

An Act

ENROLLED HOUSE
BILL NO. 4465

By: Wallace and Martinez of the
House

and

Thompson and Hall of the
Senate

An Act relating to education; specifying apportionment of certain appropriated funds; providing for the budgeting of funds in certain categories and amounts; requiring development of certain performance measures; requiring transfers of certain funds; limiting authority to reduce certain apportionments; requiring certain funds to be expended for certain purposes; stating purposes for allocated funds; requiring certain transfer of funds; stating legislative intent regarding expenditures for direct costs; prohibiting the State Department of Education from contracting for certain administrative 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; 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; and prohibiting certain budgeting procedures.

SUBJECT: Education

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

SECTION 1. For the fiscal year ending June 30, 2023, the support of public school activities by the State Board of Education payable from monies appropriated and authorized by Enrolled Senate Bill No. 1040 of the 2nd Session of the 58th Oklahoma Legislature shall be apportioned as follows:

1. Funds appropriated and authorized by Sections 1 through 7 of Enrolled Senate Bill No. 1040 of the 2nd Session of the 58th Oklahoma Legislature:

Local and State-supported Financial Support of Public Schools	\$2,437,246,699.00
SUBTOTAL, PARAGRAPH 1	\$2,437,246,699.00

2. Funds appropriated by Sections 8 through 12 of Enrolled Senate Bill No. 1040 of the 2nd Session of the 58th Oklahoma Legislature:

Certified Employee Health Benefit Allowance	\$359,193,470.00
Support Employee Health Benefit Allowance	\$194,211,359.00
Teachers' Retirement Credit	\$35,000,000.00
Purchase of Textbooks and Instructional Materials	\$45,190,000.00
Alternative and High Challenge Education	\$14,000,000.00
Education Leadership Oklahoma	\$4,300,000.00
Advanced Placement Incentives	\$1,500,000.00
Reading Sufficiency Act	\$13,000,000.00
Required Assessments	\$9,205,685.00

Teach for America	\$2,000,000.00
Street School	\$180,000.00
Ag in the Classroom	\$38,000.00
Imagine Math	\$1,000,000.00
Imagine Reading	\$1,000,000.00
Oklahoma Arts Institute	\$320,000.00
Early Intervention	\$16,225,341.00
Secure Schools Program	\$2,350,000.00
Great Expectations	\$500,000.00
Child ID	\$500,000.00
Academic Standards Implementation	\$300,000.00
Teacher and Leader Effectiveness	\$250,000.00
Student Information Security	\$500,000.00
ACT Work Keys	\$250,000.00
Early Childhood Initiative	\$12,000,000.00
School Lunch Matching	\$3,500,000.00
SUBTOTAL, PARAGRAPH 2	\$716,513,855.00

3. Funds appropriated by Section 12 of Enrolled Senate Bill No. 1040 of the 2nd Session of the 58th Oklahoma Legislature:

Administrative and Support Functions of the State Department of Education	\$19,145,366.00
SUBTOTAL, PARAGRAPH 3	\$19,145,366.00
TOTAL State School Aid and Programs	\$3,172,905,920.00

SECTION 2. For the fiscal year ending June 30, 2023, 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	\$21,532,290.00
Professional and Personal Services Contracts	\$27,083,585.00
Other Operating Funds	\$3,215,841,664.00
Expenditure of Federal Funds	\$1,878,011,533.00
TOTAL	\$5,142,469,072.00

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

SECTION 3. The funds appropriated in Sections 13 and 14 of Enrolled Senate Bill No. 1040 of the 2nd Session of the 58th Oklahoma Legislature in the amount of Four Million Two Hundred Twenty-six Thousand Seven Hundred Ninety-nine Dollars (\$4,226,799.00) shall be transferred to the School Consolidation Assistance Fund.

SECTION 4. The funds appropriated in Sections 15 and 16 of Enrolled Senate Bill No. 1040 of the 2nd Session of the 58th Oklahoma Legislature in the amount of Four Million Two Hundred Twenty-six Thousand Seven Hundred Ninety-nine Dollars (\$4,226,799.00) shall be transferred to the Teachers' Retirement System Dedicated Revenue Revolving Fund, and further transferred as authorized in Section 17 of Enrolled Senate Bill No. 1040 of the 2nd Session of the 58th Oklahoma Legislature.

SECTION 5. 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 6. If the funds allocated in Section 1 of this act specifically for the purpose of funding the Teachers' Retirement Credit are insufficient to fully fund the employee contribution credits provided for in Section 17-108.2 of Title 70 of the Oklahoma Statutes as invoiced by the Teachers' Retirement System of Oklahoma, the Department may reduce in equal proportions funds allocated in Section 1 of this act to Education Leadership Oklahoma, Advanced Placement Incentives, Reading Sufficiency Act, Teacher and Leader Effectiveness, Alternative and High Challenge Education, Required Assessments, Ag in the Classroom, Imagine Math, Imagine Reading, ACT Work Keys, Child ID, and Oklahoma Arts Institute. The total amount of funds reduced shall not exceed the additional amount required to fully fund the employee contribution credits.

SECTION 7. 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 Dollars (\$1,000,000.00) 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

2. Three Million Three Hundred Thousand Dollars (\$3,300,000.00) 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.

SECTION 8. The funds allocated in Section 1 of this act for Advanced Placement Incentives shall be expended for the purpose of providing assistance for students in financial need, grants to districts wanting to start new AP programs and expanding professional development, pursuant to the provisions of Section 1210.703 of Title 70 of the Oklahoma Statutes.

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

SECTION 10. The funds allocated in Section 1 of this act for Teacher and Leader Effectiveness shall be expended for the purpose of improving the effectiveness of teachers and leaders in the public

school system through continued development, pursuant to Section 6-101.16 of Title 70 of the Oklahoma Statutes.

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

SECTION 12. 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.

SECTION 13. The funds allocated in Section 1 of this act for Early Intervention shall be transferred to 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, management information system costs, and 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 14. The funds allocated in Section 1 of this act for the Early Childhood Initiative shall be expended for the purpose of funding the early childhood program pursuant to the provisions of Section 10-105.4 of Title 70 of the Oklahoma Statutes.

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

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

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

SECTION 19. If funds appropriated in Sections 1 through 16 of Enrolled Senate Bill No. 1040 of the 2nd Session of the 58th Oklahoma Legislature 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 20. A. The State Superintendent of Public Instruction may request, in the manner provided in this section, that receipt and expenditure of unanticipated federal funds awarded after July 1, 2022, be exempt from expenditure limitations and from budgetary limitations.

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

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

B. The Office of Management and Enterprise Services shall approve the request for exemption unless both the Chair and Vice Chair of the Joint Legislative Committee on Budget and Program Oversight provide written notification to the Office of Management and Enterprise Services within twelve (12) calendar days of the Committee's receipt of the exemption request that the exemption subverts the intention and objectives of the Legislature in establishing the original limit. The Office of Management and Enterprise Services shall give written notice of approval or disapproval of each exemption to the agency, the Governor, the Chair

of the House Appropriations and Budget Committee and the Chair of the Senate Appropriations Committee within eighteen (18) calendar days of receiving the request.

SECTION 21. Appropriations made by this act, not including appropriations made for capital outlay purposes, may be budgeted for the fiscal year ending June 30, 2023 (hereafter FY-23) or may be budgeted for the fiscal year ending June 30, 2024 (hereafter FY-24). Funds budgeted for FY-23 may be encumbered only through June 30, 2023, and must be expended by November 15, 2023. Any funds remaining after November 15, 2023, and not budgeted for FY-24, shall lapse to the credit of the proper fund for the then current fiscal year. Funds budgeted for FY-24 may be encumbered only through June 30, 2024. Any funds remaining after November 15, 2024, 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-23, and not required to pay obligations for that fiscal year, may be budgeted for FY-24, 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-23 budget work program and after such revision has been approved by the Office of Management and Enterprise Services.

SECTION 22. 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.

Passed the House of Representatives the 18th day of May, 2022.

Presiding Officer of the House
of Representatives

Passed the Senate the 20th day of May, 2022.

Presiding Officer of the Senate

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____

Approved by the Governor of the State of Oklahoma this _____

day of _____, 20_____, at _____ o'clock _____ M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____