

STATE OF OKLAHOMA

1st Session of the 60th Legislature (2025)

COMMITTEE SUBSTITUTE  
FOR

SENATE BILL NO. 1126

By: Hall and Haste of the  
Senate

and

Caldwell (Trey) and Kane of  
the House

COMMITTEE SUBSTITUTE

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; requiring certain budgeting procedures; prohibiting certain budgeting procedures;

1 providing an effective date; and declaring an  
2 emergency.

3  
4 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

5 SECTION 1. For the fiscal year ending June 30, 2026, for the  
6 support of public school activities by the State Board of Education  
7 payable from monies appropriated and authorized by Enrolled House  
8 Bill No. 2766 of the 1st Session of the 60th Oklahoma Legislature  
9 shall be apportioned as follows:

10 1. Funds appropriated and authorized by Sections 1, 2, 3, 4, 5,  
11 6, 7, and 18 of Enrolled House Bill No. 2766 of the 1st Session of  
12 the 60th Oklahoma Legislature:

13 Local- and State-supported

14 Financial Support of Public

15 Schools \$3,120,730,927.00

16 SUBTOTAL, PARAGRAPH 1 \$3,120,730,927.00

17 2. Funds appropriated by Sections 8, 9, 10, 12, 17, and 19 of  
18 Enrolled House Bill No. 2766 of the 1st Session of the 60th Oklahoma  
19 Legislature:

20 Certified Employee Health Benefit

21 Allowance \$410,851,159.00

22 Support Employee Health Benefit

23 Allowance \$247,723,418.00

24 Teachers' Retirement Credit \$35,000,000.00

1	Purchase of Textbooks and	
2	Instructional Materials	\$45,190,000.00
3	Public School Paid Maternity Leave	
4	Revolving Fund	\$6,500,000.00
5	Student Teacher Compensation	\$2,650,000.00
6	Alternative and High Challenge	
7	Education	\$14,000,000.00
8	Education Leadership Oklahoma	\$4,500,000.00
9	Advanced Placement Incentives	\$1,559,863.00
10	Strong Readers Act	\$17,500,000.00
11	Required Assessments	\$13,405,685.00
12	Street School	\$200,000.00
13	Ag in the Classroom	\$38,000.00
14	Imagine Math	\$1,000,000.00
15	Imagine Reading	\$1,000,000.00
16	Oklahoma Imagination Library	
17	Program	\$2,000,000.00
18	Oklahoma Arts Institute	\$320,000.00
19	Early Intervention	\$16,725,341.00
20	Great Expectations	\$500,000.00
21	Early Childhood Initiative	\$14,000,000.00
22	School Lunch Matching	\$3,140,137.00
23	Nationally Recognized Career	
24	Readiness Assessments	\$250,000.00

1	Civil Rights Curriculum	\$50,000.00
2	SUBTOTAL, PARAGRAPH 2	\$838,103,603.00
3	3. Funds appropriated by Section 11 of Enrolled House Bill No.	
4	2766 of the 1st Session of the 60th Oklahoma Legislature:	
5	Administrative and Support	
6	Functions of the State Department	
7	of Education	\$18,145,366.00
8	SUBTOTAL, PARAGRAPH 3	\$18,145,366.00
9	TOTAL State School Aid and Programs	\$3,976,979,896.00
10	SECTION 2. For the fiscal year ending June 30, 2026, the State	
11	Board of Education shall budget all funds in the following	
12	categories and amounts:	
13	Category	Total
14	Payroll, Salaries or Wages,	\$22,627,959.00
15	Including Tax-sheltered Deferment	
16	Contracts and Longevity Payments	
17	Authorized by State Statutes	
18	Professional and Personal Services	
19	Contracts	\$33,645,498.00
20	Other Operating Funds	\$3,927,205,809.00
21	Expenditure of Federal Funds	\$634,934,710.00
22	TOTAL	\$4,618,413,9761.00
23	The agency shall develop outcome-based performance measures for	
24	each budget category.	

1       SECTION 3. The funds appropriated in Sections 13 and 14 of  
2 Enrolled House Bill No. 2766 of the 1st Session of the 60th Oklahoma  
3 Legislature in the amount of Three Million Two Hundred Fifty  
4 Thousand Dollars (\$3,250,000.00) shall be transferred to the School  
5 Consolidation Assistance Fund.

6       SECTION 4. The funds appropriated in Sections 15 and 16 of  
7 Enrolled House Bill No. 2766 of the 1st Session of the 60th Oklahoma  
8 Legislature in the amount of Three Million Two Hundred Fifty  
9 Thousand Dollars (\$3,250,000.00) shall be transferred to the  
10 Teachers' Retirement System Dedicated Revenue Revolving Fund.

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

15       SECTION 6. If the funds allocated in Section 1 of this act  
16 specifically for the purpose of funding the Teachers' Retirement  
17 Credit are insufficient to fully fund the employee contribution  
18 credits provided for in Section 17-108.2 of Title 70 of the Oklahoma  
19 Statutes as invoiced by the Teachers' Retirement System of Oklahoma,  
20 the State Department of Education may reduce in equal proportions  
21 funds allocated in Section 1 of this act to Alternative and High  
22 Challenge Education, Education Leadership Oklahoma, Advanced  
23 Placement Incentives, Strong Readers Act, Required Assessments,  
24 Street School, Ag in the Classroom, Imagine Math, Imagine Reading,

Oklahoma Imagination Library Program, Oklahoma Arts Institute, Great Expectations, Nationally Recognized Career Readiness Assessments, and Civil Rights Curriculum. 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. Two Hundred Fifty Thousand Dollars (\$250,000.00) 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. Four Million Two Hundred Fifty Thousand Dollars (\$4,250,000.00) 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, providing grants to districts wanting to start new advanced placement (AP)

1 programs, and expanding professional development, pursuant to the  
2 provisions of Section 1210.703 of Title 70 of the Oklahoma Statutes.

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

6 SECTION 10. The funds allocated in Section 1 of this act for  
7 Required Assessments shall be expended for the purpose of  
8 administering a statewide student assessment system for grades three  
9 through twelve, pursuant to Section 1210.508 of Title 70 of the  
10 Oklahoma Statutes.

11 SECTION 11. The funds allocated in Section 1 of this act for  
12 Alternative and High Challenge Education shall be expended for the  
13 purpose of operating the statewide system of alternative education  
14 programs, as provided in Section 1210.568 of Title 70 of the  
15 Oklahoma Statutes, and for encouraging school districts to  
16 participate in innovative alternative education programs.

17 SECTION 12. The funds allocated in Section 1 of this act for  
18 Early Intervention shall be transferred to the Early Intervention  
19 Revolving Fund (250). It is the intent of the Legislature that  
20 funding available for SoonerStart Early Intervention Services be  
21 expended for direct services to eligible infants and toddlers and  
22 their families. The State Department of Education shall not  
23 contract, pay, or reimburse for administrative cost recovery  
24 personnel, accounting, management information system costs, and

1 maintenance and operations at the state or local level or indirect  
2 costs which do not comply with the requirements of Section 13-125 of  
3 Title 70 of the Oklahoma Statutes.

4 SECTION 13. The funds allocated in Section 1 of this act for  
5 the Early Childhood Initiative shall be expended for the purpose of  
6 funding the early childhood program pursuant to the provisions of  
7 Section 10-105.4 of Title 70 of the Oklahoma Statutes.

8 SECTION 14. Of the funds allocated in Section 1 of Enrolled  
9 House Bill No. 2766 of the 1st Session of the 60th Oklahoma  
10 Legislature, Five Million Dollars (\$5,000,000.00) shall be deposited  
11 in the Grow Your Own Educator Revolving Fund pursuant to the  
12 provisions of Section 2 of Enrolled Senate Bill No. 235 of the 1st  
13 Session of the 60th Oklahoma Legislature.

14 SECTION 15. The funds allocated in Section 1 of this act for  
15 Civil Rights Curriculum shall be expended pursuant to the provisions  
16 of Section 11.103.6p of Title 70 the Oklahoma Statutes.

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 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. The Superintendent of Public Instruction may  
24 request through the Director of the Office of Management and



1 Enterprise Services the early transfer by the Oklahoma Tax  
2 Commission of tax collections to the Education Reform Revolving Fund  
3 for the purpose of early allocation to the State Board of  
4 Education's disbursing funds to alleviate cash-flow problems.

5 SECTION 19. If funds appropriated in Sections 1 through 19 of  
6 Enrolled House Bill No. 2766 of the 1st Session of the 60th Oklahoma  
7 Legislature are not sufficient to fully fund the provisions of this  
8 act, each school district that qualifies for funds, excluding  
9 Financial Support of Public Schools, pursuant to the provisions of  
10 this act shall take a proportionate reduction.

11 SECTION 20. A. The Superintendent of Public Instruction may  
12 request, in the manner provided in this section, that receipt and  
13 expenditure of unanticipated federal funds awarded after July 1,  
14 2024, be exempt from expenditure limitations and from budgetary  
15 limitations.

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

19 2. The Superintendent shall also file copies of the request for  
20 exemption and budget work program revisions with the chair of the  
21 Appropriations Committee of the Oklahoma State Senate and the chair  
22 of the Appropriations and Budget Committee of the Oklahoma House of  
23 Representatives. The chair of the Appropriations Committee of the  
24 Oklahoma State Senate and/or the chair of the Appropriations and

1 Budget Committee of the Oklahoma House of Representatives shall  
2 notify the Office of Management and Enterprise Services of any  
3 noncompliance of the request with legislative intent within twelve  
4 (12) calendar days of receipt of the exemption request.

5 B. The Office of Management and Enterprise Services shall  
6 approve the request for exemption unless both the chair and vice  
7 chair of the Legislative Oversight Committee on State Budget  
8 Performance provide written notification to the Office of Management  
9 and Enterprise Services within twelve (12) calendar days of the  
10 Committee's receipt of the exemption request that the exemption  
11 subverts the intention and objectives of the Legislature in  
12 establishing the original limit. The Office of Management and  
13 Enterprise Services shall give written notice of approval or  
14 disapproval of each exemption to the agency, the Governor, the chair  
15 of the Appropriations Committee of the Oklahoma State Senate, and  
16 the chair of the Appropriations and Budget Committee of the Oklahoma  
17 House of Representatives within eighteen (18) calendar days of  
18 receiving the request.

19 SECTION 21. It is the intent of the Legislature that compliance  
20 with the provisions of this act is enforceable pursuant to the  
21 provisions of paragraph 9 of subsection A of Section 18b of Title 74  
22 of the Oklahoma Statutes.

23 SECTION 22. This act shall become effective July 1, 2025.  
24

SECTION 23. It being immediately necessary for the preservation  
of the public peace, health or 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.

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