

OKLAHOMA STATE SENATE
JOINT

COMMITTEE REPORT

May 9, 2013

JOINT COMMITTEE ON APPROPRIATIONS AND BUDGET

SB 1127

By: Jolley and Justice of the Senate and Martin (Scott) and Newell of the House

Title: State Department of Education Budget Limits

Co-Authored By:

Recommendation: **DO PASS AS AMENDED**

Aye: Bass, Brinkley, Crain, David, Fields, Ford, Halligan, Holt, Ivester, Johnson (Constance), Johnson (Rob), Newberry, Paddack, Standridge, Stanislawski, Sykes, Justice, Jolley

Nay: Treat

Pass:

Senator Clark Jolley, Chair

Amendments:

1. Committee Substitute Attached.
Committee Substitute Adopted by Senator Jolley

OKLAHOMA HOUSE OF REPRESENTATIVES
COMMITTEE REPORT

JOINT APPROPRIATIONS AND BUDGET COMMITTEE

SB1127

By: Martin (Scott) et al of the House

Jolley et al of the Senate

Title: State Department of Education Budget Limits

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

Amendments:

1. Committee Substitute Attached



Chr.
Representative Scott Martin

YEAS: 15

Armes, Denney, Nelson, Schwartz, Billy, Martin (Sc), Newell, Sears, Coody, McCullough, Osborn, Watson, Cox, McNiel, Sanders

NAYS: 8

Brown, Hoskin, McDaniel (J), Proctor, Dorman, Kern, McPeak, Roberts (S)

CONSTITUTIONAL PRIVILEGE: 0

STATE OF OKLAHOMA

1st Session of the 54th Legislature (2013)

COMMITTEE SUBSTITUTE
FOR

SENATE BILL NO. 1127

By: Jolley and Justice of the
Senate

and

Martin (Scott) and Newell
of the House

COMMITTEE SUBSTITUTE

An Act relating to education; specifying apportionment of certain funds which were appropriated; providing for the budgeting of funds in certain categories and amounts; requiring development of certain performance measures; requiring transfer of funds to the School Consolidation Assistance Fund; requiring transfer of funds to the Teachers' Retirement System Dedicated Revenue Revolving Fund; requiring the transfer of funds to the Teachers' Retirement System of Oklahoma for the Teachers' Retirement Credit; requiring funds allocated for Education Leadership Oklahoma to be transferred and expended for certain purposes; specifying purposes for funds allocated for Reform Implementation; stating purposes for funds allocated for Alternative and High Challenge Education; requiring transfer of Early Intervention funds; stating intent regarding cost reimbursement for indirect administrative costs in the Oklahoma Early Intervention Act; stating purpose for funds allocated for the Early Childhood Initiative; stating purpose for funds allocated for the Parent Training Program; stating purpose for funds allocated for the General Educational Development test; stating purpose for funds allocated for Rural Infant Stimulation Environment 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 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 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, 2014, the support of public school activities by the State Board of Education payable from monies appropriated and authorized by Sections 1 through 10 of Enrolled House Bill No. 2301 of the 1st Session of the 54th Oklahoma Legislature shall be apportioned as follows:

1. Funds appropriated and authorized by Sections 1 through 7 of Enrolled House Bill No. 2301 of the 1st Session of the 54th Oklahoma Legislature:

Local and State-supported Financial Support

of Public Schools.....\$1,837,570,777.00

SUBTOTAL, PARAGRAPH 1.....\$1,837,570,777.00

2. Funds appropriated by Sections 8 and 9 of Enrolled House Bill No. 2301 of the 1st Session of the 54th Oklahoma Legislature:

Certified Employee Health Benefit

Allowance.....\$244,347,203.00

1	Support Personnel Health Benefit	
2	Allowance.....	123,433,659.00
3	Teachers' Retirement Credit.....	35,311,375.00
4	Education Leadership Oklahoma.....	14,942,350.00
5	Reform Implementation.....	42,014,000.00
6	Purchase of Textbooks and	
7	Instructional Materials.....	33,000,000.00
8	Alternative and High Challenge	
9	Education.....	15,027,366.00
10	Financial Literacy.....	150,000.00
11	Early Intervention.....	14,417,922.00
12	Early Childhood Initiative.....	10,500,000.00
13	Parent Training Program.....	1,000,000.00
14	General Educational Development	
15	Tests.....	750,000.00
16	School Lunch Matching.....	4,601,288.00
17	School Lunch Programs.....	359,000.00
18	Rural Infant Stimulation Environment	
19	Program.....	529,943.00
20	Summer Arts Institute.....	350,000.00
21	AG in the Classroom.....	38,675.00
22	SUBTOTAL, PARAGRAPH 2.....	\$540,772,781.00
23	3. Funds appropriated by Section 10 of Enrolled House Bill No.	
24	2301 of the 1st Session of the 54th Oklahoma Legislature:	

Administrative and Support Functions of
the State Department of Education.....\$ 22,426,642.00
SUBTOTAL, PARAGRAPH 3..... 22,426,642.00
TOTAL State School Aid and Programs.....\$2,400,770,200.00

SECTION 2. For the fiscal year ending June 30, 2014, 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	\$ 15,127,934.00
Professional and Personal Services	
Contracts	64,457,920.00
Lease-Purchase Agreements	100,000.00
Other Operating Funds	2,417,024,124.00
Expenditure of Federal Funds	<u>733,529,463.00</u>
TOTAL	\$3,230,239,441.00

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

SECTION 3. The funds appropriated in Sections 11 and 12 of Enrolled House Bill No. 2301 of the 1st Session of the 54th Oklahoma Legislature in the amount of Three Million Four Hundred Sixteen

1 Thousand Nine Hundred Forty-one Dollars (\$3,416,941.00) shall be
2 transferred to the School Consolidation Assistance Fund.

3 SECTION 4. The funds appropriated in Sections 13 and 14 of
4 Enrolled House Bill No. 2301 of the 1st Session of the 54th Oklahoma
5 Legislature in the amount of Three Million Four Hundred Sixteen
6 Thousand Nine Hundred Forty-one Dollars (\$3,416,941.00) shall be
7 transferred to the Teachers' Retirement System Dedicated Revenue
8 Revolving Fund.

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

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

16 1. Eleven Million Six Hundred Ninety-five Thousand Dollars
17 (\$11,695,000.00) shall be transferred to the Oklahoma National Board
18 Certification Revolving Fund created in Section 6-204.4 of Title 70
19 of the Oklahoma Statutes for the purpose of awarding annual bonuses
20 as directed; and

21 2. Three Million Two Hundred Forty-seven Three Hundred Fifty
22 Dollars (\$3,247,350.00) shall be transferred to the Oklahoma School
23 Psychologist, Speech-Language Pathologist, and Audiologist National
24 Certification Revolving Fund created in Section 6-206.1 of Title 70

1 of the Oklahoma Statutes for the purpose of awarding annual bonuses
2 as directed.

3 SECTION 7. The funds allocated in Section 1 of this act for
4 Reform Implementation shall be expended as follows:

5 1. Eight Million Dollars (\$8,000,000.00) for ACE Remediation
6 shall be allocated by the State Department of Education to school
7 districts for the purpose of funding school districts on a per-hour
8 per-student basis for the costs associated with providing
9 remediation to students pursuant to the provisions of Section
10 1210.522 of Title 70 of the Oklahoma Statutes. The State Board of
11 Education shall determine the per-hour per-student dollar amount to
12 be allocated to school districts;

13 2. Three Million Five Hundred Thousand Dollars (\$3,500,000.00)
14 for the Advanced Placement Incentives shall be expended for one-time
15 equipment or materials, grants, subsidized training, school
16 incentives, exam fee reimbursement, and administrative costs. The
17 amount of funds expended for administrative costs shall not exceed
18 Forty-eight Thousand One Hundred Forty-eight Dollars (\$48,148.00);

19 3. Six Million Five Hundred Thousand Dollars (\$6,500,000.00)
20 for Reading Sufficiency. Funds shall be expended for costs
21 associated with multiple ongoing assessments and remediation
22 pursuant to the provisions of Section 1210.508D of Title 70 of the
23 Oklahoma Statutes;

1 4. Fifty Thousand Dollars (\$50,000.00) for the Charter Schools
2 Incentive Fund shall be transferred to the Charter Schools Incentive
3 Fund for use pursuant to the provisions of Section 3-144 of Title 70
4 of the Oklahoma Statutes;

5 5. Five Hundred Sixty-four Thousand Dollars (\$564,000.00) for
6 K-20 Center Oklahoma C3 Standards Implementation. Funds shall be
7 used to provide professional development for Common Core
8 implementation to schools throughout the state;

9 6. Three Hundred Thousand Dollars (\$300,000.00) for K-20 Center
10 Getting STEM-Ready Elementary schools. Funds shall be used to
11 prepare pK-6 teachers in selected Oklahoma schools in Science,
12 Technology, Engineering and Math (STEM) content and pedagogy aligned
13 to C3 curriculum;

14 7. One Million Eight Hundred Thousand Dollars (\$1,800,000.00)
15 for Think Through Math. Funds shall be used to develop and
16 implement a technology based intervention and remediation program in
17 mathematics for grades six, seven, eight and Algebra I;

18 8. Four Million Two Hundred Fifty Thousand Dollars
19 (\$4,250,000.00) for Staff Development for schools shall be allocated
20 on an average daily attendance basis for the purpose of teacher
21 education and staff development pursuant to rules that shall be
22 promulgated by the State Board of Education;

23 9. Two Million Dollars (\$2,000,000.00) for Teacher and Leader
24 Effectiveness (TLE) Development of Value Added Component. Funds

1 shall be used to implement the provisions of Section 6-101.16 of
2 Title 70 of the Oklahoma Statutes;

3 10. Five Hundred Thousand Dollars (\$500,000.00) for 3rd Grade
4 Reading Readiness Support Teams shall be allocated for the purpose
5 of implementing the provisions of Section 1210.508C of Title 70 of
6 the Oklahoma Statutes;

7 11. Two Million Dollars (\$2,000,000.00) for Oklahoma Student
8 Information System Data. Funds shall be used to support the data
9 systems development and integration and other activities as outlined
10 in the State Longitudinal Data Systems (SLDS) grant;

11 12. Four Million Two Hundred Fifty Thousand Dollars
12 (\$4,250,000.00) for REAC3H Coaches. Funds shall be used to support
13 the REAC3H Coaches to conduct professional development trainings,
14 instructional modeling, and mentorship to teachers and principals
15 for the purpose of providing best practices for implementing the
16 Oklahoma C3 Standards which include the Common Core State Standards;

17 13. Three Million Dollars (\$3,000,000.00) for testing;

18 14. Two Million Five Hundred Thousand Dollars (\$2,500,000.00)
19 shall be allocated for the Teach for America program; and

20 15. Two Million Eight Hundred Thousand Dollars (\$2,800,000.00)
21 shall be allocated for a School Rewards Competitive Grants Pool.

22 These funds shall be made available on a statewide competitive
23 application basis as specified by the State Department of Education.
24

SECTION 8. 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. Thirteen Million Seven Hundred Twenty-seven Thousand Three Hundred Sixty-six Dollars (\$13,727,366.00) for statewide programs;

2. Three Hundred Thousand Dollars (\$300,000.00) for program evaluation, technical assistance and staff development conducted by the contracted technical assistance provider as provided for in Section 1210.568 of Title 70 of the Oklahoma Statutes;

3. Six Hundred Fifty Thousand Dollars (\$650,000.00) for Advancement Through Individual Determination (AVID). The purpose of the AVID program is to close the achievement gap for minority and nontraditional AP students by advancing those students into rigorous coursework while providing support;

4. Three Hundred Fifty Thousand Dollars (\$350,000.00) for K-20 Alternative Center. Funds shall be used to provide professional development for alternative education teachers to support improvements in teaching and learning to prepare students for college, career and citizenship readiness; and

1 SECTION 9. The funds allocated in Section 1 of this act for
2 Financial Literacy shall be used to implement the provisions of
3 Section 11-103.6h of Title 70 of the Oklahoma Statutes.

4 SECTION 10. The funds allocated in Section 1 of this act for
5 Early Intervention shall be transferred to the fund designated
6 within the Office of Management and Enterprise Services as the Early
7 Intervention Fund 250. It is the intent of the Legislature that
8 funding available for SoonerStart Early Intervention Services be
9 expended for direct services to eligible infants, toddlers and their
10 families. The State Department of Education shall not contract, pay
11 or reimburse for administrative cost recovery personnel, accounting,
12 and management information system costs, maintenance and operations
13 at the state or local level or indirect costs which do not comply
14 with the requirements of Section 13-125 of Title 70 of the Oklahoma
15 Statutes.

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

20 SECTION 12. The funds allocated in Section 1 of this act for
21 the Parent Training Program, as authorized in Section 10-105.3 of
22 Title 70 of the Oklahoma Statutes, shall be expended for the
23 continuation and expansion of the Oklahoma Parents as Teachers
24 Program.

1 SECTION 13. The funds allocated in Section 1 of this act for
2 General Educational Development (GED) tests shall be used by
3 recognized GED testing centers for salaries of GED educators and the
4 purchase of equipment, supplies, and IT maintenance. Contingent
5 upon available funds they may also purchase test vouchers. The
6 testing centers may award vouchers to GED test takers based on
7 qualifications as determined by each testing center.

8 SECTION 14. The funds allocated for the Rural Infant
9 Stimulation Environment (RISE) Program in Section 1 of this act
10 shall be used for capital expenditures and operations for a school
11 designed to serve children with disabilities from birth to five (5)
12 years of age.

13 SECTION 15. The duties and compensation of employees, not
14 otherwise prescribed by law, necessary to perform the duties imposed
15 upon the State Department of Education by law shall be set by the
16 State Board of Education.

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

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

23 SECTION 18. If funds appropriated in Sections 1 through 14 of
24 Enrolled House Bill No. 2301 of the 1st Session of the 54th Oklahoma

1 Legislature are not sufficient to fully fund the provisions of this
2 act, each school district which qualifies for funds, excluding
3 Financial Support of Public Schools, pursuant to the provisions of
4 this act shall take a proportionate reduction.

5 SECTION 19. Appropriations made by Sections 1 through 14 of
6 Enrolled House Bill No. 2301 of the 1st Session of the 54th Oklahoma
7 Legislature, not including appropriations made for capital outlay
8 purposes, may be budgeted for the fiscal year ending June 30, 2014
9 (hereafter FY-14) or may be budgeted for the fiscal year ending June
10 30, 2015 (hereafter FY-15). Funds budgeted for FY-14 may be
11 encumbered only through June 30, 2014, and must be expended by
12 November 15, 2014. Any funds remaining after November 15, 2014, and
13 not budgeted for FY-15, shall lapse to the credit of the proper fund
14 for the then current fiscal year. Funds budgeted for FY-15 may be
15 encumbered only through June 30, 2015. Any funds remaining after
16 November 15, 2015, shall lapse to the credit of the proper fund for
17 the then current fiscal year. These appropriations may not be
18 budgeted in both fiscal years simultaneously. Funds budgeted in FY-
19 14, and not required to pay obligations for that fiscal year, may be
20 budgeted for FY-15, after the agency to which the funds have been
21 appropriated has prepared and submitted a budget work program
22 revision removing these funds from the FY-14 budget work program and
23 after such revision has been approved by the Office of State
24 Finance.

1 SECTION 20. This act shall become effective July 1, 2013.

2 SECTION 21. It being immediately necessary for the preservation
3 of the public peace, health and safety, an emergency is hereby
4 declared to exist, by reason whereof this act shall take effect and
5 be in full force from and after its passage and approval.

6
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