

1 STATE OF OKLAHOMA

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

3 SENATE BILL 330

By: Holt

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5
6 AS INTRODUCED

7 An Act relating to teacher compensation; amending 68
8 O.S. 2011, Section 2352, as last amended by Section
9 5, Chapter 337, O.S.L. 2016 (68 O.S. Supp. 2016,
10 Section 2352), which relates to distribution of
11 revenues; making distribution of revenues subject to
12 certain apportionment; creating the Securing Teacher
13 Compensation Fund; stating source of funds; stating
14 purpose of funds; requiring expenditures to be made
15 upon warrants; requiring the apportionment of certain
16 monies to the Securing Teacher Compensation Fund;
17 requiring apportionments to be divided in a certain
18 manner; requiring apportionments to be made until
19 certain amount is reached; prohibiting the
20 supplanting or replacement of existing state funds;
21 directing the State Board of Equalization to examine
22 and investigate expenditures and issue findings and a
23 report; providing for supplanted amount to be
24 specified by the Board; requiring the Legislature to
replenish the state funding under certain
circumstances; providing for a reduction in
apportionments under certain circumstances; stating
use of monies in the Fund; providing for
codification; providing an effective date; and
declaring an emergency.

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

SECTION 1. AMENDATORY 68 O.S. 2011, Section 2352, as
last amended by Section 5, Chapter 337, O.S.L. 2016 (68 O.S. Supp.
2016, Section 2352), is amended to read as follows:

1 Section 2352. It is hereby declared to be the purpose of
2 Section 2351 et seq. of this title to provide revenue for general
3 governmental functions of state government; and, for that purpose
4 and to that end, it is expressly declared that the revenue derived
5 herefrom and penalties and interest thereon, subject to the
6 apportionment requirements for the Rebuilding Oklahoma Access and
7 Driver Safety Fund, the Oklahoma Tourism and Passenger Rail
8 Revolving Fund and the Public Transit Revolving Fund to be derived
9 from income tax revenue that would otherwise be apportioned to the
10 General Revenue Fund as provided by Section 1521 of Title 69 of the
11 Oklahoma Statutes, subject to the apportionment requirements for the
12 Oklahoma Tax Commission and Office of Management and Enterprise
13 Services Joint Computer Enhancement Fund provided by Section 265 of
14 this title, and subject to the apportionment requirements for the
15 Oklahoma State Capitol Building Repair and Restoration Fund provided
16 by Section 19 of Title 73 of the Oklahoma Statutes and subject to
17 the apportionment requirements for the Securing Teacher Compensation
18 Fund provided by Section 2 of this act, shall be distributed as
19 follows:

20 1. For the fiscal year beginning July 1, 2002, the first Five
21 Million Eight Hundred Thousand Dollars (\$5,800,000.00) of revenue
22 derived pursuant to the provisions of subsections A, B and E of
23 Section 2355 of this title shall be apportioned to the Education
24 Reform Revolving Fund. The remainder of such revenue for the fiscal

1 year beginning July 1, 2002, and all such revenue for each fiscal
2 year thereafter shall be apportioned monthly as follows:

3 a. (1) the following amounts shall be paid to the State
4 Treasurer to be placed to the credit of the
5 General Revenue Fund of the state for such fiscal
6 year for the support of the state government to
7 be paid out only pursuant to appropriation by the
8 Legislature:

9	Fiscal Year	Amount
10	FY 2003 and FY 2004	87.12%
11	FY 2005	86.91%
12	FY 2006	86.66%
13	FY 2007	86.16%
14	FY 2008 and each fiscal	
15	year thereafter	85.66%

16 (2) in the event that additional monies are necessary
17 pursuant to paragraph 3 of this section, such
18 additional monies shall be deducted in the
19 proportion determined by the State Board of
20 Equalization pursuant to paragraph 3 of Section
21 2355.1B of this title from the monies apportioned
22 to the General Revenue Fund,

23 b. for FY 2003 and each fiscal year thereafter, eight and
24 thirty-four one-hundredths percent (8.34%) shall be

1 paid to the State Treasurer to be placed to the credit
2 of the Education Reform Revolving Fund,

3 c. the following amounts shall be paid to the State
4 Treasurer to be placed to the credit of the Teachers'
5 Retirement System Dedicated Revenue Revolving Fund:

Fiscal Year	Amount
FY 2003 and FY 2004	3.54%
FY 2005	3.75%
FY 2006	4.0%
FY 2007	4.5%
FY 2008 and each fiscal year thereafter	5.0%

13 d. for FY 2003 and each fiscal year thereafter, one
14 percent (1%) shall be placed to the credit of the Ad
15 Valorem Reimbursement Fund;

16 2. Beginning July 1, 2003, for any period of time as certified
17 by the Oklahoma Development Finance Authority and the Oklahoma
18 Department of Commerce to be necessary for the repayment of
19 obligations issued by the Oklahoma Development Finance Authority
20 pursuant to Section 3654 of this title if the other sources of
21 revenue paid to or apportioned to the Quality Jobs Program Incentive
22 Leverage Fund are not adequate, including the proceeds from payment
23 pursuant to the guaranty required by subsection M of Section 3654 of
24 this title, an amount certified by the Oklahoma Development Finance

1 Authority to the Oklahoma Tax Commission shall be apportioned to the
2 Quality Jobs Program Incentive Leverage Fund before any other
3 apportionments are made as otherwise authorized by this paragraph.
4 The Oklahoma Development Finance Authority shall certify to the
5 Oklahoma Tax Commission the time as of which the revenue authorized
6 for apportionment pursuant to this paragraph is no longer required.
7 After the certification, the revenue derived from the income tax
8 shall be apportioned in the manner otherwise provided by this
9 section. Except as otherwise provided by this paragraph, for the
10 fiscal year beginning July 1, 2002, the first Forty-One Million One
11 Hundred Ninety Thousand Eight Hundred Dollars (\$41,190,800.00) of
12 revenue derived pursuant to the provisions of subsections D and E of
13 Section 2355 of this title shall be apportioned to the Education
14 Reform Revolving Fund. The remainder of such revenue for the fiscal
15 year beginning July 1, 2002, and all such revenue for each fiscal
16 year thereafter, subject to the apportionment requirements for the
17 Oklahoma Tax Commission and Office of Management and Enterprise
18 Services Joint Computer Enhancement Fund provided by Section 265 of
19 this title, shall be apportioned monthly as follows:

- 20 a. the following amounts shall be paid to the State
21 Treasurer to be placed to the credit of the General
22 Revenue Fund of the state for such fiscal year for the
23 support of the state government to be paid out only
24 pursuant to appropriation by the Legislature:

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Fiscal Year	Amount
FY 2003 and FY 2004	78.96%
FY 2005	78.75%
FY 2006	78.50%
FY 2007	78.0%

- (1) FY 2018 and each fiscal year thereafter until the apportionment to the General Revenue Fund equals the moving five-year average amount for corporate income tax as prescribed by paragraph 4 of this section 77.50%
- (2) there shall be apportioned from the tax levy imposed on corporate income tax to the Revenue Stabilization Fund created by Section ~~± 34.102~~ of ~~this act~~ Title 62 of the Oklahoma Statutes, or to the Constitutional Reserve Fund, as provided by Section ~~± 34.102~~ of ~~this act~~ Title 62 of the Oklahoma Statutes, the amount of revenue, if any, which exceeds the moving

1 five-year average amount as defined

2 pursuant to paragraph 4 of this section,

3 b. for FY 2003 and each fiscal year thereafter, sixteen
4 and five-tenths percent (16.5%) shall be paid to the
5 State Treasurer to be placed to the credit of the
6 Education Reform Revolving Fund of the State
7 Department of Education,

8 c. the following amounts shall be paid to the State
9 Treasurer to be placed to the credit of the Teachers'
10 Retirement System Dedicated Revenue Revolving Fund:

11 Fiscal Year	Amount
12 FY 2003 and FY 2004	3.54%
13 FY 2005	3.75%
14 FY 2006	4.0%
15 FY 2007	4.5%
16 FY 2008 and each fiscal 17 year thereafter	5.0%

18 d. for FY 2003 and each fiscal year thereafter, one
19 percent (1%) shall be placed to the credit of the Ad
20 Valorem Reimbursement Fund;

21 3. During the first fiscal year after the State Board of
22 Equalization has made a determination as provided in Section 2355.1B
23 of this title, regarding a baseline amount of revenue apportioned
24 pursuant to subparagraph c of paragraph 1 of this section, and for

1 each fiscal year thereafter, in no event shall monies apportioned
2 pursuant to subparagraph c of paragraph 1 of this section, paragraph
3 3 of Section 1353 of this title and paragraph 3 of Section 1403 of
4 this title be less than such baseline amount; and

5 4. "Moving five-year average for corporate income tax" means,
6 for purposes of the apportionments prescribed by this section, the
7 amount of income tax on corporations, as determined by the State
8 Board of Equalization in the manner prescribed by Section ~~2~~ 34.103
9 of ~~this act~~ Title 62 of the Oklahoma Statutes.

10 SECTION 2. NEW LAW A new section of law to be codified
11 in the Oklahoma Statutes as Section 18-500 of Title 70, unless there
12 is created a duplication in numbering, reads as follows:

13 A. There is hereby created in the State Treasury a fund for the
14 State Board of Education to be designated the "Securing Teacher
15 Compensation Fund". The fund shall be a continuing fund, not
16 subject to fiscal year limitations, and shall consist of all monies
17 received by the State Board of Education from appropriations and
18 transfers made by the Legislature to the fund. All monies accruing
19 to the credit of the fund are hereby appropriated and may be
20 budgeted and expended by the State Board of Education for the
21 purpose set forth in subsection I of this section. Expenditures
22 from the fund shall be made upon warrants issued by the State
23 Treasurer against claims filed as prescribed by law with the
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1 Director of the Office of Management and Enterprise Services for
2 approval and payment.

3 B. There shall be apportioned to the Securing Teacher
4 Compensation Fund from the monies that would otherwise be
5 apportioned to the General Revenue Fund by Section 2352 of Title 68
6 of the Oklahoma Statutes from the revenues derived pursuant to
7 subsections A, B and E of Section 2355 of Title 68 of the Oklahoma
8 Statutes amounts as follows:

9 For each fiscal year after the effective date of this act that
10 the State Board of Equalization determines that there is an increase
11 between the final itemized estimate of General Revenue Fund revenues
12 made by the State Board of Equalization at the February meeting
13 preceding the beginning of the fiscal year for which that estimate
14 is made, which is the same fiscal year during which the
15 apportionment to the Securing Teacher Compensation Fund is to be
16 made, and the then current itemized estimate of General Revenue Fund
17 revenues made by the State Board of Equalization for the fiscal year
18 ending on June 30 immediately following such February meeting, an
19 amount equal to the increase in General Revenue Fund revenues shall
20 be apportioned to the Securing Teacher Compensation Fund.

21 C. For each fiscal year after the first fiscal year in which
22 the total apportionment to the Securing Teacher Compensation Fund
23 equals Two Hundred Million Dollars (\$200,000,000.00), the first Two
24 Hundred Million Dollars (\$200,000,000.00) collected pursuant to

1 subsections A, B and E of Section 2355 of Title 68 of the Oklahoma
2 Statutes and apportioned pursuant to Section 2352 of Title 68 of the
3 Oklahoma Statutes that would otherwise be apportioned to the General
4 Revenue Fund shall be apportioned to the Securing Teacher
5 Compensation Fund.

6 D. All amounts apportioned pursuant to subsections B and C of
7 this section shall be divided into twelve equal amounts to be
8 apportioned each month during the fiscal year.

9 E. The apportionment of revenues required in subsection B of
10 this section shall be made until the total apportionment to the
11 Securing Teacher Compensation Fund equals Two Hundred Million
12 Dollars (\$200,000,000.00). After such apportionment level is
13 reached, the annual apportionment to the Securing Teacher
14 Compensation Fund shall be governed by the provisions of subsection
15 C of this section.

16 F. The monies apportioned to the Securing Teacher Compensation
17 Fund shall not be used to supplant or replace existing state funds
18 used for common education purposes.

19 G. In order to ensure that the monies from the Securing Teacher
20 Compensation Fund are used to enhance and not supplant state funding
21 for the State Board of Education, the State Board of Equalization
22 shall examine and investigate expenditures from the fund each year.
23 At the meeting of the State Board of Equalization held within five
24 (5) days after the monthly apportionment in February of each year,

1 the State Board of Equalization shall issue a finding and report
2 which shall state whether expenditures from the Securing Teacher
3 Compensation Fund were used to enhance or supplant state funding for
4 the State Board of Education. If the State Board of Equalization
5 finds that state funding for the State Board of Education was
6 supplanted by funds from the Securing Teacher Compensation Fund, the
7 Board of Equalization shall specify the amount by which such funding
8 was supplanted. In this event, the Legislature shall not make any
9 appropriations for the ensuing fiscal year until an appropriation in
10 that amount is made to replenish state funding for the State Board
11 of Education.

12 H. In the event that the Director of the Office of Management
13 and Enterprise Services declares a General Revenue Fund revenue
14 failure pursuant to Section 34.49 of Title 62 of the Oklahoma
15 Statutes, and agency allocations are reduced pursuant to the
16 provisions of Section 34.49 of Title 62 of the Oklahoma Statutes,
17 the amounts that would otherwise be apportioned to the Securing
18 Teacher Compensation Fund by subsection B or C of this section shall
19 be reduced by a percentage equal to that required of the General
20 Revenue Fund appropriations to state agencies. The reductions shall
21 occur during the entire fiscal year and for any month during which
22 reductions are required by the Director of the Office of Management
23 and Enterprise Services and by the same percentage as that required
24 of the agencies for General Revenue Fund appropriations.

1 I. The State Board of Education shall use the monies in the
2 Securing Teacher Compensation Fund to increase the salaries of full-
3 time certified teachers.

4 SECTION 3. This act shall become effective July 1, 2017.

5 SECTION 4. It being immediately necessary for the preservation
6 of the public peace, health or safety, an emergency is hereby
7 declared to exist, by reason whereof this act shall take effect and
8 be in full force from and after its passage and approval.

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