRIVILEGE: 0

Senator Roger Thompson, Chair

Committee Substitute, motion by Senator Pugh - Adopted (Request No: 82)

OKLAHOMA HOUSE OF REPRESENTATIVES
COMMITTEE REPORT

JOINT COMMITTEE ON APPROPRIATIONS AND BUDGET COMMITTEE

SB36

By: Wallace et al of the House

Thompson (Roger) et al of the Senate

Title: Public finance. Specifying certain duty of Director of Office of Management and Enterprise Services. Emergency.

Coauthored By:

Recommendation: **DO PASS AS AMENDED BY CS**

Amendments:

1. Committee Substitute Attached


Chr.
Representative Kevin Wallace

YEAS: 34

Baker, Bashore, Bennett, Blancett, Boatman, Boles, Echols, Fetgatter, Ford, Goodwin, Hasenbeck, Hill, Kannady, Kendrix, Kerbs, Lepak, Lowe (D), Luttrell, Martinez, McBride, Miller, Moore, Munson, Newton, O'Donnell, Osburn, Pfeiffer, Provenzano, Ranson, Sterling, Strom, Vancuren, Wallace, West (T)

NAYS: 0

CONSTITUTIONAL PRIVILEGE: 0

1 STATE OF OKLAHOMA

2 1st Extraordinary Session of the 59th Legislature (2023)

3 COMMITTEE SUBSTITUTE
4 FOR

5 SENATE BILL NO. 36x

6 By: Thompson (Roger) and Hall
7 of the Senate

8 and

9 Wallace and Martinez of the
10 House

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;
requiring participation in federal grant funding;
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; prohibiting certain

1 budgeting procedures; providing an effective date;
2 and declaring an emergency.

3
4 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

5 SECTION 1. For the fiscal year ending June 30, 2024, the
6 support of public school activities by the State Board of Education
7 payable from monies appropriated and authorized by Enrolled House
8 Bill No. 1004 of the 1st Extraordinary Session of the 59th Oklahoma
9 Legislature shall be apportioned as follows:

10 1. Funds appropriated and authorized by Sections 1 through 7 of
11 Enrolled House Bill 1004 of the 1st Extraordinary Session of the
12 59th Oklahoma Legislature:

13 Local and State-supported Financial

14 Support of Public Schools \$2,437,991,559.00

15 SUBTOTAL, PARAGRAPH 1 \$2,437,991,559.00

16 2. Funds appropriated by Sections 8 through 15 of Enrolled
17 House Bill No. 1004 of the 1st Extraordinary Session of the 59th
18 Oklahoma 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	\$3,770,000.00
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	Oklahoma School Security Initiative	\$1,400,000.00
2	Metrics Software	\$2,000,000.00
3	Inhalers for all schools	\$250,000.00
4	SUBTOTAL, PARAGRAPH 2	\$719,633,855.00

5 3. Funds appropriated by Section 10 of Enrolled House Bill No.
6 1004 of the 1st Extraordinary Session of the 59th Oklahoma
7 Legislature:

8	Administrative and Support	
9	Functions of the State Department	
10	of Education	\$19,145,366.00
11	SUBTOTAL, PARAGRAPH 3	\$19,145,366.00
12	TOTAL State School Aid and Programs	\$3,176,770,780.00

13 SECTION 2. For the fiscal year ending June 30, 2024, the State
14 Board of Education shall budget all funds in the following
15 categories and amounts:

16	<u>Category</u>	<u>Total</u>
17	Payroll, Salaries or Wages,	\$25,775,827.00
18	Including Tax-sheltered Deferment	
19	Contracts and Longevity Payments	
20	Authorized by State Statutes	
21	Professional and Personal Services	
22	Contracts	\$31,840,048.00
23	Other Operating Funds	\$3,908,491,664.00
24	Expenditure of Federal Funds	\$1,825,621,183.00

1 TOTAL \$5,791,728,722.00

2 The agency shall develop outcome-based performance measures for
3 each budget category.

4 SECTION 3. The funds appropriated in Sections 12 and 13 of
5 Enrolled House Bill No. 1004 of the 1st Extraordinary Session of the
6 59th Oklahoma Legislature in the amount of Four Million One Hundred
7 Nineteen Thousand Three Hundred Sixty-nine Dollars (\$4,119,369.00)
8 shall be transferred to the School Consolidation Assistance Fund.

9 SECTION 4. The funds appropriated in Sections 14 and 15 of
10 Enrolled House Bill No. 1004 of the 1st Extraordinary Session of the
11 59th Oklahoma Legislature in the amount of Four Million One Hundred
12 Nineteen Thousand Three Hundred Sixty-nine Dollars (\$4,119,369.00)
13 shall be transferred to the Teachers' Retirement System Dedicated
14 Revenue Revolving Fund.

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, Secure
2 Schools Program, Teach for America, TLE Retention, Child ID,
3 Advanced Teacher Training, Reading Sufficiency Act, Alternative and
4 High Challenge Education, Required Assessments, Ag in the Classroom,
5 Imagine Math, Imagine Reading, ACT WorkKeys, and Oklahoma Arts
6 Institute. The total amount of funds reduced shall not exceed the
7 additional amount required to fully fund the employee contribution
8 credits.

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

12 1. Four Hundred Seventy Thousand Dollars (\$470,000.00) shall be
13 transferred to the Oklahoma National Board Certification Revolving
14 Fund created in Section 6-204.4 of Title 70 of the Oklahoma Statutes
15 for the purpose of awarding annual bonuses as directed; and

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

22 SECTION 8. The funds allocated in Section 1 of this act for
23 Advanced Placement Incentives shall be expended for the purpose of
24 providing assistance for students in financial need, grants to

1 districts wanting to start new AP programs, and expanding
2 professional development, pursuant to the provisions of Section
3 1210.703 of Title 70 of the Oklahoma Statutes.

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

7 SECTION 10. The funds allocated in Section 1 of this act for
8 Teacher and Leader Effectiveness shall be expended for the purpose
9 of improving the effectiveness of teachers and leaders in the public
10 school system through continued development, pursuant to Section 6-
11 101.16 of Title 70 of the Oklahoma Statutes.

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

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

23 SECTION 13. The funds allocated in Section 1 of this act for
24 Early Intervention shall be transferred to the Early Intervention

1 Fund 250. It is the intent of the Legislature that funding
2 available for SoonerStart Early Intervention Services be expended
3 for direct services to eligible infants, toddlers, and their
4 families. The State Department of Education shall not contract,
5 pay, or reimburse for administrative cost recovery personnel,
6 accounting, management information system costs, and maintenance and
7 operations at the state or local level or indirect costs which do
8 not comply with the requirements of Section 13-125 of Title 70 of
9 the Oklahoma Statutes.

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

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

18 SECTION 16. The funds allocated in Section 1 of this act for
19 Metrics Software shall be expended for the purpose of funding a
20 statistical software suite for data management, advanced analytics,
21 multivariate analysis and predictive analytics.

22 SECTION 17. The funds allocated in Section 1 of this act for the
23 Oklahoma School Security Initiative shall be expended for the
24

1 purpose of funding grants pursuant to Section 51.2b of Title 74 of
2 the Oklahoma Statutes.

3 SECTION 18. The funds allocated in Section 1 of this act for
4 inhalers shall be expended pursuant to the provisions of Section 1-
5 116.3 of Title 70 of the Oklahoma Statutes.

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

9 SECTION 20. The State Department of Education shall not decline,
10 refuse participation in, or choose not to apply for any federal
11 grant funding that had been received by the Department prior to FY
12 2023 without joint approval from the President Pro Tempore of the
13 Oklahoma State Senate and the Speaker of the Oklahoma House of
14 Representatives.

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

18 SECTION 22. The State Superintendent of Public Instruction may
19 request through the Director of the Office of Management and
20 Enterprise Services the early transfer by the Oklahoma Tax
21 Commission of tax collections to the Education Reform Revolving Fund
22 for the purpose of early allocation to the Board's disbursing funds
23 to alleviate cash-flow problems.

24

1 SECTION 23. If funds appropriated in Sections 1 through 15 of
2 Enrolled Senate Bill No. 1004 of the 1st Extraordinary Session of
3 the 59th Oklahoma Legislature are not sufficient to fully fund the
4 provisions of this act, each school district which qualifies for
5 funds, excluding Financial Support of Public Schools, pursuant to
6 the provisions of this act shall take a proportionate reduction.

7 SECTION 24. A. The State Superintendent of Public Instruction
8 may request, in the manner provided in this section, that receipt
9 and expenditure of unanticipated federal funds awarded after July 1,
10 2023, be exempt from expenditure limitations and from budgetary
11 limitations.

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

15 2. The Superintendent shall also file copies of the request for
16 exemption and budget work program revisions with the Oklahoma State
17 Senate Appropriations Committee Chair and the Oklahoma House of
18 Representatives Appropriations and Budget Committee Chair. The
19 Senate Appropriations Committee Chair and/or the House
20 Appropriations and Budget Committee Chair shall notify the Office of
21 Management and Enterprise Services of any noncompliance of the
22 request with legislative intent within twelve (12) calendar days of
23 their receipt of the exemption request.

24

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

14 SECTION 25. Appropriations made by this act, not including
15 appropriations made for capital outlay purposes, may be budgeted for
16 the fiscal year ending June 30, 2024 (hereafter FY-24) or may be
17 budgeted for the fiscal year ending June 30, 2025 (hereafter FY-25).
18 Funds budgeted for FY-24 may be encumbered only through June 30,
19 2024, and must be expended by November 15, 2024. Any funds
20 remaining after November 15, 2024, and not budgeted for FY-25, shall
21 lapse to the credit of the proper fund for the then current fiscal
22 year. Funds budgeted for FY-25 may be encumbered only through June
23 30, 2025. Any funds remaining after November 15, 2025, shall lapse
24 to the credit of the proper fund for the then current fiscal year.

1 These appropriations may not be budgeted in both fiscal years
2 simultaneously. Funds budgeted in FY-24, and not required to pay
3 obligations for that fiscal year, may be budgeted for FY-25, after
4 the agency to which the funds have been appropriated has prepared
5 and submitted a budget work program revision removing these funds
6 from the FY-24 budget work program and after such revision has been
7 approved by the Office of Management and Enterprise Services.

8 SECTION 26. This act shall become effective July 1, 2023.

9 SECTION 27. It being immediately necessary for the preservation
10 of the public peace, health or safety, an emergency is hereby
11 declared to exist, by reason whereof this act shall take effect and
12 be in full force from and after its passage and approval.

13

14 59-lex-82x LG 5/23/2023 7:22:53 PM

15

16

17

18

19

20

21

22

23

24