

1 STATE OF OKLAHOMA

2 1st Session of the 56th Legislature (2017)

3 HOUSE BILL 1040

By: Osborn (Leslie) and Wallace
of the House

4 and

5 David and Fields of the
6 Senate

7
8
9 AS INTRODUCED

10 An Act relating to education; making appropriations
11 to the State Board of Education; stating purposes;
12 authorizing certain expenditures; stating purpose;
13 specifying the apportionment of certain funds which
14 were appropriated; providing for the budgeting of
15 funds in certain categories and amounts; requiring
16 transfer of funds to the School Consolidation
17 Assistance Fund; requiring transfer of funds to the
18 Teachers' Retirement System Dedicated Revenue
19 Revolving Fund; requiring the transfer of funds to
20 the Teachers' Retirement System of Oklahoma for the
21 Teachers' Retirement Credit; requiring funds
22 allocated for Education Leadership Oklahoma to be
23 transferred and expended for certain purposes;
24 stating purposes for funds allocated for Reform
Implementation; stating purposes for funds allocated
for Alternative and High Challenge Education;
stating purpose for funds allocated for Financial
Literacy; 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 Rural Infant Stimulation
Environment (RISE) Program; providing for duties and
compensation of employees of the State Department of
Education; providing budgetary limitations;

1 requiring the reduction or withholding of State Aid
2 funds for certain purposes; authorizing the State
3 Board of Education to request certain transfer of
4 funds; providing for certain proportional reduction
5 of funds; requiring budgeting of certain funds in
6 certain years; providing lapse dates; requiring
7 certain budgeting procedures; prohibiting certain
8 budgeting procedures; and providing an effective
9 date.

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

10 SECTION 1. There is hereby appropriated to the State Board of
11 Education from any monies not otherwise appropriated from the
12 General Revenue Fund of the State Treasury for the fiscal year
13 ending June 30, 2018, the sum of _____ Dollars (\$0.00) or
14 so much thereof as may be necessary for the financial support of
15 public schools.

16 SECTION 2. There is hereby appropriated to the State Board of
17 Education from any monies not otherwise appropriated from the
18 Education Reform Revolving Fund created in Section 34.89 of Title 62
19 of the Oklahoma Statutes, the sum of _____ Dollars
20 (\$0.00) or so much thereof as may be necessary for the financial
21 support of public schools.

22 SECTION 3. The State Board of Education is hereby authorized to
23 expend during the fiscal year ending June 30, 2018, from the Common
24 Education Technology Revolving Fund of the State Treasury, the sum

1 of _____ Dollars (\$0.00) or so much thereof as may be
2 necessary for the financial support of public schools.

3 SECTION 4. There is hereby appropriated to the State Board of
4 Education, from any monies not otherwise appropriated from the
5 Mineral Leasing Fund of the State Treasury for the fiscal year
6 ending June 30, 2018, the sum of _____ Dollars (\$0.00) or so
7 much thereof as may be necessary for the financial support of public
8 schools.

9 SECTION 5. There is hereby appropriated to the State Board of
10 Education, from any monies not otherwise appropriated from the
11 Mineral Leasing Fund of the State Treasury for the fiscal year
12 ending June 30, 2016, the sum of _____ Dollars (\$0.00) or so
13 much thereof as may be necessary for the financial support of public
14 schools.

15 SECTION 6. There is hereby appropriated to the State Board of
16 Education from the Oklahoma Education Lottery Trust Fund of the
17 State Treasury for the fiscal year ending June 30, 2018, the sum of
18 _____ Dollars (\$0.00) or so much thereof as may be necessary
19 for financial support of public schools.

20 SECTION 7. There is hereby appropriated to the State Board of
21 Education from the Oklahoma Education Lottery Trust Fund of the
22 State Treasury for the fiscal year ending June 30, 2016, the sum of
23 _____ Dollars (\$0.00) or so much thereof as may be necessary
24 for financial support of public schools.

1 SECTION 8. There is hereby appropriated to the State Board of
2 Education from any monies not otherwise appropriated from the
3 General Revenue Fund of the State Treasury for the fiscal year
4 ending June 30, 2018, the sum of _____ Dollars (\$0.00) or
5 so much thereof as may be necessary for the support of public school
6 activities.

7 SECTION 9. There is hereby appropriated to the State Board of
8 Education from any monies not otherwise appropriated from the
9 General Revenue Fund of the State Treasury for the fiscal year
10 ending June 30, 2018, the sum of _____ Dollars (0.00) or
11 so much thereof as may be necessary for the Certified Employee
12 Health Benefit Allowance.

13 SECTION 10. There is hereby appropriated to the State Board of
14 Education from any monies not otherwise appropriated from the
15 General Revenue Fund of the State Treasury for the fiscal year
16 ending June 30, 2018, the sum of _____ Dollars (0.00) or
17 so much thereof as may be necessary for the Support Personnel Health
18 Benefit Allowance.

19 SECTION 11. There is hereby appropriated to the State Board of
20 Education from any monies not otherwise appropriated from the
21 General Revenue Fund of the State Treasury for the fiscal year
22 ending June 30, 2018, the sum of _____ Dollars (\$0.00) or so
23 much thereof as may be necessary for administrative and support
24 functions of the State Department of Education.

1 SECTION 12. There is hereby appropriated to the State Board of
2 Education from any monies not otherwise appropriated from the
3 Oklahoma Education Lottery Trust Fund of the State Treasury for the
4 fiscal year ending June 30, 2018, the sum of _____ Dollars
5 (\$0.00) or so much thereof as may be necessary for transfer to the
6 School Consolidation Assistance Fund.

7 SECTION 13. There is hereby appropriated to the State Board of
8 Education from any monies not otherwise appropriated from the
9 Oklahoma Education Lottery Trust Fund of the State Treasury for the
10 fiscal year ending June 30, 2016, the sum of _____ Dollars
11 (\$0.00) or so much thereof as may be necessary for transfer to the
12 School Consolidation Assistance Fund.

13 SECTION 14. There is hereby appropriated to the State Board of
14 Education from any monies not otherwise appropriated from the
15 Oklahoma Education Lottery Trust Fund of the State Treasury for the
16 fiscal year ending June 30, 2018, the sum of _____ Dollars
17 (\$0.00) or so much thereof as may be necessary for transfer to the
18 Teachers' Retirement System Dedicated Revenue Revolving Fund.

19 SECTION 15. There is hereby appropriated to the State Board of
20 Education from any monies not otherwise appropriated from the
21 Oklahoma Education Lottery Trust Fund of the State Treasury for the
22 fiscal year ending June 30, 2016, the sum of _____ Dollars
23 (\$0.00) or so much thereof as may be necessary for transfer to the
24 Teachers' Retirement System Dedicated Revenue Revolving Fund.

1 SECTION 16. For the fiscal year ending June 30, 2018, the
2 support of public schools by the State Board of Education payable
3 from monies appropriated and authorized by Sections 1 through 10 of
4 this act shall be apportioned as follows:

5 1. Funds appropriated and authorized by Sections 1 through 7 of
6 this act:

7 Local and State-supported Financial Support
8 of Public Schools.....\$0.00
9 SUBTOTAL, PARAGRAPH 1.....\$0.00

10 2. Funds appropriated by Sections 8,9 and 10 of this act:

11 Certified Employee Health Benefit
12 Allowance.....\$0.00
13 Support Personnel Health Benefit
14 Allowance.....\$0.00
15 Teachers' Retirement Credit.....\$0.00
16 Education Leadership Oklahoma.....\$0.00
17 Reform Implementation.....\$0.00
18 Alternative and High Challenge
19 Education.....\$0.00
20 Financial Literacy\$0.00
21 Early Intervention.....\$0.00
22 Early Childhood Initiative.....\$0.00
23 Parent Training Program.....\$0.00
24 School Lunch Matching.....\$0.00

1 School Lunch Programs.....\$0.00
 2 Rural Infant Stimulation
 3 Environment Program.....\$0.00
 4 Oklahoma Arts Institute.....\$0.00
 5 Driver Education.....\$0.00
 6 AG in the Classroom.....\$0.00
 7 Recreation Therapy Grants.....\$0.00
 8 SUBTOTAL, PARAGRAPH 2.....\$0.00

9 3. Funds appropriated by Section 11 of this act:
 10 Administrative and Support Functions
 11 of the State Department of Education.....\$0.00
 12 SUBTOTAL, PARAGRAPH 3.....\$0.00
 13 TOTAL State School Aid and Programs.....\$0.00

14 SECTION 17. For the fiscal year ending June 30, 2018, the State
 15 Board of Education shall budget all funds in the following
 16 categories and amounts:

<u>Category</u>	<u>Total</u>
18 Payroll, Salaries or Wages, Including	
19 Tax-sheltered Deferment Contracts and	
20 Longevity Payments Authorized by	
21 State Statutes	\$0.00
22 Professional and Personal Services	
23 Contracts	0.00
24 Other Operating Funds	0.00

1 Expenditure of Federal Funds 0.00
2 TOTAL \$0.00

3 SECTION 18. The funds appropriated in Sections 12 and 13 of
4 this act in the amount of _____ Dollars (\$0.00) shall be
5 transferred to the School Consolidation Assistance Fund.

6 SECTION 19. The funds appropriated in Sections 14 and 15 of
7 this act in the amount of _____ Dollars (\$0.00) shall be
8 transferred to the Teachers' Retirement System Dedicated Revenue
9 Revolving Fund.

10 SECTION 20. The funds allocated in Section 16 of this act
11 specifically for the purpose of funding the Teachers' Retirement
12 Credit shall be transferred to the Teachers' Retirement System of
13 Oklahoma.

14 SECTION 21. The funds allocated in Section 16 of this act for
15 the purpose of funding Education Leadership Oklahoma shall be
16 expended as follows:

17 1. _____ Dollars (\$0.00) shall be
18 transferred to the Oklahoma National Board Certification Revolving
19 Fund created in Section 6-204.4 of Title 70 of the Oklahoma Statutes
20 for the purpose of awarding annual bonuses as directed; and

21 2. _____ Dollars (\$0.00) shall be
22 transferred to the Oklahoma School Psychologist, Speech-Language
23 Pathologist, and Audiologist National Certification Revolving Fund
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1 created in Section 6-206.1 of Title 70 of the Oklahoma Statutes for
2 the purpose of awarding annual bonuses as directed.

3 SECTION 22. The funds allocated in Section 16 of this act for
4 Reform Implementation shall be expended as follows:

5 1. _____ Dollars (\$0.00) for the Advanced Placement
6 Incentives shall be expended for one-time equipment or materials,
7 grants, subsidized training, school incentives, exam fee
8 reimbursement, Advancement Through Individual Determination (AVID),
9 National Math and Science Initiative (NMSI) and administrative
10 costs. The amount of funds expended for administrative costs shall
11 not exceed _____ Dollars (\$0.00);

12 2. _____ Dollars (\$0.00) for Reading Sufficiency.
13 Funds shall be expended for costs associated with multiple ongoing
14 assessments and remediation pursuant to the provisions of Sections
15 1210.508C and 1210.508D of Title 70 of the Oklahoma Statutes;

16 3. _____ Dollars (\$0.00) for the Charter Schools
17 Incentive Fund shall be transferred to the Charter Schools Incentive
18 Fund for use pursuant to the provisions of Section 3-144 of Title 70
19 of the Oklahoma Statutes;

20 4. _____ Dollars (\$0.00) for development and
21 implementation of standards. Funds shall be used to provide
22 professional development to schools throughout the state;

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1 5. _____ Dollars (\$0.00) for STEM-Ready schools.
2 Funds shall be used to prepare teachers in selected Oklahoma schools
3 in Science, Technology, Engineering and Math;
4 6. _____ Dollars (\$0.00) for Think Through Math.
5 Funds shall be used to develop and implement a technology-based
6 intervention and remediation program in mathematics;
7 7. _____ Dollars (\$0.00) for Staff Development for
8 schools shall be allocated on an average daily attendance basis for
9 the purpose of teacher education and staff development pursuant to
10 rules that shall be promulgated by the State Board of Education;
11 8. _____ Dollars (\$0.00) for Teacher and Leader
12 Effectiveness (TLE) Development of Value Added Component. Funds
13 shall be used to implement the provisions of Section 6-101.16 of
14 Title 70 of the Oklahoma Statutes;
15 9. _____ Dollars (\$0.00) for 3rd Grade Reading
16 Readiness shall be used to implement the provisions of Section
17 1210.508C of Title 70 of the Oklahoma Statutes;
18 10. _____ Dollars (\$0.00) for Oklahoma Student
19 Information System Data. Funds shall be used to support the data
20 systems development and integration and other activities as outlined
21 in the State Longitudinal Data Systems (SLDS) grant;
22 11. _____ Dollars (\$0.00) for student testing;
23 12. _____ Dollars (\$0.00) shall be allocated for
24 the Teach for America program; and

1 13. _____ Dollars (\$0.00) shall be used for
2 School Competitive Grants Pool. These funds shall be made available
3 on a statewide competitive application basis as specified by the
4 State Department of Education.

5 SECTION 23. The funds allocated in Section 16 of this act for
6 Alternative and High Challenge Education shall be expended for the
7 purpose of operating the statewide system of alternative education
8 programs as provided in Section 1210.568 of Title 70 of the Oklahoma
9 Statutes, and for encouraging school districts to participate in
10 innovative alternative education programs. The funds shall be
11 expended as follows:

- 12 1. _____ Dollars (\$0.00) for statewide programs; and
- 13 2. _____ Dollars (\$0.00) for program evaluation,
14 technical assistance and staff development conducted by the
15 contracted technical assistance provider as provided for in Section
16 1210.568 of Title 70 of the Oklahoma Statutes.

17 SECTION 24. The funds allocated in Section 16 of this act for
18 Financial Literacy shall be used to implement the provisions of
19 Section 11-103.6h of Title 70 of the Oklahoma Statutes.

20 SECTION 25. The funds allocated in Section 16 of this act for
21 Early Intervention shall be transferred to the fund designated
22 within the Office of Management and Enterprise Services as the Early
23 Intervention Fund 250. It is the intent of the Legislature that
24 funding available for SoonerStart Early Intervention Services be

1 expended for direct services to eligible infants, toddlers and their
2 families. The State Department of Education shall not contract, pay
3 or reimburse for administrative cost recovery personnel, accounting,
4 and management information system costs, maintenance and operations
5 at the state or local level or indirect costs which do not comply
6 with the requirements of Section 13-125 of Title 70 of the Oklahoma
7 Statutes.

8 SECTION 26. The funds allocated in Section 16 of this act for
9 the Early Childhood Initiative shall be expended for the purpose of
10 funding the early childhood program pursuant to the provisions of
11 Section 10-105.4 of Title 70 of the Oklahoma Statutes.

12 SECTION 27. The funds allocated in Section 16 of this act for
13 the Parent Training Program, as authorized in Section 10-105.3 of
14 Title 70 of the Oklahoma Statutes, shall be expended for the
15 continuation and expansion of the Oklahoma Parents as Teachers
16 Program.

17 SECTION 28. The funds allocated for the Rural Infant
18 Stimulation Environment (RISE) Program in Section 16 of this act
19 shall be used for capital expenditures and operations for a school
20 designed to serve children with disabilities from birth to five (5)
21 years of age.

22 SECTION 29. The duties and compensation of employees, not
23 otherwise prescribed by law, necessary to perform the duties imposed
24 upon the State Department of Education by law shall be set by the

1 State Board of Education. The State Department of Education for the
2 fiscal year ending June 30, 2016, shall be subject to the following
3 budgetary limitations on full-time-equivalent employees and
4 expenditures excluding expenditures for capital and special
5 projects, except as may be authorized pursuant to the provisions of
6 Section 3603 of Title 74 of the Oklahoma Statutes:

<u>Budgetary Limitation</u>	<u>Amount</u>
Full-Time-Equivalent Employees	0.0
Lease-Purchase Agreements	\$0.00

10 SECTION 30. State Aid funds shall be reduced or withheld by the
11 State Board of Education in an amount necessary to ensure compliance
12 with the provisions of this act.

13 SECTION 31. The State Board of Education is authorized to
14 request the Office of Management and Enterprise Services to transfer
15 appropriated funds to the appropriate dispensing fund.

16 SECTION 32. If funds appropriated in this act are not
17 sufficient to fully fund the provisions of this act, each school
18 district which qualifies for funds, excluding Financial Support of
19 Public Schools, pursuant to the provisions of this act shall take a
20 proportionate reduction.

21 SECTION 33. Appropriations made by this act, not including
22 appropriations made for capital outlay purposes, may be budgeted for
23 the fiscal year ending June 30, 2018 (hereafter FY-18) or may be
24 budgeted for the fiscal year ending June 30, 2019 (hereafter FY-19).

1 Funds budgeted for FY-18 may be encumbered only through June 30,
2 2018, and must be expended by November 15, 2018. Any funds
3 remaining after November 15, 2018, and not budgeted for FY-19, shall
4 lapse to the credit of the proper fund for the then current fiscal
5 year. Funds budgeted for FY-19 may be encumbered only through June
6 30, 2019. Any funds remaining after November 15, 2019, shall lapse
7 to the credit of the proper fund for the then current fiscal year.
8 These appropriations may not be budgeted in both fiscal years
9 simultaneously. Funds budgeted in FY-18, and not required to pay
10 obligations for that fiscal year, may be budgeted for FY-19, after
11 the agency to which the funds have been appropriated has prepared
12 and submitted a budget work program revision removing these funds
13 from the FY-18 budget work program and after such revision has been
14 approved by the Office of Management and Enterprise Services.

15 SECTION 34. This act shall become effective July 1, 2017.

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