

OKLAHOMA TAX COMMISSION

REVENUE IMPACT STATEMENT FIRST REGULAR SESSION, FIFTY-NINTH OKLAHOMA LEGISLATURE

DATE OF IMPACT STATEMENT: March 29, 2023

BILL NUMBER: HB 2775 **STATUS AND DATE OF BILL:** CS for Engr. 3/27/23

AUTHORS: House: McCall, McBride, Baker, Bashore, Moore, Humphrey, Luttrell, Caldwell (Chad), Maynard, Echols, Hilbert and Culver

Senate: Treat, Daniels, Jett and Pugh

TAX TYPE (S): Income Tax **SUBJECT:** Apportionment

PROPOSAL: New Law and Amendatory

The Committee Substitute for Engrossed HB 2775 proposes appropriations totaling \$530 million to the State Board of Education and the Rewarding Excellent Educators Revolving Fund. The proposal is contingent upon the enactment of Enrolled HB 1935 of the 1st Session of the 59th Oklahoma Legislature.

EFFECTIVE DATE: Emergency - July 1, 2023

REVENUE IMPACT:

Insert dollar amount (plus or minus) of the expected change in state revenues due to this proposed legislation.

FY 24: None.

FY 25: None.

March 29, 2023

DATE

Rick Miller

DIVISION DIRECTOR

bf

3/29/2023

DATE

Huan Gong

HUAN GONG, ECONOMIST

3/31/2023

DATE

Joseph P Gappa

FOR THE COMMISSION

The revenue impact provided herein is an estimate of the potential impact on the collection or apportionment of tax revenues affected by the proposed legislation. It is not intended to be an estimate of the overall fiscal impact on the state budget if the proposed legislation is enacted.

ATTACHMENT TO REVENUE IMPACT - HB 2775 [CS] Prepared 3/29/23

The Committee Substitute for Engrossed HB 2775 provides the following appropriations:

- \$500 million to the State Board of Education from any monies not otherwise appropriated from the General Revenue Fund of the State Treasury for FY 24 for the financial support of public schools. These monies will be used to implement the proposed minimum salary schedule for certain certified personnel in Oklahoma public schools, beginning with the 2023-2024 school year and to provide student supports. Monies will not be used to provide a bonus or salary increase to an administrator, as defined by 70 O.S. § 6-101.3.
- \$30 million to the Rewarding Excellent Educators Revolving Fund created under the proposal from any monies not otherwise appropriated from the General Revenue Fund of the State Treasury for FY 24. All monies accruing to the credit of the Fund are appropriated and may be budgeted and expended by the State Board of Education to implement the Rewarding Excellent Educators Grant Program created under the proposal. The purpose of the Program is to provide grant funds to school districts to implement qualitative bonus pay plans for eligible teachers and support staff. Grants awarded will be used to provide one-time bonuses to eligible teachers and support employees. No more than 10% of a school district's eligible teachers and support employees may be provided one-time bonuses for the school year, and no bonus will exceed \$5,000.

The proposal further amends 70 O.S. §§ 18-200.1 and 18-201.1, relating to the State Aid Formula and the weighted membership of a school district, respectively.

The proposal is contingent upon the enactment of Enrolled HB 1935 of the 1st Session of the 59th Oklahoma Legislature.