

ENROLLED HOUSE  
BILL NO. 2012

By: Mitchell and Bonny of the  
House

and

Morgan and Robinson of the  
Senate

An Act relating to education; amending Sections 1, 2, 5 and 6 of Enrolled House Bill No. 2007 of the 2nd Session of the 49th Oklahoma Legislature, which relate to appropriations; modifying funding amounts; making appropriations; stating purposes; authorizing certain expenditures for certain purposes; specifying the apportionment of certain funds which were appropriated; requiring the development of certain performance measures; providing for the budgeting of funds in certain categories and amounts; providing that certain allocated funds be made available on a statewide competitive application basis; providing exceptions; requiring the transfer of funds for the Teacher Retirement Credit to the Teachers' Retirement System of Oklahoma; requiring funds allocated for the Virtual Internet School in Oklahoma Network (VISION) Act to be used for certain purposes; stating purposes for funds allocated for the Parent Training Program; stating purpose for funds allocated for the Advanced Placement Program; limiting funding for administrative costs; stating purposes for funds allocated for Alternative and High Challenge Education; requiring certain funds be allocated on a competitive application basis; specifying purposes for funds allocated for Staff Development; authorizing use of funds for school districts for certain purpose; requiring certain apportionment of funds allocated for Instructional, Cooperative and Technological Education; requiring funds to be awarded to certain nonprofit arts center; giving priority to certain arts centers; requiring funds allocated for the funding of Community Education Grants to be expended on a contractual basis to certain consortium groups for certain purposes; stating intent regarding cost reimbursement for indirect administrative costs in the Oklahoma Early Intervention Act; requiring the transfer of certain funds allocated for Education Leadership Oklahoma to be transferred and expended for certain purposes; requiring funds allocated for the Oklahoma Ambassador of Teaching to be used for certain purposes; requiring transfer of funds to the Charter Schools Incentive Fund; prohibiting the reduction of salary levels of certain instructional staff except under certain conditions; requiring the Oklahoma Cost Accounting System to account for costs by curricular

subject area; requiring funds allocated for Administrative and Support Functions of the State Department of Education to be expended for certain purposes; directing the State Board of Education to transfer certain funds to the Legislative Service Bureau; authorizing the employment of an independent consultant; requiring a report; providing for duties and compensation of employees of the State Department of Education; providing budgetary limitations; providing designations for the State Department of Education's full-time-equivalent employees; providing for responsibilities of certain designated employees of the Department; requiring the reduction or withholding of State Aid funds for certain purposes; providing for certain proportional reduction of funds; requiring budgeting of certain funds in certain years; providing lapse dates; requiring certain budgeting procedures; prohibiting certain budgeting procedures; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY Section 1 of Enrolled House Bill No. 2007 of the 2nd Session of the 49th Oklahoma Legislature, is amended to read as follows:

Section 1. There is hereby appropriated to the State Board of Education from any monies not otherwise appropriated from the General Revenue Fund of the State Treasury for the fiscal year ending June 30, 2005, the sum of ~~One Billion One Hundred Eleven Million One Hundred Forty-six Thousand Six Hundred Fifteen Dollars (\$1,111,146,615.00)~~ One Billion Seventy-one Million One Hundred Eighty-nine Thousand Seven Hundred Fifty Dollars (\$1,071,189,750.00) or so much thereof as may be necessary for the financial support of public schools.

SECTION 2. AMENDATORY Section 2 of Enrolled House Bill No. 2007 of the 2nd Session of the 49th Oklahoma Legislature, is amended to read as follows:

Section 2. There is hereby appropriated to the State Board of Education from any monies not otherwise appropriated from the Education Reform Revolving Fund created in Section 41.29b of Title 62 of the Oklahoma Statutes, the sum of ~~Four Hundred Fifteen Million Eight Hundred Eleven Thousand Nine Hundred Five Dollars (\$415,811,905.00)~~ Four Hundred Sixteen Million Two Hundred Sixty Thousand Nine Hundred Forty-six Dollars (\$416,260,946.00) or so much thereof as may be necessary for the financial support of public schools.

SECTION 3. AMENDATORY Section 5 of Enrolled House Bill No. 2007 of the 2nd Session of the 49th Oklahoma Legislature, is amended to read as follows:

Section 5. The State Board of Education is hereby authorized to expend during the fiscal year ending June 30, 2005, from the Common

Education Technology Revolving Fund of the State Treasury, the sum of ~~Thirty Million Four Hundred Fifty-three Thousand Four Hundred Fifty-three Dollars (\$30,453,453.00)~~ Thirty-four Million Thirty-two Thousand Two Hundred Nine Dollars (\$34,032,209.00) or so much thereof as may be necessary for the financial support of public schools.

SECTION 4. AMENDATORY Section 6 of Enrolled House Bill No. 2007 of the 2nd Session of the 49th Oklahoma Legislature, is amended to read as follows:

Section 6. There is hereby appropriated to the State Board of Education from any monies not otherwise appropriated from the General Revenue Fund of the State Treasury for the fiscal year ending June 30, 2005, the sum of ~~One Hundred Twenty-three Million Seven Hundred Twenty-eight Thousand Five Hundred Ninety-one Dollars (\$123,728,591.00)~~ One Hundred Fifty-seven Million Four Hundred Sixty-four Thousand Eight Hundred Forty Dollars (\$157,464,840.00) or so much thereof as may be necessary for the support of public school activities.

SECTION 5. There is hereby appropriated to the State Board of Education from any monies not otherwise appropriated from the Special Cash Fund of the State Treasury, the sum of One Million Six Hundred Seventy-six Thousand Three Hundred Forty Dollars (\$1,676,340.00) or so much thereof as may be necessary for financial support of public schools.

SECTION 6. There is hereby appropriated to the State Board of Education from any monies not otherwise appropriated from the General Revenue Fund of the State Treasury for the fiscal year ending June 30, 2005, the sum of Three Hundred Twenty-two Thousand Six Hundred Ninety-four Dollars (\$322,694.00) or so much thereof as may be necessary for Administrative and Support Functions of the State Department of Education.

SECTION 7. Beginning July 1, 2004, the support of public school activities by the State Board of Education payable from monies appropriated and authorized by Sections 3, 4 and 7 through 11 of Enrolled House Bill No. 2007 of the 2nd Session of the 49th Oklahoma Legislature and Sections 1 through 6 of this act shall be apportioned as follows:

1. Funds appropriated and authorized by Sections 3 and 4 of Enrolled House Bill No. 2007 of the 2nd Session of the 49th Oklahoma Legislature and Sections 1, 2, 3 and 5 of this act:

Local and State-supported Financial Support of Public Schools	\$1,525,279,302.00
SUBTOTAL, PARAGRAPH 1	\$1,525,279,302.00

2. Funds appropriated by Sections 7, 8, 10 and 11 of Enrolled House Bill No. 2007 of the 2nd Session of the 49th Oklahoma Legislature and Section 4 of this act:

Purchase of Textbooks and Instructional Materials	\$ 33,000,000.00
Staff Development	13,083,188.00

Advanced Placement Incentives	2,811,169.00
Mentor Teacher Stipends	500,000.00
Teacher Salary Increase	139,330,673.00
Teacher Retirement Credit	35,311,375.00
Certified Employee Health Benefit Allowance	125,525,942.00
Support Personnel Health Benefit Allowance	75,186,249.00
School Lunch Matching	3,985,654.00
School Lunch Programs	359,000.00
Alternative and High Challenge Education	17,275,873.00
Adult Education Matching	2,315,297.00
Driver Education	442,547.00
Early Intervention	11,746,153.00
Community Education Grants	40,000.00
Parent Training Program	1,545,709.00
School/Community Network for Arts-in-Education	113,379.00
Instructional, Cooperative and Technological Education	507,083.00
Summer Arts Institute	415,972.00
AG in the Classroom	43,788.00
Oklahoma Ambassador of Teaching	33,277.00
Education Leadership Oklahoma	5,527,582.00
Vision Project	622,270.00
Charter Schools Incentive Fund	<u>50,000.00</u>
SUBTOTAL, PARAGRAPH 2	\$469,772,180.00

3. Funds appropriated by Section 9 of Enrolled House Bill No. 2007 of the 2nd Session of the 49th Oklahoma Legislature and Section 6 of this act:

Administrative and Support Functions of the State Department of Education	\$14,611,968.00
SUBTOTAL, PARAGRAPH 3	<u>\$14,611,968.00</u>

TOTAL State School Aid and Programs \$2,009,663,450.00

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

SECTION 8. For the fiscal year ending June 30, 2005, the State Board of Education shall budget all funds in the following categories and amounts:

<u>Category</u>	<u>Total</u>
Payroll, Salaries or Wages, Including Tax-sheltered Deferment Contracts and Longevity Payments Authorized by State Statutes	\$ 14,862,607.00
Professional and Personal Services Contracts	41,674,935.00
Purchase of Equipment	2,171,000.00
Expenditure of Federal Funds	<u>743,036,130.00</u>
TOTAL	\$2,766,837,580.00

SECTION 9. Funds allocated in Section 7 of this act, except for local and state-supported Financial Support of Public Schools, Purchase of Textbooks and Instructional Materials, Staff Development, School Lunch Matching, School Lunch Programs, Adult Education Matching, Driver Education, Early Intervention, Alternative and High Challenge Education, and Administrative and Support Functions shall be made available on a statewide competitive application basis.

SECTION 10. The funds allocated in Section 7 of this act specifically for the purpose of funding the Teacher Retirement Credit shall be transferred to the Teachers' Retirement System of Oklahoma.

SECTION 11. Of the funds allocated in Section 7 of this act, Six Hundred Twenty-two Thousand Two Hundred Seventy Dollars (\$622,270.00) shall be expended to implement the provisions of the Virtual Internet School in Oklahoma Network (VISION) Act, which provides for the establishment of the Virtual Internet School in Oklahoma Network Pilot Program.

SECTION 12. The funds allocated in Section 7 of this act for the Parent Training Program as authorized in Section 10-105.3 of Title 70 of the Oklahoma Statutes, shall be used as follows: Sixty-five Thousand Three Hundred Thirty-six Dollars (\$65,336.00) shall be expended for the salaries, benefits, technical assistance and administrative costs incurred by the State Board of Education for contracting technical assistance in field operations for the coordination of the Oklahoma Parents as Teachers Program; One Million Two Hundred Ninety-five Thousand Sixty-four Dollars (\$1,295,064.00) shall be expended for the continuation and expansion of the Oklahoma Parents as Teachers Program; Sixteen Thousand Three Hundred Thirty-four Dollars (\$16,334.00) shall be expended for program evaluation conducted by the Child Service Demonstration

Center; One Hundred Thirty-one Thousand Three Hundred Fourteen Dollars (\$131,314.00) shall be expended for the establishment of the Oklahoma Parents as Teachers Program in public housing projects; Thirty-seven Thousand Six Hundred Sixty-one Dollars (\$37,661.00) shall be expended for the early childhood technical assistance and field operations provided by the State Department of Education.

SECTION 13. The funds allocated in Section 7 of this act specifically for the purpose of funding the Advanced Placement Incentives shall be used for one-time equipment or materials, grants, subsidized training, school incentives, exam fee reimbursement, and administrative costs. Funds for administrative costs shall not exceed Forty-eight Thousand One Hundred Forty-eight Dollars (\$48,148.00).

SECTION 14. The funds allocated in Section 7 of this act for Alternative and High Challenge Education shall be used for purposes of establishing and initiating education programs at the local school district level and for encouraging the local districts to participate in innovative educational programs. No less than Seventeen Million Two Hundred Seventy-five Thousand Eight Hundred Seventy-three Dollars (\$17,275,873.00) shall be expended to meet the provisions of the statewide system of alternative education programs created as directed by Section 1210.568 of Title 70 of the Oklahoma Statutes. The funds shall be expended as follows: Fifteen Million Four Hundred Forty-four Thousand One Hundred Dollars (\$15,444,100.00) for programs; Eight Hundred Twenty-two Thousand Nine Hundred Fifty-seven Dollars (\$822,957.00) for program evaluation, technical assistance and staff development conducted by the technical assistance provider contracted by the State Board of Education as provided for in Section 1210.568 of Title 70 of the Oklahoma Statutes; One Hundred Seventy-five Thousand Eighty-five Dollars (\$175,085.00) for an arts component; and Seventy-two Thousand Six Hundred Sixty Dollars (\$72,660.00) for the salaries, benefits and administrative costs incurred by the State Board of Education in administering the Alternative Education Programs and Alternative Academies. The remaining funds allocated shall be provided to school districts on a competitive application basis pursuant to the provisions of the rules promulgated by the State Board of Education.

SECTION 15. The funds allocated in Section 7 of this act for Staff Development are provided for teacher training, in-service teacher education and staff development plans. The sum of Seven Hundred Seventy-one Thousand Seven Hundred Fifty-six Dollars (\$771,756.00) shall provide for scholarships to the Great Expectations Summer Institutes for Teachers offered by an institution within The Oklahoma State System of Higher Education pursuant to Section 6-194.2 of Title 70 of the Oklahoma Statutes. From the funds provided for the Great Expectations Summer Institutes for Teachers, the State Board of Education shall establish an elementary level Great Expectations Demonstration Project. The Project shall be established at an elementary school in the state which is participating in the Great Expectations Program and has shown significant progress while under that Program. The sum of Two Million Five Hundred Twenty-nine Thousand Nine Hundred Seventy-eight Dollars (\$2,529,978.00) shall be transferred to the Professional Development Institutes Revolving Fund created in Section 6-204.5 of Title 70 of the Oklahoma Statutes and shall be expended for the purpose of developing, offering and administering professional

development institutes in reading for elementary school teachers as directed in Section 6-200 of Title 70 of the Oklahoma Statutes. The sum of Four Million One Hundred Three Thousand Four Hundred Four Dollars (\$4,103,404.00) shall be used for costs associated with multiple ongoing assessments and remediation as contained in Section 1210.508D of Title 70 of the Oklahoma Statutes. The sum of Nine Hundred Seventy-seven Thousand Seven Hundred Sixty-two Dollars (\$977,762.00) shall be used to provide a comprehensive professional development program for teachers and other school personnel on neurodevelopmentally based student learning differences. The program shall provide research-based knowledge and skills training to help educators recognize, understand and manage students with differences in learning. The Board shall select a public, private, or nonprofit provider on a competitive bid basis to conduct the program. The sum of Three Hundred Nine Thousand Five Hundred Fifty-eight Dollars (\$309,558.00) shall be used to continue research-based professional development for teachers through the Child Service Demonstration Center. The sum of Two Million Dollars (\$2,000,000.00) shall be transferred to the Mathematics Improvement Program Revolving Fund as created in Section 2 of Enrolled Senate Bill No. 911 of the 2nd Session of the 49th Oklahoma Legislature to be used to implement the Mathematics Improvement Program pursuant to Enrolled Senate Bill No. 911 of the 2nd Session of the 49th Oklahoma Legislature. The sum of Sixty-three Thousand Seven Hundred Eighty-five Dollars (\$63,785.00) shall be expended for the purpose of expanding the number of elementary schools which utilize the Oklahoma A+ Schools Art Program offered through an institution within The Oklahoma State System of Higher Education. The remainder shall be allocated on an average daily attendance basis for the purpose of teacher education staff development pursuant to rules established by the State Board of Education. Five percent (5%) of the funds allocated by average daily attendance for Staff Development may be used by local districts for the administration of the staff development program.

SECTION 16. A portion of the funds allocated in Section 7 of this act for Instructional, Cooperative and Technological Education shall be apportioned as follows:

1. Two Hundred Forty-five Thousand Eight Hundred Fifty-four Dollars (\$245,854.00) for Small School Cooperatives shall be awarded on a competitive application basis pursuant to the provisions of Section 18-125 of Title 70 of the Oklahoma Statutes. Up to Two Hundred Thirty-seven Thousand Five Hundred Dollars (\$237,500.00) may be used for telecommunications and other purposes as determined by the State Department of Education. No cooperative program shall receive more than a total of Fifty-seven Thousand Dollars (\$57,000.00) each year from the allocation set out in this section. Each calculated award shall be reduced by twenty-five percent (25%) for each district participating whose second preceding year per-child revenue, less federal revenue, is greater than one hundred fifty percent (150%) of the state average;

2. Forty-eight Thousand Eight Hundred Ninety-four Dollars (\$48,894.00) shall be expended on a contractual basis to the Chickasha Public School District (26-I-001) for the purpose of room and board payments for students at the Jane Brooks School for the Deaf, pursuant to contracts between the Chickasha School District and the Jane Brooks School for the Deaf;

3. Forty-six Thousand Seven Hundred Twenty-eight Dollars (\$46,728.00) shall be expended on a contractual basis for the Oklahoma Science and Engineering Fair;

4. One Hundred Thirty Thousand Five Hundred Ninety Dollars (\$130,590.00) shall be awarded to independent school districts which meet the average daily attendance required to obtain a small school incentive grant pursuant to Section 18-125 of Title 70 of the Oklahoma Statutes for costs incurred for expanding the number of grades; and

5. Thirty-five Thousand Seventeen Dollars (\$35,017.00) shall be awarded to a nonprofit arts center located in Oklahoma that has been selected by the John F. Kennedy Performing Arts Center for a Special Educator Professional Development Program. The State Board of Education shall give priority to any arts center which received funding in the prior year if the operations of the arts center are deemed satisfactory by the Board.

SECTION 17. Of the funds allocated in Section 7 of this act specifically for the purpose of funding Community Education Grants, the sum of Forty Thousand Dollars (\$40,000.00) shall be expended on a contractual basis to a community education consortium group which is associated with an institution in The Oklahoma State System of Higher Education, for the purpose of providing coordination services for community education programs, providing statistical data and information about community education programs to the State Board of Education and to enhance accountability of community education programs.

SECTION 18. It is the intent of the Legislature that funding available for SoonerStart Early Intervention Services be applied to the provision of direct services to eligible infants, toddlers and their families. The Oklahoma State Department of Education is specifically prohibited from contracting for, paying or reimbursing administrative cost recovery personnel, accounting, and management information system costs, maintenance and operations at the state or local level or indirect costs which fail to comply with the requirements of Section 13-125 of Title 70 of the Oklahoma Statutes.

SECTION 19. Of the funds allocated in Section 7 of this act specifically for the purpose of funding Education Leadership Oklahoma, the sum of One Million Five Thousand Three Hundred Seven Dollars (\$1,005,307.00) shall be transferred to the Education Leadership Oklahoma Revolving Fund created in Section 6-204.3 of Title 70 of the Oklahoma Statutes and shall be expended for the purpose of providing assistance and scholarships. Of the funds allocated in Section 7 of this act specifically for the purpose of funding Education Leadership Oklahoma, the sum of Four Million Five Hundred Twenty-two Thousand Two Hundred Seventy-five Dollars (\$4,522,275.00) shall be transferred to the Oklahoma National Board Certification Revolving Fund created in Section 6-204.4 of Title 70 of the Oklahoma Statutes for the purpose of awarding annual bonuses as directed. The remaining funds in the Education Leadership Oklahoma Revolving Fund shall be used to provide program development and evaluation by the Oklahoma Commission for Teacher Preparation and curriculum enhancement and monitoring programs for teacher applicants on a contract basis with an institution within The Oklahoma State System of Higher Education.

SECTION 20. Funds allocated in Section 7 of this act for the Oklahoma Ambassador of Teaching shall be used to enhance the Teacher of the Year Program and to assist the Teacher of the Year in acting as an ambassador for teaching.

SECTION 21. Of the funds appropriated in Section 7 of Enrolled House Bill No. 2007 of the 2nd Session of the 49th Oklahoma Legislature and allocated in Section 7 of this act, the sum of Fifty Thousand Dollars (\$50,000.00) shall be transferred to the Charter Schools Incentive Fund pursuant to Section 3-144 of Title 70 of the Oklahoma Statutes.

SECTION 22. The total compensation level of certified instructional staff employed in the same school district in the 2003-04 school year shall not be decreased for the 2004-05 school year unless the hours or the duties of the employee are reduced proportionately.

SECTION 23. The amount of One Hundred Seventy-eight Thousand Sixty-two Dollars (\$178,062.00) of the funds allocated in Section 7 of this act for Administrative and Support Functions of the State Department of Education shall be available for continued implementation of the Oklahoma Cost Accounting System. Said System shall account for costs by curricular subject area for the 1991-92 and subsequent school years.

SECTION 24. The amount of Forty-four Thousand Two Hundred Thirty-two Dollars (\$44,232.00) of the funds allocated in Section 7 of this act for Administrative and Support Functions of the State Department of Education shall be expended to ensure school district participation in the National Assessment of Educational Progress.

SECTION 25. The amount of Two Hundred Twenty-six Thousand Four Hundred Thirteen Dollars (\$226,413.00) of the funds allocated in Section 7 of this act for Administrative and Support Functions of the State Department of Education shall be available for contracting with the Oklahoma Alliance for Geographic Education to provide in-service training and material for geography instruction.

SECTION 26. The amount of Three Hundred Six Thousand Eight Hundred Sixty Dollars (\$306,860.00) of the funds allocated in Section 7 of this act for Administrative and Support Functions of the State Department of Education shall be used for reimbursement for costs associated with the Eighth Grade Reading Test pursuant to Section 1210.515 of Title 70 of the Oklahoma Statutes.

SECTION 27. Of the funds appropriated in Section 9 of Enrolled House Bill No. 2007 of the 2nd Session of the 49th Oklahoma Legislature and Section 6 of this act and allocated in Section 7 of this act for the Administrative and Support Functions of the State Department of Education, the sum of One Hundred Twenty Thousand Dollars (\$120,000.00) shall be transferred to the Legislative Service Bureau to contract with an independent consultant to conduct the second phase of the study of the adequacy of the State Aid Formula as authorized in Section 2 of Enrolled House Bill No. 1767 of the 1st Session of the 49th Oklahoma Legislature. The consultant shall submit a final report no later than November 1, 2004, to the Speaker of the House of Representatives and the President Pro Tempore of the Senate.

SECTION 28. Of the funds appropriated in Section 9 of Enrolled House Bill No. 2007 of the 2nd Session of the 49th Oklahoma Legislature and Section 6 of this act and allocated in Section 7 of this act for the Administrative and Support Functions of the State Department of Education, the sum of Thirty Thousand Dollars (\$30,000.00) shall be transferred to the Legislative Service Bureau to contract with an independent consultant as part of the study of the School District Administrative Reorganization or Consolidation Task Force as authorized in Section 5 of Enrolled House Bill No. 1767 of the 1st session of the 49th Oklahoma Legislature.

SECTION 29. The duties and compensation of employees, not otherwise prescribed by law, necessary to perform the duties imposed upon the State Department of Education by law shall be set by the State Board of Education. The State Department of Education for the fiscal year ending June 30, 2005, shall be subject to the following budgetary limitations on full-time-equivalent employees and expenditures excluding expenditures for capital and special projects, except as may be authorized pursuant to the provisions of Section 3603 of Title 74 of the Oklahoma Statutes:

<u>Budgetary Limitation</u>	<u>Amount</u>
Full-time-equivalent Employees	400.0

SECTION 30. Of the four hundred (400.0) full-time-equivalent employees authorized in Section 29 of this act, eighty-seven and seventy-five one-hundredths (87.75) shall be employed to provide services under the provisions of the Oklahoma Early Intervention Act. Prior to February 1, 2005, the Superintendent of Public Instruction shall file a report with the Education Oversight Board on the Oklahoma Early Intervention Program.

SECTION 31. Of the four hundred (400.0) full-time-equivalent employees authorized in Section 29 of this act, three (3.0) shall be designated for the Parent Training Program as authorized in Section 12 of this act.

SECTION 32. Of the four hundred (400.0) full-time-equivalent employees authorized in Section 29 of this act, seven (7.0) shall be employed to provide services under the provisions of the Oklahoma School Testing Program Act pursuant to the provisions of Section 1210.508 of Title 70 of the Oklahoma Statutes.

SECTION 33. Of the four hundred (400.0) full-time-equivalent employees authorized in Section 29 of this act, one (1.0) shall be designated as coordinator of support personnel concerns. Responsibilities of the coordinator shall include liaison with the Legislature, with organizations representing support personnel, and with the State Board of Education, and shall include dissemination of information to support personnel, including, but not limited to, retirement information.

SECTION 34. Of the four hundred (400.0) full-time-equivalent employees authorized in Section 29 of this act, eleven (11.0) shall be designated for the State Aid Section of Financial Services. These designated full-time-equivalent employees shall be responsible for processing data and other functions directly associated with the student identification system as authorized in subsection E of Section 18-200.1 of Title 70 of the Oklahoma Statutes.

SECTION 35. State Aid funds shall be reduced or withheld by the State Board of Education in an amount necessary to require compliance with the provisions of this act.

SECTION 36. If funds appropriated in Enrolled House Bill No. 2007 of the 2nd Session of the 49th Oklahoma Legislature and in this act are not sufficient to fully fund the provisions of this act, each school district which qualifies for funds, excluding Financial Support of Schools, pursuant to the provisions of this act shall take a proportionate reduction.

SECTION 37. Appropriations and authorizations made by Sections 3, 4 and 7 through 11 of Enrolled House Bill No. 2007 of the 2nd Session of the 49th Oklahoma Legislature, and Sections 1 through 6 of this act, not including appropriations made for capital outlay purposes, may be budgeted for the fiscal year ending June 30, 2005 (hereafter FY-05) or may be budgeted for the fiscal year ending June 30, 2006 (hereafter FY-06). Funds budgeted for FY-05 may be encumbered only through June 30, 2005, and must be expended by November 15, 2005. Any funds remaining after November 15, 2005, and not budgeted for FY-06, shall lapse to the credit of the proper fund for the then current fiscal year. Funds budgeted for FY-06 may be encumbered only through June 30, 2006. Any funds remaining after November 15, 2006, shall lapse to the credit of the proper fund for the then current fiscal year. These appropriations may not be budgeted in both fiscal years simultaneously. Funds budgeted in FY-05, and not required to pay obligations for that fiscal year, may be budgeted for FY-06, after the agency to which the funds have been appropriated has prepared and submitted a budget work program revision removing these funds from the FY-05 budget work program and after such revision has been approved by the Office of State Finance.

SECTION 38. This act shall become effective July 1, 2004.

SECTION 39. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

Passed the House of Representatives the 26th day of May, 2004.

---

Presiding Officer of the House of  
Representatives

Passed the Senate the 27th day of May, 2004.

---

Presiding Officer of the Senate