

1 STATE OF OKLAHOMA

2 2nd Session of the 59th Legislature (2024)

3 COMMITTEE SUBSTITUTE
4 FOR

5 SENATE BILL NO. 1122

By: Hall and Rosino of the
Senate

6 and

7 Wallace and Caldwell (Trey)
8 of the House

9
10 COMMITTEE SUBSTITUTE

11 An Act relating to education; specifying
12 apportionment of certain appropriated funds;
13 providing for the budgeting of funds in certain
14 categories and amounts; requiring development of
15 certain performance measures; requiring transfers of
16 certain funds; limiting authority to reduce certain
17 apportionments; requiring certain funds to be
18 expended for certain purposes; stating purposes for
19 allocated funds; requiring certain transfer of funds;
20 stating legislative intent regarding expenditures for
21 direct costs; prohibiting the State Department of
22 Education from contracting for certain administrative
23 costs in certain program; providing for duties and
24 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;
requiring participation in federal grant funding;
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; prohibiting certain

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

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

5 SECTION 1. For the fiscal year ending June 30, 2025, the
6 support of public school activities by the State Board of Education
7 payable from monies appropriated and authorized by Enrolled Senate
8 Bill No. 1125 of the 2nd Session of the 59th Oklahoma Legislature
9 shall be apportioned as follows:

10 1. Funds appropriated and authorized by Sections 1, 2, 3, 4, 5,
11 6, 7, 8, and 19 of Enrolled Senate Bill No. 1125 of the 2nd Session
12 of the 59th Oklahoma Legislature:

13 Local and State-supported Financial

14 Support of Public Schools \$3,089,255,079.00

15 SUBTOTAL, PARAGRAPH 1 \$3,089,255,079.00

16 2. Funds appropriated by Sections 9, 10, 11, and 13 of Enrolled
17 Senate Bill No. 1125 of the 2nd Session of the 59th Oklahoma
18 Legislature:

19 Certified Employee Health Benefit

20 Allowance \$365,793,470.00

21 Support Employee Health Benefit

22 Allowance \$204,211,359.00

23 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	\$2,500,000.00
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	Reading Sufficiency 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	\$1,400,000.00
15	Imagine Reading	\$1,400,000.00
16	Oklahoma Imagination Library	
17	Program	\$2,000,000.00
18	Oklahoma Arts Institute	\$320,000.00
19	Early Intervention	\$16,225,341.00
20	Great Expectations	\$500,000.00
21	Early Childhood Initiative	\$14,000,000.00
22	School Lunch Matching	\$3,140,137.00
23	Secure Schools Program	\$750,000.00
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1	Nationally Recognized Career	
2	Readiness Assessments	\$250,000.00
3	SUBTOTAL, PARAGRAPH 2	\$746,533,855.00
4	3. Funds appropriated by Section 12 of Enrolled Senate Bill No.	
5	1125 of the 2nd Session of the 59th Oklahoma Legislature:	
6	Administrative and Support	
7	Functions of the State Department	
8	of Education	\$19,145,366.00
9	SUBTOTAL, PARAGRAPH 3	\$19,145,366.00
10	TOTAL State School Aid and Programs	\$3,854,934,300.00
11	SECTION 2. For the fiscal year ending June 30, 2025, the State	
12	Board of Education shall budget all funds in the following	
13	categories and amounts:	
14	<u>Category</u>	<u>Total</u>
15	Payroll, Salaries or Wages,	\$25,775,827.00
16	Including Tax-sheltered Deferment	
17	Contracts and Longevity Payments	
18	Authorized by State Statutes	
19	Professional and Personal Services	
20	Contracts	\$31,840,048.00
21	Other Operating Funds	\$4,011,390,979.00
22	Expenditure of Federal Funds	\$1,825,621,183.00
23	TOTAL	\$5,894,628,037.00

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

3 SECTION 3. The funds appropriated in Sections 14 and 15 of
4 Enrolled Senate Bill No. 1125 of the 2nd Session of the 59th
5 Oklahoma Legislature in the amount of Three Million Four Hundred
6 Eight-seven Thousand Six Hundred Nine Dollars (\$3,487,609.00) shall
7 be transferred to the School Consolidation Assistance Fund.

8 SECTION 4. The funds appropriated in Sections 16 and 17 of
9 Enrolled Senate Bill No. 1125 of the 2nd Session of the 59th
10 Oklahoma Legislature in the amount of Three Million Four Hundred
11 Eighty-seven Thousand Six Hundred Nine Dollars (\$3,487,609.00) shall
12 be transferred to the Teachers' Retirement System Dedicated Revenue
13 Revolving Fund.

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

18 SECTION 6. If the funds allocated in Section 1 of this act
19 specifically for the purpose of funding the Teachers' Retirement
20 Credit are insufficient to fully fund the employee contribution
21 credits provided for in Section 17-108.2 of Title 70 of the Oklahoma
22 Statutes as invoiced by the Teachers' Retirement System of Oklahoma,
23 the State Department of Education may reduce in equal proportions
24 funds allocated in Section 1 of this act to Education Leadership

1 Oklahoma, Advanced Placement Incentives, Reading Sufficiency Act,
2 Required Assessments, Street School, Ag in the Classroom, Imagine
3 Math, Imagine Reading, Alternative and High Challenge Education,
4 Oklahoma Imagination Library Program, Oklahoma Arts Institute, Great
5 Expectations, Secure Schools Program, and Nationally Recognized
6 Career Readiness Assessments. The total amount of funds reduced
7 shall not exceed the additional amount required to fully fund the
8 employee contribution credits.

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

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

17 2. Four Million Two Hundred Fifty Thousand Dollars
18 (\$4,250,000.00) shall be transferred to the Oklahoma School
19 Psychologist, Speech-Language Pathologist, and Audiologist National
20 Certification Revolving Fund created in Section 6-206.1 of Title 70
21 of the Oklahoma Statutes for the purpose of awarding annual bonuses
22 as directed.

23 SECTION 8. The funds allocated in Section 1 of this act for
24 Advanced Placement Incentives shall be expended for the purpose of

1 providing assistance for students in financial need, grants to
2 districts wanting to start new advanced placement (AP) programs, and
3 expanding professional development, pursuant to the provisions of
4 Section 1210.703 of Title 70 of the Oklahoma Statutes.

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

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

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

19 SECTION 12. The funds allocated in Section 1 of this act for
20 Early Intervention shall be transferred to the Early Intervention
21 Fund 250. It is the intent of the Legislature that funding
22 available for SoonerStart Early Intervention Services be expended
23 for direct services to eligible infants, toddlers, and their
24 families. The State Department of Education shall not contract,

1 pay, or reimburse for administrative cost recovery personnel,
2 accounting, management information system costs, and maintenance and
3 operations at the state or local level or indirect costs which do
4 not comply with the requirements of Section 13-125 of Title 70 of
5 the Oklahoma Statutes.

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

10 SECTION 14. State Aid funds shall be reduced or withheld by the
11 State Board of Education in an amount necessary to ensure compliance
12 with this act.

13 SECTION 15. The State Department of Education shall not
14 decline, refuse participation in, or choose not to apply for any
15 federal grant funding that had been received by the Department prior
16 to fiscal year 2023 (hereafter FY-23) without joint approval from
17 the President Pro Tempore of the Oklahoma State Senate and the
18 Speaker of the Oklahoma House of Representatives.

19 SECTION 16. No funds appropriated to the State Department of
20 Education in Enrolled Senate Bill No. 1125 of the 2nd Session of the
21 59th Oklahoma Legislature or under the control of the State
22 Department of Education shall be encumbered or expended for the
23 purpose of securing media interviews, public relations, or other
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1 public promotional purposes unless expressly required to participate
2 in a federal grant program.

3 SECTION 17. Of the funds appropriated in Section 7 of Enrolled
4 House Bill No. 1004x of the 1st Extraordinary Session of the 59th
5 Oklahoma Legislature for the support of public school activities, up
6 to One Million Three Hundred Fifty Thousand Dollars (\$1,350,000.00)
7 in unspent funds may be used for the Secure Schools Program in
8 fiscal year 2025.

9 SECTION 18. The State Board of Education is authorized to
10 request the Office of Management and Enterprise Services to transfer
11 appropriated funds to the appropriate dispensing fund.

12 SECTION 19. The Superintendent of Public Instruction may
13 request through the Director of the Office of Management and
14 Enterprise Services the early transfer by the Oklahoma Tax
15 Commission of tax collections to the Education Reform Revolving Fund
16 for the purpose of early allocation to the State Board of
17 Education's disbursing funds to alleviate cash-flow problems.

18 SECTION 20. If funds appropriated in Sections 1 through 20 of
19 Enrolled Senate Bill No. 1125 of the 2nd Session of the 59th
20 Oklahoma Legislature are not sufficient to fully fund the provisions
21 of this act, each school district which qualifies for funds,
22 excluding Financial Support of Public Schools, pursuant to the
23 provisions of this act shall take a proportionate reduction.

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1 SECTION 21. A. The Superintendent of Public Instruction may
2 request, in the manner provided in this section, that receipt and
3 expenditure of unanticipated federal funds awarded after July 1,
4 2024, be exempt from expenditure limitations and from budgetary
5 limitations.

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

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

19 B. The Office of Management and Enterprise Services shall
20 approve the request for exemption unless both the Chair and Vice
21 Chair of the Legislative Oversight Committee on State Budget
22 Performance provide written notification to the Office of Management
23 and Enterprise Services within twelve (12) calendar days of the
24 Committee's receipt of the exemption request that the exemption

1 subverts the intention and objectives of the Legislature in
2 establishing the original limit. The Office of Management and
3 Enterprise Services shall give written notice of approval or
4 disapproval of each exemption to the agency, the Governor, the Chair
5 of the Appropriations Committee of the Oklahoma State Senate, and
6 the Chair of the Appropriations and Budget Committee of the Oklahoma
7 House of Representatives within eighteen (18) calendar days of
8 receiving the request.

9 SECTION 22. Appropriations made by this act, not including
10 appropriations made for capital outlay purposes, may be budgeted for
11 the fiscal year ending June 30, 2025 (hereafter FY-25), or may be
12 budgeted for the fiscal year ending June 30, 2026 (hereafter FY-26).
13 Funds budgeted for FY-25 may be encumbered only through June 30,
14 2025, and must be expended by November 15, 2025. Any funds
15 remaining after November 15, 2025, and not budgeted for FY-26, shall
16 lapse to the credit of the proper fund for the then current fiscal
17 year. Funds budgeted for FY-26 may be encumbered only through June
18 30, 2026. Any funds remaining after November 15, 2026, shall lapse
19 to the credit of the proper fund for the then current fiscal year.
20 These appropriations may not be budgeted in both fiscal years
21 simultaneously. Funds budgeted in FY-25, and not required to pay
22 obligations for that fiscal year, may be budgeted for FY-26, after
23 the agency to which the funds have been appropriated has prepared
24 and submitted a budget work program revision removing these funds

1 from the FY-25 budget work program and after such revision has been
2 approved by the Office of Management and Enterprise Services.

3 SECTION 23. It is the intent of the Legislature that compliance
4 with the provisions of this act is enforceable pursuant to the
5 provisions of paragraph 9 of subsection A of Section 18b of Title 74
6 of the Oklahoma Statutes.

7 SECTION 24. This act shall become effective July 1, 2024.

8 SECTION 25. It being immediately necessary for the preservation
9 of the public peace, health or safety, an emergency is hereby
10 declared to exist, by reason whereof this act shall take effect and
11 be in full force from and after its passage and approval.

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