

(2ND EXTRAORDINARY SESSION  
OF THE 50TH LEGISLATURE)  
ENGROSSED SENATE  
BILL NO. 3XX

By: Crutchfield, Rabon and  
Branan of the Senate

and

Benge and Newport of the  
House

An Act relating to education; specifying the apportionment of certain funds which were appropriated; requiring development of certain performance measures; providing for the budgeting of funds in certain categories and amounts; requiring transfer of funds to the School Consolidation Assistance Fund; requiring transfer of funds to the Teachers' Retirement System Dedicated Revenue Revolving Fund; stating legislative intent that certain funds be utilized for support personnel salary increase; making specifications; providing that certain allocated funds be made available on a statewide competitive application basis; requiring the transfer of funds to the Teachers' Retirement System of Oklahoma for the Teacher Retirement Credit; requiring funds allocated for Education Leadership Oklahoma to be transferred and expended for certain purposes; specifying purposes for funds allocated for Staff Development; authorizing use of funds for school districts for certain purpose; stating purposes for funds allocated for Alternative and High Challenge Education; requiring certain funds be allocated on a competitive basis; prohibiting reduction in services and number of students in certain circumstances; requiring transfer of Early Intervention Funds; stating intent regarding cost reimbursement for indirect administrative costs in the Oklahoma Early Intervention Act; requiring the State Board of Education to establish a pilot early childhood program; making specifications; stating purpose for funds allocated for the Parent Training Program; stating purpose for funds allocated for the Advanced Placement Program; limiting funding for administrative costs; requiring expenditure of funds on certain Mathematics Laboratories programs; requiring expenditure of funds on certain Academic Achievement Awards programs; requiring expenditure of funds on certain student tracking programs; requiring transfer of funds to the Charter Schools Incentive Fund; requiring certain apportionment of funds allocated for Instructional, Cooperative and Technological Education; requiring funds to be awarded to certain entities; requiring funds allocated for the funding of Community Education Grants to be expended on a contractual basis to certain consortium groups for certain purposes; requiring funds allocated for the Oklahoma Ambassador

of Teaching to be used for certain purposes; 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; making specifications; 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 State Board of Education to make certain determination of school district consolidation or annexation; authorizing the State Board of Education to transfer certain amount of funds from the School Consolidation Assistance Fund to Financial Support of Public Schools; requiring the reduction or withholding of State Aid funds for certain purposes; authorizing the State Board of Education to request certain transfer of funds; 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 for codification; providing an effective date; and declaring an emergency.

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

SECTION 1. For the fiscal year ending June 30, 2007, the support of public school activities by the State Board of Education payable from monies appropriated and authorized by Sections 95 through 105 of Enrolled Senate Bill No. 80XX of the 2nd Extraordinary Session of the 50th Oklahoma Legislature shall be apportioned as follows:

1. Funds appropriated and authorized by Sections 95 through 99 of Enrolled Senate Bill No. 80XX of the 2nd Extraordinary Session of the 50th Oklahoma Legislature:

Local and State-supported Financial Support	
of Public Schools.....	\$1,783,179,380.00
SUBTOTAL, PARAGRAPH 1.....	\$1,783,179,380.00

2. Funds appropriated by Sections 100 through 104 of Enrolled Senate Bill No. 80XX of the 2nd Extraordinary Session of the 50th Legislature:

Certified Employee Salary Increase.....	\$136,032,000.00
Certified Employee Health Benefit	
Allowance.....	\$158,399,545.00
Support Personnel Health Benefit	
Allowance.....	\$85,119,230.00
Teachers' Retirement Credit.....	\$35,311,375.00
Education Leadership Oklahoma.....	\$11,630,307.00
Mentor Teacher Stipends.....	\$700,000.00
Staff Development.....	\$16,280,174.00
Purchase of Textbooks and	
Instructional Materials.....	\$33,000,000.00
Alternative and High Challenge	
Education.....	\$19,028,231.00
Early Intervention.....	\$16,168,072.00
Early Childhood Initiative.....	\$5,000,000.00
Parent Training Program.....	\$2,045,709.00
Advanced Placement Incentives.....	\$3,111,169.00
Middle School Mathematics	
Laboratories.....	\$2,000,000.00
School Lunch Matching.....	\$4,170,422.00
School Lunch Programs.....	\$359,000.00
Academic Achievement Awards.....	\$550,000.00
Student Tracking and Reporting	
Pilot Program.....	\$800,000.00
Charter Schools Incentive Fund.....	\$150,000.00
Adult Education Matching.....	\$2,315,297.00
Driver Education.....	\$442,547.00
Instructional, Cooperative and	
Technological Education.....	\$265,607.00
Summer Arts Institute.....	\$447,076.00
School/Community Network for	
Arts-in-Education.....	\$113,379.00

AG in the Classroom.....\$43,788.00  
 Community Education Grants.....\$40,000.00  
 Oklahoma Ambassador of Teaching.....\$33,277.00  
 SUBTOTAL, PARAGRAPH 2.....\$533,556,205.00

3. Funds appropriated by Section 105 of Enrolled Senate Bill No. 80XX of the 2nd Extraordinary Session of the 50th Oklahoma Legislature:

Administrative and Support Functions of the  
 State Department of Education.....\$24,032,443.00  
 SUBTOTAL, PARAGRAPH 3.....\$24,032,443.00  
 TOTAL State School Aid and Programs.....\$2,340,768,028.00

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

SECTION 2. For the fiscal year ending June 30, 2007, 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	\$ 16,273,031.00
Professional and Personal Services Contracts	72,480,811.00
Purchase of Equipment Lease-Purchase Agreements	3,171,000.00 500,000.00
Expenditure of Federal Funds	<u>782,158,130.00</u>
TOTAL	\$3,131,489,686.00

SECTION 3. The funds appropriated in Section 106 of Enrolled Senate Bill No. 80XX of the 2nd Extraordinary Session of the 50th Oklahoma Legislature in the amount of Five Million Eight Hundred Eighty-six Thousand Six Hundred Seventy-five Dollars (\$5,886,675.00) shall be transferred to the School Consolidation Assistance Fund.

SECTION 4. The funds appropriated in Section 107 of Enrolled Senate Bill No. 80XX of the 2nd Extraordinary Session of the 50th Oklahoma Legislature in the amount of Five Million Eight Hundred Eighty-six Thousand Six Hundred Seventy-five Dollars (\$5,886,675.00) shall be transferred to the Teachers' Retirement System Dedicated Revenue Revolving Fund.

SECTION 5. It is the intent of the Legislature that, beginning October 1, 2006, of the funds allocated in Section 1 of this act for Financial Support of Public Schools Eighteen Million Seven Hundred Fifty Thousand Dollars (\$18,750,000.00) shall be used by school districts to provide a salary increase of fifty cents (\$0.50) per hour employed for each full-time and part-time state funded support personnel employee for the 2006-07 school year. It is the intent of the Legislature that the salary increase be based on the estimated 2005-06 hourly salary rate of the support personnel employee, as reported in the 2005-06 Support Personnel Report, taking into account any increase or reduction in duties that may affect the rate.

SECTION 6. Funds allocated in Section 1 of this act for Parent Training Program, Advanced Placement Incentives, Middle School Mathematics Laboratories and Community Education shall be made available on a statewide competitive application basis as specified.

SECTION 7. The funds allocated in Section 1 of this act specifically for the purpose of funding the Teachers' Retirement Credit shall be transferred to the Teachers' Retirement System of Oklahoma.

SECTION 8. The funds allocated in Section 1 of this act for the purpose of funding Education Leadership Oklahoma shall be expended as follows:

1. One Million Two Hundred Five Thousand Three Hundred Seven Dollars (\$1,205,307.00) 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;

2. Eight Million Seven Hundred Thousand Dollars (\$8,700,000.00) 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; and

3. One Million Seven Hundred Twenty-five Thousand Dollars (\$1,725,000.00) shall be transferred to the Oklahoma School Psychologist, Speech-Language Pathologist, and Audiologist National Certification Revolving Fund created in Section 6-206.1 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 contractual basis with an institution within The Oklahoma State System of Higher Education.

SECTION 9. The funds allocated in Section 1 of this act for Staff Development shall be expended for teacher training, in-service teacher education and staff development plans as follows:

1. Seven Hundred Seventy-one Thousand Seven Hundred Fifty-six Dollars (\$771,756.00) for scholarships to the Great Expectations Summer Institutes for Teachers offered by an institution within The Oklahoma State System of Higher Education pursuant to the provisions of Section 6-194.2 of Title 70 of the Oklahoma Statutes;

2. 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;

3. Seven Million One Hundred Three Thousand Four Hundred Four Dollars (\$7,103,404.00) for costs associated with multiple ongoing assessments and remediation pursuant to the provisions of Section 1210.508D of Title 70 of the Oklahoma Statutes;

4. Nine Hundred Seventy-seven Thousand Seven Hundred Sixty-two Dollars (\$977,762.00) for 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;

5. Four Hundred Six Thousand Five Hundred Forty-four Dollars (\$406,544.00) to continue research-based professional development for teachers through the Oklahoma Technical Assistance Center;

6. One Hundred Sixty-three Thousand Seven Hundred Eighty-five Dollars (\$163,785.00) 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;

7. Two Million Dollars (\$2,000,000.00) for the purpose of implementing the Oklahoma Mathematics Improvement Program established pursuant to the provisions of Section 6-207 of Title 70 of the Oklahoma Statutes; and

8. Any remainder shall be allocated on an average daily attendance basis for the purpose of teacher education staff development pursuant to rules promulgated by the State Board of Education. Not more than 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 10. The funds allocated in Section 1 of this act for Alternative and High Challenge Education shall be expended for the purpose of operating the statewide system of alternative education programs as provided in Section 1210.568 of Title 70 of the Oklahoma Statutes, and for encouraging school districts to participate in innovative alternative education programs. The funds shall be expended as follows:

1. Sixteen Million Eight Hundred Forty-four Thousand One Hundred Dollars (\$16,844,100.00) for programs;

2. Nine Hundred Forty Thousand Sixty-five Dollars (\$940,065.00) for program evaluation, technical assistance and staff development conducted by the technical assistance provider contracted as provided for in Section 1210.568 of Title 70 of the Oklahoma Statutes;

3. One Hundred Seventy-five Thousand Eighty-five Dollars (\$175,085.00) for an arts component;

4. Two Hundred Thirty-five Thousand Two Hundred Fifty Dollars (\$235,250.00) for a Truancy Diversion Program in a large urban county selected by the State Department of Education;

5. 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; and

6. Any remaining funds shall be provided to school districts on a competitive application basis pursuant to the rules promulgated by the State Board of Education. Salary increases provided to certified or noncertified personnel within a school district shall be made without a reduction in the services provided or number of

students served in the district's alternative education statewide academy programs.

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

SECTION 12. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 10-105.4 of Title 70, unless there is created a duplication in numbering, reads as follows:

The State Board of Education shall establish a pilot early childhood program to consist of private donations and state funds that will serve at-risk children in at least one urban area and one rural area of this state to be selected by the Board. The Board shall solicit applications from the private sector for the program and require applicants to match state funds on a two-to-one basis and commit a minimum investment of Ten Million Dollars (\$10,000,000.00) in the program.

SECTION 13. The funds allocated in Section 1 of this act for the Parent Training Program, as authorized in Section 10-105.3 of Title 70 of the Oklahoma Statutes, shall be expended as follows:

1. 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 in contracting for technical assistance in field

operations for the coordination of the Oklahoma Parents as Teachers Program;

2. One Million Seven Hundred Ninety-five Thousand Sixty-four Dollars (\$1,795,064.00) shall be expended for the continuation and expansion of the Oklahoma Parents as Teachers Program;

3. Sixteen Thousand Three Hundred Thirty-four Dollars (\$16,334.00) shall be expended for program evaluation conducted by the Oklahoma Technical Assistance Center;

4. 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; and

5. 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 14. The funds allocated in Section 1 of this act for the Advanced Placement Incentives shall be expended for one-time equipment or materials, grants, subsidized training, school incentives, exam fee reimbursement, and administrative costs. The amount of funds expended for administrative costs shall not exceed Forty-eight Thousand One Hundred Forty-eight Dollars (\$48,148.00).

SECTION 15. The funds allocated in Section 1 of this act for Middle School Mathematics Laboratories shall be expended for the purpose of funding Middle School Mathematics Laboratories established pursuant to the provisions of Section 1210.558 of Title 70 of the Oklahoma Statutes.

SECTION 16. The funds allocated in Section 1 of this act for Academic Achievement Awards shall be expended for the purpose of funding awards pursuant to the provisions of Section 3-152.1 of Title 70 of the Oklahoma Statutes.

SECTION 17. The funds allocated in Section 1 of this act for the Student Tracking and Reporting Pilot Program shall be expended

for the purpose of funding the Student Tracking and Reporting Pilot Program pursuant to the provisions of Section 3-161 of Title 70 of the Oklahoma Statutes.

SECTION 18. The funds allocated in Section 1 of this act for the Charter Schools Incentive Fund shall be transferred to the Charter Schools Incentive Fund for use pursuant to the provisions of Section 3-144 of Title 70 of the Oklahoma Statutes.

SECTION 19. The funds allocated in Section 1 of this act for Instructional, Cooperative and Technological Education shall be apportioned as follows:

1. Fifty Thousand Dollars (\$50,000.00) 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;

2. Fifty Thousand Dollars (\$50,000.00) shall be expended on a contractual basis for the Oklahoma Science and Engineering Fair;

3. 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 the provisions of Section 18-125 of Title 70 of the Oklahoma Statutes for costs incurred for expanding the number of grades; and

4. 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 the preceding year if the operations of the arts center are deemed satisfactory by the Board.

SECTION 20. The funds allocated in Section 1 of this act for Community Education Grants shall be awarded 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 21. The funds allocated in Section 1 of this act for the Oklahoma Ambassador of Teaching shall be expended to enhance the Teacher of the Year Program and to assist the Teacher of the Year in acting as an ambassador for teaching.

SECTION 22. The amount of One Hundred Seventy-eight Thousand Sixty-two Dollars (\$178,062.00) of the funds allocated in Section 1 of this act for Administrative and Support Functions of the State Department of Education shall be expended for continued implementation of the Oklahoma Cost Accounting System.

SECTION 23. The amount of Forty-four Thousand Two Hundred Thirty-two Dollars (\$44,232.00) of the funds allocated in Section 1 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 24. The amount of Three Hundred Thousand Dollars (\$300,000.00) of the funds allocated in Section 1 of this act for Administrative and Support Functions of the State Department of Education shall be expended for contracting with the Oklahoma Alliance for Geographic Education to provide in-service training and material for geography instruction.

SECTION 25. The amount of Three Hundred Six Thousand Eight Hundred Sixty Dollars (\$306,860.00) of the funds allocated in Section 1 of this act for Administrative and Support Functions of the State Department of Education shall be expended for reimbursement of costs associated with the Eighth Grade reading

level proficiency test administered pursuant to the provisions of Section 1210.515 of Title 70 of the Oklahoma Statutes.

SECTION 26. Of the funds allocated in Section 1 of this act for Administrative and Support Functions of the State Department of Education, the sum of Four Hundred Twenty Thousand Dollars (\$420,000.00) shall be expended for North Central Accreditation. The amount of funding shall be sufficient to fund a minimum of four (4) full-time-equivalent employees, to provide office space, to support all of the daily operations of the office, and to allow the office to fully function and perform its duties during the fiscal year ending June 30, 2007. North Central Subvention Funds shall not be used for employee salaries.

SECTION 27. Of the funds allocated in Section 1 of this act for 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 Task Force on School District Administrative Efficiency as authorized in Section 1 of Enrolled House Bill No. 1021 of the 1st Session of the 50th Oklahoma Legislature.

SECTION 28. Of the funds allocated in Section 1 of this act for Administrative and Support Functions of the State Department of Education, the sum of Two Million Five Hundred Forty-three Thousand Six Hundred Fifty-four Dollars (\$2,543,654.00) shall be expended for the purpose of implementing a student identification system pursuant to the provisions of Section 18-200.1 of Title 70 of the Oklahoma Statutes.

SECTION 29. Of the funds allocated in Section 1 of this act for Administrative and Support Functions of the State Department of Education, the sum of Fifty Thousand Dollars (\$50,000.00) shall be expended for the purpose of providing training for local district

school board members pursuant to the provisions of Sections 5-110 and 5-110.1 of Title 70 of the Oklahoma Statutes.

SECTION 30. 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, 2007, 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	410.0

SECTION 31. Of the four hundred ten (410.0) full-time-equivalent employees authorized in Section 30 of this act, ninety-eight (98.0) shall be employed to provide services under the provisions of the Oklahoma Early Intervention Act. Prior to February 1, 2007, the Superintendent of Public Instruction shall file a report with the Education Oversight Board on the Oklahoma Early Intervention Program.

SECTION 32. Of the four hundred ten (410.0) full-time-equivalent employees authorized in Section 30 of this act, three (3.0) shall be designated for the Parent Training Program as funded in Section 13 of this act.

SECTION 33. Of the four hundred ten (410.0) full-time-equivalent employees authorized in Section 30 of this act, seven (7.0) shall be employed to provide services pursuant to the provisions of the Oklahoma School Testing Program Act.

SECTION 34. Of the four hundred ten (410.0) full-time-equivalent employees authorized in Section 30 of this act, one (1.0) shall be designated as coordinator of support personnel concerns. Responsibilities of the coordinator shall include acting as liaison

with the Legislature, with organizations representing support personnel, and with the State Board of Education, and disseminating information to support personnel, including, but not limited to, retirement information.

SECTION 35. Of the four hundred ten (410.0) full-time-equivalent employees authorized in Section 30 of this act, eleven (11.0) shall be designated for the State Aid Section of the Financial Services Division of the State Department of Education.

SECTION 36. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 7-203.1 of Title 70, unless there is created a duplication in numbering, reads as follows:

Beginning July 1, 2006, and each year thereafter, the State Board of Education shall determine the number of districts that notified the Board of their intent to annex or consolidate by June 30 of the previous fiscal year. If the Board determines the number of qualified combined districts to be two or less, the Board is authorized to transfer up to one-half of the funds transferred to the School Consolidation Assistance Fund for that fiscal year for allocation to the Financial Support of Public Schools for distribution to school districts in the State Aid Formula, provided in Section 18-200.1 of Title 70 of the Oklahoma Statutes. The State Board of Education is further authorized to transfer up to one-half of the funds not allocated to school districts for annexation or consolidation for the fiscal year ending June 30, 2006 for allocation to the Financial Support of Public Schools.

SECTION 37. State Aid funds shall be reduced or withheld by the State Board of Education in an amount necessary to ensure compliance with the provisions of this act.

SECTION 38. The State Board of Education is authorized to request the Office of State Finance to transfer appropriated funds to the appropriate dispensing fund.

SECTION 39. If funds appropriated 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 Public Schools, pursuant to the provisions of this act shall take a proportionate reduction.

SECTION 40. Appropriations made by this act, not including appropriations made for capital outlay purposes, may be budgeted for the fiscal year ending June 30, 2007 (hereafter FY-07), or may be budgeted for the fiscal year ending June 30, 2008 (hereafter FY-08). Funds budgeted for FY-07 may be encumbered only through June 30, 2007, and must be expended by November 15, 2007. Any funds remaining after November 15, 2007, and not budgeted for FY-08, shall lapse to the credit of the proper fund for the then current fiscal year. Funds budgeted for FY-08 may be encumbered only through June 30, 2008. Any funds remaining after November 15, 2008, 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-07, and not required to pay obligations for that fiscal year, may be budgeted for FY-08, 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-07 budget work program and after such revision has been approved by the Office of State Finance.

SECTION 41. This act shall become effective July 1, 2006.

SECTION 42. 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 Senate the 21st day of June, 2006.

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Presiding Officer of the Senate

Passed the House of Representatives the \_\_\_\_ day of \_\_\_\_\_,  
2006.

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Presiding Officer of the House  
of Representatives