

1 ENGROSSED SENATE  
2 BILL NO. 1126

By: Hall and Haste of the  
Senate

3 and

4 Caldwell (Trey) and Kane of  
5 the House

6  
7 An Act relating to education; specifying  
8 apportionment of certain appropriated funds;  
9 providing for the budgeting of funds in certain  
10 categories and amounts; requiring development of  
11 certain performance measures; requiring transfers of  
12 certain funds; limiting authority to reduce certain  
13 apportionments; requiring certain funds to be  
14 expended for certain purposes; stating purposes for  
15 allocated funds; requiring certain transfer of funds;  
16 stating legislative intent regarding expenditures for  
17 direct costs; prohibiting the State Department of  
18 Education from contracting for certain administrative  
19 costs in certain program; providing for duties and  
20 compensation of employees of the State Department of  
21 Education; requiring the reduction or withholding of  
22 State Aid funds for certain purposes; authorizing the  
23 State Board of Education to request transfer of  
24 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;  
providing an effective date; and declaring an  
emergency.

23 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:  
24

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

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

## Local- and State-supported

Financial Support of Public

|         |                    |
|---------|--------------------|
| Schools | \$3,120,730,927.00 |
|---------|--------------------|

|                       |                    |
|-----------------------|--------------------|
| SUBTOTAL, PARAGRAPH 1 | \$3,120,730,927.00 |
|-----------------------|--------------------|

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

Certified Employee Health Benefit

|           |                  |
|-----------|------------------|
| Allowance | \$410,851,159.00 |
|-----------|------------------|

Support Employee Health Benefit

|           |                  |
|-----------|------------------|
| Allowance | \$247,723,418.00 |
|-----------|------------------|

|                             |                 |
|-----------------------------|-----------------|
| Teachers' Retirement Credit | \$35,000,000.00 |
|-----------------------------|-----------------|

Purchase of Textbooks and

|                         |                 |
|-------------------------|-----------------|
| Instructional Materials | \$45,190,000.00 |
|-------------------------|-----------------|

Public School Paid Maternity Leave

|                |                |
|----------------|----------------|
| Revolving Fund | \$6,500,000.00 |
|----------------|----------------|

|    |  |                  |
|----|--|------------------|
| 1  | Student Teacher Compensation                                   | \$2,650,000.00   |
| 2  | Alternative and High Challenge                                 |                  |
| 3  | Education  | \$14,000,000.00  |
| 4  | Education Leadership Oklahoma                                  | \$4,500,000.00   |
| 5  | Advanced Placement Incentives                                  | \$1,559,863.00   |
| 6  | Strong Readers Act   | \$17,500,000.00  |
| 7  | Required Assessments   | \$13,405,685.00  |
| 8  | Street School  | \$200,000.00     |
| 9  | Ag in the Classroom  | \$38,000.00      |
| 10 | Imagine Math   | \$1,000,000.00   |
| 11 | Imagine Reading  | \$1,000,000.00   |
| 12 | Oklahoma Imagination Library                                   |                  |
| 13 | Program  | \$2,000,000.00   |
| 14 | Oklahoma Arts Institute  | \$320,000.00     |
| 15 | Early Intervention   | \$16,725,341.00  |
| 16 | Great Expectations   | \$500,000.00     |
| 17 | Early Childhood Initiative                                     | \$14,000,000.00  |
| 18 | School Lunch Matching  | \$3,140,137.00   |
| 19 | Nationally Recognized Career                                   |                  |
| 20 | Readiness Assessments  | \$250,000.00     |
| 21 | Civil Rights Curriculum  | \$50,000.00      |
| 22 | SUBTOTAL, PARAGRAPH 2  | \$838,103,603.00 |
| 23 | 3. Funds appropriated by Section 11 of Enrolled House Bill No. |                  |
| 24 | 2766 of the 1st Session of the 60th Oklahoma Legislature:      |                  |

Administrative and Support

Functions of the State Department

of Education \$18,145,366.00

SUBTOTAL, PARAGRAPH 3 \$18,145,366.00

TOTAL State School Aid and Programs \$3,976,979,896.00

SECTION 2. For the fiscal year ending June 30, 2026, the State Board of Education shall budget all funds in the following categories and amounts:

| Category                           | Total               |
|------------------------------------|---------------------|
| Payroll, Salaries or Wages,        | \$22,627,959.00     |
| Including Tax-sheltered Deferment  |                     |
| Contracts and Longevity Payments   |                     |
| Authorized by State Statutes       |                     |
| Professional and Personal Services |                     |
| Contracts                          | \$33,645,498.00     |
| Other Operating Funds              | \$3,927,205,809.00  |
| Expenditure of Federal Funds       | \$634,934,710.00    |
| TOTAL                              | \$4,618,413,9761.00 |

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

SECTION 3. The funds appropriated in Sections 13 and 14 of Enrolled House Bill No. 2766 of the 1st Session of the 60th Oklahoma Legislature in the amount of Three Million Two Hundred Fifty

1 Thousand Dollars (\$3,250,000.00) shall be transferred to the School  
2 Consolidation Assistance Fund.

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

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

12 SECTION 6. If the funds allocated in Section 1 of this act  
13 specifically for the purpose of funding the Teachers' Retirement  
14 Credit are insufficient to fully fund the employee contribution  
15 credits provided for in Section 17-108.2 of Title 70 of the Oklahoma  
16 Statutes as invoiced by the Teachers' Retirement System of Oklahoma,  
17 the State Department of Education may reduce in equal proportions  
18 funds allocated in Section 1 of this act to Alternative and High  
19 Challenge Education, Education Leadership Oklahoma, Advanced  
20 Placement Incentives, Strong Readers Act, Required Assessments,  
21 Street School, Ag in the Classroom, Imagine Math, Imagine Reading,  
22 Oklahoma Imagination Library Program, Oklahoma Arts Institute, Great  
23 Expectations, Nationally Recognized Career Readiness Assessments,  
24 and Civil Rights Curriculum. The total amount of funds reduced

1 shall not exceed the additional amount required to fully fund the  
2 employee contribution credits.

3 SECTION 7. The funds allocated in Section 1 of this act for the  
4 purpose of funding Education Leadership Oklahoma shall be expended  
5 as follows:

6 1. Two Hundred Fifty Thousand Dollars (\$250,000.00) shall be  
7 transferred to the Oklahoma National Board Certification Revolving  
8 Fund, created in Section 6-204.4 of Title 70 of the Oklahoma  
9 Statutes, for the purpose of awarding annual bonuses as directed;  
10 and

11 2. Four Million Two Hundred Fifty Thousand Dollars  
12 (\$4,250,000.00) shall be transferred to the Oklahoma School  
13 Psychologist, Speech-Language Pathologist, and Audiologist National  
14 Certification Revolving Fund, created in Section 6-206.1 of Title 70  
15 of the Oklahoma Statutes, for the purpose of awarding annual bonuses  
16 as directed.

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

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

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

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

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

1 costs which do not comply with the requirements of Section 13-125 of  
2 Title 70 of the Oklahoma Statutes.

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

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

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

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

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

22 SECTION 18. The Superintendent of Public Instruction may  
23 request through the Director of the Office of Management and  
24 Enterprise Services the early transfer by the Oklahoma Tax



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

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

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

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

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

1 notify the Office of Management and Enterprise Services of any  
2 noncompliance of the request with legislative intent within twelve  
3 (12) calendar days of receipt of the exemption request.

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

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

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

23 SECTION 23. It being immediately necessary for the preservation  
24 of the public peace, health or safety, an emergency is hereby

1 declared to exist, by reason whereof this act shall take effect and  
2 be in full force from and after its passage and approval.

3 Passed the Senate the 20th day of May, 2025.

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\_\_\_\_\_  
Presiding Officer of the Senate

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7 Passed the House of Representatives the \_\_\_\_ day of \_\_\_\_\_,  
8 2025.

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Presiding Officer of the House  
of Representatives

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