



# FY 2021 BUDGET



**OKLAHOMA**  
Education



JOY HOFMEISTER  
STATE SUPERINTENDENT *of* PUBLIC INSTRUCTION  
OKLAHOMA STATE DEPARTMENT *of* EDUCATION

MEMORANDUM

**TO:** The Honorable Members of the State Board of Education  
**FROM:** State Superintendent Joy Hofmeister  
**DATE:** May 28, 2020  
**SUBJECT:** FY 21 Education Budget

The Oklahoma State Legislature passed S.B. 1921 and S.B. 1922 making appropriations to the State Board of Education. Amounts are appropriated for Financial Support of Public Schools, Flexible Benefit Allowance, Support of Public School Activities and Administrative/Support Functions of the Oklahoma State Department of Education (OSDE). H.B. 4153 sets budgetary limits for all common education programs.

This year's budget reflects a 2.5% overall decrease in state appropriations for common education – a reduction of more than \$78 million – despite a one-time appropriation from the Constitutional Reserve (Rainy Day) Fund of \$243,668,709 and other measures to supplement the Education Reform Revolving (1017) Fund. The reduction clearly reflects the state's dire economic forecast, due in large part to a downturn in the energy sector as well as the widespread impact of the COVID-19 pandemic.

While the budget represents a cut overall, it does include a \$32,845,101 increase for the Flexible Benefit Allowance to fully cover health insurance for teachers and support staff, and a \$112,000,000 appropriation to the Ad Valorem Reimbursement Fund to assist school districts in recouping lost tax dollars. Funding for instructional materials as well as for supporting public-school activities was maintained at \$33,000,000 and \$100,919,026 respectively. The budget contains reductions to a variety of programs including a \$1 million cut to both Alternative Education and the Reading Sufficiency Act (RSA), and elimination of funds for standards implementation, the Arts Institute and the teacher induction program. Reductions were required in order to fully fund the state's obligation for the teachers' retirement credit (a credit toward each teacher's retirement contribution). Lastly, the budget re-introduces a \$1 million line-item for the Imagine Math digital curriculum.

Attached Documentation:

- FY 21 OSDE Appropriation/Budget
- FY 21 OSDE Appropriation/Budget Program Descriptions
- FY 21 OSDE Appropriation/Budget Presentation
- S.B. 1922 Bill Summary
- H.B. 4153 Bill Summary

JH/ct

Oklahoma State Board of Education

Budget for Fiscal Year 2021

Purpose	FY 20 Appropriation HB 2765/SB 1048	FY 21 Appropriation SB 1922	Total Increase/(Decrease)	Percent Cut	Notes
<b>1 Financial Support of Public Schools (70 O.S. 18-200.1)</b>	<b>2,411,771,057</b>	<b>2,300,970,699</b>	<b>(110,800,358)</b>	<b>-4.59%</b>	
2 <i>General Revenue (GR)</i>	1,478,105,700	953,338,319	(524,767,381)	-35.50%	
3 <i>Education Reform Revolving Fund (1017 funds)</i>	854,300,525	1,015,074,419	160,773,894	18.82%	<i>increase from other bills</i>
4 <i>Common Education Technology Fund</i>	47,111,412	46,938,566	(172,846)	-0.37%	
5 <i>Oklahoma Lottery Trust Fund</i>	28,453,289	32,739,428	4,286,139	15.06%	
6 <i>Mineral Leasing Fund</i>	3,800,131	9,211,258	5,411,127	142.39%	
7 <i>Constitutional Reserve Fund</i>	-	243,668,709	243,668,709	-	<i>appropriated in SB 1921</i>
<b>8 Instructional Materials (70 O.S. 16-114a)</b>	<b>33,000,000</b>	<b>33,000,000</b>	<b>-</b>	<b>-</b>	
<b>9 Flexible Benefit Allowance (70 O.S. 26-104)</b>	<b>502,691,920</b>	<b>535,537,021</b>	<b>32,845,101</b>	<b>6.53%</b>	
10 <i>Certified Personnel</i>	322,414,199	347,081,644	24,667,445	7.65%	<i>53,288 certified personnel</i>
11 <i>Support Personnel</i>	180,277,721	188,455,377	8,177,656	4.54%	<i>33,419 support personnel</i>
<b>2 Support of Public School Activities</b>	<b>100,919,026</b>	<b>100,919,026</b>	<b>-</b>		
<b>13 Administrative and Support Functions</b>	<b>16,246,097</b>	<b>15,027,640</b>	<b>(1,218,457)</b>	<b>-7.50%</b>	
14 <i>Lottery Trust Fund - Transfer to TRS Revolving Fund (62 O.S. 34.93 and 3A O.S. 713(C)(3))</i>	<b>3,161,477</b>	<b>3,637,714</b>	<b>476,237</b>	<b>15.06%</b>	<i>determined by statute</i>
15 <i>Lottery Trust Fund - Transfer to School Consolidation Assistance Fund (70 O.S. 7-203)</i>	<b>3,161,477</b>	<b>3,637,714</b>	<b>476,237</b>	<b>15.06%</b>	<i>determined by statute</i>
<b>16 TOTAL APPROPRIATION</b>	<b>3,070,951,054</b>	<b>2,992,729,814</b>	<b>(78,221,240)</b>	<b>-2.55%</b>	

Oklahoma State Board of Education

Public School Activities

Purpose	FY 20 Appropriation SB 1048	FY 21 Appropriation HB 4153	Total Increase/ (Decrease)	Notes
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Strategic Plan Pillar 1: Achieve Academic Success		(To ensure a high-quality public education, the OSDE will close the opportunity and achievement gap for each student in Oklahoma.)			
1	Early Intervention SoonerStart (70 O.S. 13-124)	14,400,341	14,400,341	-	maintains current services and required federal match
2	Early Childhood Initiative (70 O.S. 10-105.4)	12,000,000	12,000,000	-	maintain current services
3	Reading Sufficiency (70 O.S. 1210.508D)	12,000,000	11,000,000	(1,000,000)	89,459 students in FY 20 KG-3
4	Alternative Education Programs and Admin (70 O.S. 1210.561, 70 O.S. 1210.568)	11,000,000	10,000,000	(1,000,000)	reduced to meet obligations
5	Required Assessments (70 O.S. 1210.508, 20 USC §6311(b)(2))	9,600,000	4,205,685	(5,394,315)	\$4.5m in carryover available from spring '20 assessments
6	School Lunch Matching & MOE (7 CFR 210-17 and 7 CFR 235.11(a))	3,500,000	3,500,000	-	maintain current services
7	AP Teacher Training and Test Fee Assistance (70 O.S. 1210.703)	1,300,000	1,000,000	(300,000)	maintain test fee assistance
8	Imagine Math	-	1,000,000	1,000,000	online math instruction platform
9	Great Expectations	400,000	300,000	(100,000)	maintain current services
10	Street School	180,000	100,000	(80,000)	reduced to meet obligations
11	Ag in the Classroom	38,000	38,000	-	maintain current services
12	Oklahoma Arts Institute	200,000	-	(200,000)	reduced to meet obligations
13	Standards Implementation (70 O.S. 11-103.6, 20 USC §6311(b)(1))	150,000	-	(150,000)	reduced to meet obligations, some carryover may be available
<b>Total</b>		<b>64,768,341</b>	<b>57,544,026</b>	<b>(7,224,315)</b>	

Strategic Plan Pillar 2: Build Exceptional Educators and Schools		(The OSDE will support the recruitment, preparation and retention of highly qualified teachers and leaders.)			
14	Teachers' Retirement System Credit (70 O.S. 17-108.2)	24,175,685	34,000,000	9,824,315	meet obligations
15	Psychologists, Speech Pathologists and Audiologists Bonus (70 O.S. 6-206)	3,625,000	2,900,000	(725,000)	stipends for 725 FTEs (may be prorated)
16	Secure Schools Program	3,000,000	2,350,000	(650,000)	reduced second year cost
17	National Board Teacher Bonus (70 O.S. 6-204.2)	2,950,000	2,000,000	(950,000)	stipends for estimated 500 teachers
18	Teach for America	2,000,000	2,000,000	-	maintain current services
19	Teacher and Leader Effectiveness Programs (70 O.S. 6-101.16)	250,000	125,000	(125,000)	reduced to meet obligations
20	Teacher Induction Program (70 O.S. 6-195)	150,000	-	(150,000)	reduced to meet obligations, some carryover may be available
<b>Total</b>		<b>36,150,685</b>	<b>43,375,000</b>	<b>7,224,315</b>	

<b>Grand Total</b>	<b>\$ 100,919,026</b>	<b>\$ 100,919,026</b>	<b>\$ -</b>	
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## Oklahoma State Board of Education Program Descriptions for Fiscal Year 2021 Budget

Purpose	Description	FY 21 Budget
<b>Financial Support of Public Schools (70 O.S. 18-200.1)</b>	State funds appropriated for local school districts are distributed through the state aid formula on a weighted average daily membership (WADM) basis.	<b>2,300,970,699</b>
<b>Instructional Materials (70 O.S. 16-114a)</b>	Funds are allocated to school districts for textbooks and instructional expenses on an average daily attendance basis (ADA). \$100,000 preserved from the fiscal year's appropriation to meet the statutory requirements for replacement of textbooks destroyed by fire or other hazard. Funds will be used to purchase social studies and fine arts materials.	<b>33,000,000</b>
<b>Flexible Benefit Allowance (70 O.S. 26-104)</b>	See next two items.	<b>535,537,021</b>
<i>Certified Personnel</i>	Projected benefit amount for 53,288 school district certified personnel to offset health insurance costs.	<i>347,081,644</i>
<i>Support Personnel</i>	Projected benefit amount for 33,419 school district support personnel to offset health insurance costs.	<i>188,455,377</i>

Purpose	Description	FY 21 Budget
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<b>Support of Public School Activities</b>	Funds allocated to school districts and other entities for implementation of various education programs and initiatives.	<b>100,919,026</b>
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1	Early Intervention SoonerStart (70 O.S. 13-124)	SoonerStart is Oklahoma's early intervention program serving infants and toddlers with developmental delays from birth to 36 months. SoonerStart is a collaborative interagency project coordinated with the Departments of Health, Human Services, Mental Health and Substance Abuse Services, Health Care Authority and the Commission on Children and Youth. Funding level is increased to restore reduced funds from previous years and to maintain federal IDEA Part C funds and Maintenance of Effort (MOE). Program serves approximately 8,500 families annually.	14,400,341
2	Early Childhood Initiative (70 O.S. 10-105.4)	Consists of state funds and private matching funds that provide early childhood services to at-risk children. The program targets low-income families to empower them with the education and tools they need to break the cycle of poverty. Provides services to approximately 3,000 children annually.	12,000,000
3	Reading Sufficiency (70 O.S. 1210.508D)	The purpose of the Reading Sufficiency Act (RSA) is to ensure that all Oklahoma students are reading on grade level at the end of third grade (a critical juncture when students go from learning to read to reading to learn). RSA supports Oklahoma children in Kindergarten through third grade. Funds are given to districts on a per student basis for those students K-3 reading below grade level. The original RSA statute required funding for \$150 per student. In FY 20, 89,459 students qualified for funding. Using the FY 20 count as an estimate for FY 21 and this year's funding, schools will receive \$123 per student.	11,000,000

Purpose	Description	FY 21 Budget
4 Alternative Education Programs and Admin (70 O.S. 1210.561, 70 O.S. 1210.568)	Serves students in grades 6-12 who are most at risk of not completing a high school education. Provides grants to schools for alternative education programs. Last year there were 317 programs including 205 districts in coops across the state serving approximately 13,377 students, an increase from prior years.	10,000,000
5 Required Assessments (70 O.S. 1210.508, 20 USC §6311(b)(2))	Funds utilized for the administration of a statewide student assessment system for grades 3-8 and high school. The state has \$4.5 million in carryover from not administering FY 20 assessments that will be used for FY 21 assessments.	4,205,685
6 School Lunch Matching & MOE (7 CFR 210-17 and 7 CFR 235.11(a))	Minimum amount necessary for the state match and maintenance of effort required by USDA in order to receive federal funds for the National School Lunch Program. In FY 19 schools provided 143,976,649 meals to students.	3,500,000
7 AP Teacher Training, Test Fee Assistance (70 O.S. 1210.703)	AP allows high school students to undertake college level academic courses and provides students the opportunity to show they have mastered the advanced material by taking end-of-course AP exams. Funding pays for test fee assistance for students in financial need and required professional development for teachers.	1,000,000
8 Imagine Math	Supplemental math programs help PreK-9 students solve problems and justify reasoning inside the classroom and in day-to-day life, moving students beyond computation to real comprehension. Funding sufficient for half of students 3-8 grade, approximately 155,500 students.	1,000,000

Purpose	Description	FY 21 Budget
9 Great Expectations	GE is a teacher professional development program based on the latest research of the most effective teaching practices. Funds have been used for educators from approximately 119 schools (88 GE model schools and 31 scholarship schools) to attend the GE institute, held in multiple locations around the state. The program has benefited approximately 62,000 students in prior years.	300,000
10 Street School	Street School is an academic and therapeutic program designed for youth that have dropped out or are at risk of dropping out. Program assists the hardest to reach and most deficient students in increasing college, career and citizen-readiness. The program serves approximately 130 students.	100,000
11 Ag in the Classroom	Program goal is to increase agricultural literacy among students and educators. Materials are developed in collaboration with the Dept of Agriculture. Program serves approximately 30,000 students and teachers. Program is also supported through the OSU Cooperative Extension Service Youth Development Program and private donations.	38,000
12 Oklahoma Arts Institute	This program has 2 components: 1) Oklahoma Summer Arts Institute, a fine arts school for high school students who are selected to attend through statewide competitive auditions; 2) Oklahoma Fall Arts Institute, a series of weekend workshops for elementary and secondary teachers. Program has served approximately 270 students and 250 educators in prior years and is largely supported through private donations.	-
13 Standards Implementation (70 O.S. 11-103.6, 20 USC §6311(b)(1))	Funds are used for review and implementation of curricular standards. The ELA standards will be reviewed and revised in FY 21.	-

Purpose	Description	FY 21 Budget
14 Teachers' Retirement System (70 O.S. 17-108.2)	Funds appropriated to SDE as a pass through to TRS to offset a portion of teachers' contributions to the retirement system. Amount required is based on number of members, years of service and credit amount set in statute.	34,000,000
15 Psychologists, Speech Pathologists and Audiologists Bonus (70 O.S. 6-206)	Contingent on funds available, national certified school psychologist, speech language pathologists and audiologists receive an annual bonus in the amount of \$5,000, or prorated if necessary, based on the proportionate equivalency to full-time employment. Approximately 725 FTEs qualify for stipends each year.	2,900,000
16 Secure Schools Program	Funds intended to be used for the second year of statewide K-12 public school mobile panic button system.	2,350,000
17 National Board Teacher Bonus (70 O.S. 6-204.2)	Teachers who attained National Board Certification, or submitted application for renewal of such, prior to June 30, 2013 and are eligible to receive the bonus will receive \$5000 annually over a 10-year period. Teachers who attained National Board Certification after June 30, 2013 will receive salary increments as set forth in the minimum salary schedule. Projected number of teachers receiving bonus in FY 21 is 500.	2,000,000
18 Teach for America	Teach for America is the national corps of outstanding recent college graduates and professionals of all academic majors and career interests who commit two years to teach in urban and rural public schools and become leaders in the effort to expand educational opportunity. TFA is funded through state and private matching funds. Last year's program supported 384 teachers in six districts including OKC, Tulsa and Lawton.	2,000,000

Purpose	Description	FY 21 Budget
19 Teacher and Leader Effectiveness Programs (70 O.S. 6-101.16)	Funds used to improve the effectiveness of teachers and leaders in the public school system, including continued implementation of the new individualized program of professional development – PL Focus. Funds have also been used to continue training programs for assistant principals (Moving UP) and principals (Lead to Succeed) and emergency certified teachers.	125,000
20 Teacher Induction Program (70 O.S. 6-195)	The program requires each first-year teacher, including first-year emergency certified teachers, to have a mentor. There were 3,805 first-year educators in FY 20. Funds are used for providing professional development, support and coaching to the mentors.	-

<b>Administrative and Support Functions</b>	Funds used for support to schools in a variety of areas including curriculum, accountability, finance and professional development and information technology.	<b>15,027,640</b>
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<b>Lottery Trust Fund - Transfer to TRS Revolving Fund (62 O.S 34.93 and 3A O.S. 713(C)(3))</b>	Funds appropriated to the Teachers' Retirement System Dedicated Revenue Revolving Fund to fund the current unfunded liability of the Teachers' Retirement System.	<b>3,637,714</b>
<b>Lottery Trust Fund - Transfer to School Consolidation Assistance Fund (70 O.S. 7-203)</b>	Funds appropriated to SDE to assist district consolidation, annexation, shared superintendent, severance payments and ACE technology.	<b>3,637,714</b>

<b>TOTAL APPROPRIATION</b>		<b>2,992,729,814</b>
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# FY 2021 State Appropriation and Budget

Carolyn Thompson

Chief of Government Affairs

May 28, 2020



**OKLAHOMA**  
Education



# Legislative Appropriation

The State Board of Education is appropriated a total of **\$2,992,729,814** for FY 21, a decrease of \$78,221,240.

- **SB 1922**: General Appropriations (GA) bill
- **SB 1921**: “Rainy Day” Fund Appropriation bill
- **HB 4153**: Common Education Budget Limits bill

# Legislative Appropriation (SB 1922)

- Financial Support of Public Schools: \$2,300,970,699
  - \$110,800,358 *less than* FY 20
- Support of Public School Activities: \$100,919,026
  - *equal* to FY 20
- Flexible Benefit Allowance: \$535,537,021
  - \$32,845,101 *more than* FY 20
- Instructional Materials/Textbooks: \$33,000,000
  - *equal* to FY 20

# Legislative Appropriation (SB 1922)

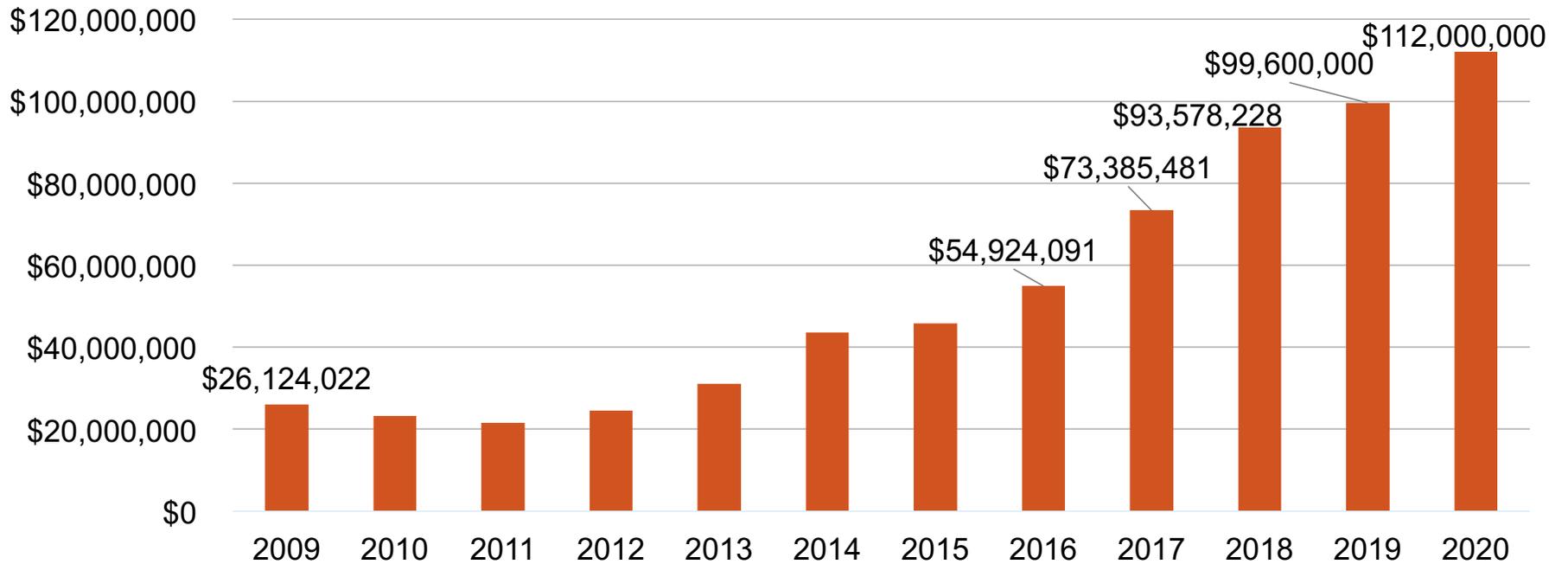
- School Consolidation Assistance Fund: \$3,637,714
  - \$476,237 *more than* FY 20
- Teachers' Retirement Dedicated Revenue: \$3,637,714
  - \$476,237 *more than* FY 20
- Administrative/Support functions of SDE: \$15,027,640
  - \$1,218,457 *less than* FY 20

# Ad Valorem Reimbursement

Reimburses school districts that claim a loss of revenue due to ad valorem tax exemptions. (62 O.S. §193)

- SB 1922: Appropriates **\$112,000,000** to the Ad Valorem Reimbursement Fund from FY 19 GR funds.
  - \$12,400,000 *more than* FY 20
  - Allows funds to be paid out before end of fiscal year

# History of Ad Valorem Reimbursement



# What makes up the Formula?

- \$953,338,319 from the General Revenue (GR) Fund
  - \$524,767,381 *less than* FY 20
- \$1,015,074,419 from the Education Reform Revolving Fund (1017)
  - \$160,773,894 *more than* FY 20
- \$46,938,566 from the Common Education Technology Fund
  - \$172,846 *less than* FY 20

# What makes up the Formula?

- \$32,739,428 from the Oklahoma Lottery Trust Fund
  - \$4,286,139 *more than* FY 20
- \$9,211,258 from the Mineral Leasing Funds
  - \$5,411,127 *more than* FY 20
- \$243,668,709 from the Constitutional Reserve (Rainy Day) Fund
  - \$243,668,709 *more than* FY 20

# 1017 Fund

## Revenue sources:

- Individual Income Tax
- Corporate Income Tax
- Use Tax
- Special License Plates
- Tribal Gaming
- Cigarette Tax
- Horse Track Gaming
- Tobacco Products Tax
- Business Activity Tax

➤ Appropriated \$160,773,894 *more* than FY 20

## Bills Impacting 1017 Fund

- **HB 2741** – Allocates \$73,154,862 from OTRS dedicated revenue to 1017 Fund for FY 21.
  - **HB 2742** – Allocates \$38,815,000 from the insurance premium tax to 1017 Fund for FY 21.
  - **HB 2743** – Allocates \$180,000,000 from the Rebuilding Oklahoma Access and Driver Safety (ROADS) Fund to 1017 Fund for FY 21.
  - **SB 1922** – Allocates \$30,000,000 from Medical Marijuana Authority Revolving Fund.
- Total new 1017 allocations for FY 21: \$321,969,862

# Common Education Technology Fund

## Revenue Sources:

- 25.72% of oil produced under the 7% tax rate
  - 22.5% of oil produced under the 4% tax rate
  - 23.75% of oil produced under the 5% tax rate
- Appropriated \$172,846 less than FY 20
- Statute limits Common Ed Tech allocations (common ed, higher ed, etc.) to \$150m. resulting in approx. \$50m. per year

# Education Lottery Trust

## Lottery Distributions:

- 45% to K-12 education/early childhood development
- 45% to Higher Education/CareerTech tuition, scholarships
- 5% to School Consolidation Assistance Fund
- 5% to Teachers' Retirement System Dedicated Revenue

## Total available for appropriation: **\$72,754,285**

- \$32,739,428 to Common Education Funding Formula
- \$3,637,714 each to School Consolidation Fund/OTRS

# School Consolidation Fund

## Used for:

- Annexations/Consolidations
  - Expenses associated with educating new students (staff, books, equipment, buildings, severance, etc.)
- Salary for shared superintendents
- Technology allocation to districts (if over \$5m)
  - \$1,718,415 FY 20 allocation to districts
  - \$3,637,714 FY 21 appropriation from Lottery Fund
  - \$9,317,025 total projected revenue available for FY 21

# 7 Sources of Formula Revenue

## **Local and county revenues:**

1. Ad valorem taxes
2. County 4-mill

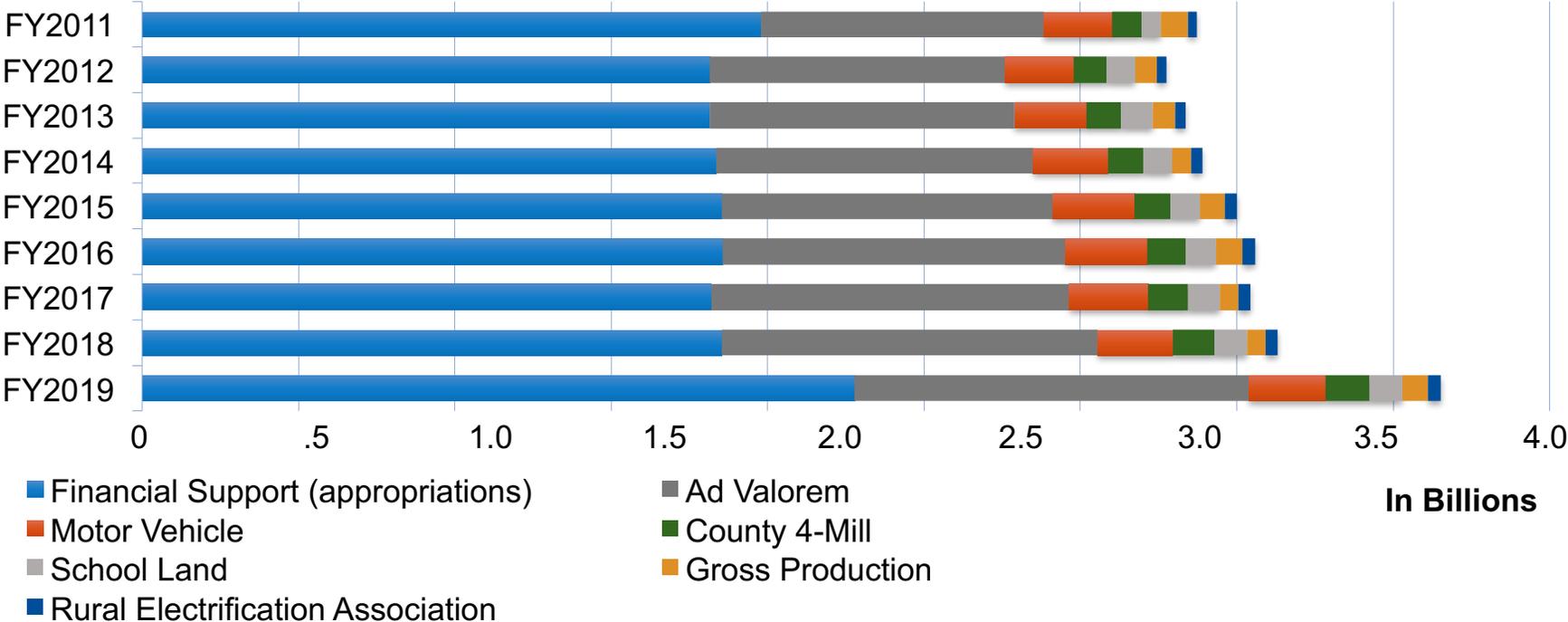
## **State-dedicated revenues:**

3. State school land earnings
4. Gross production
5. Motor vehicle collections
6. Rural electrification association (rea) tax

## **State appropriated:**

7. Financial support of schools (formula funding)

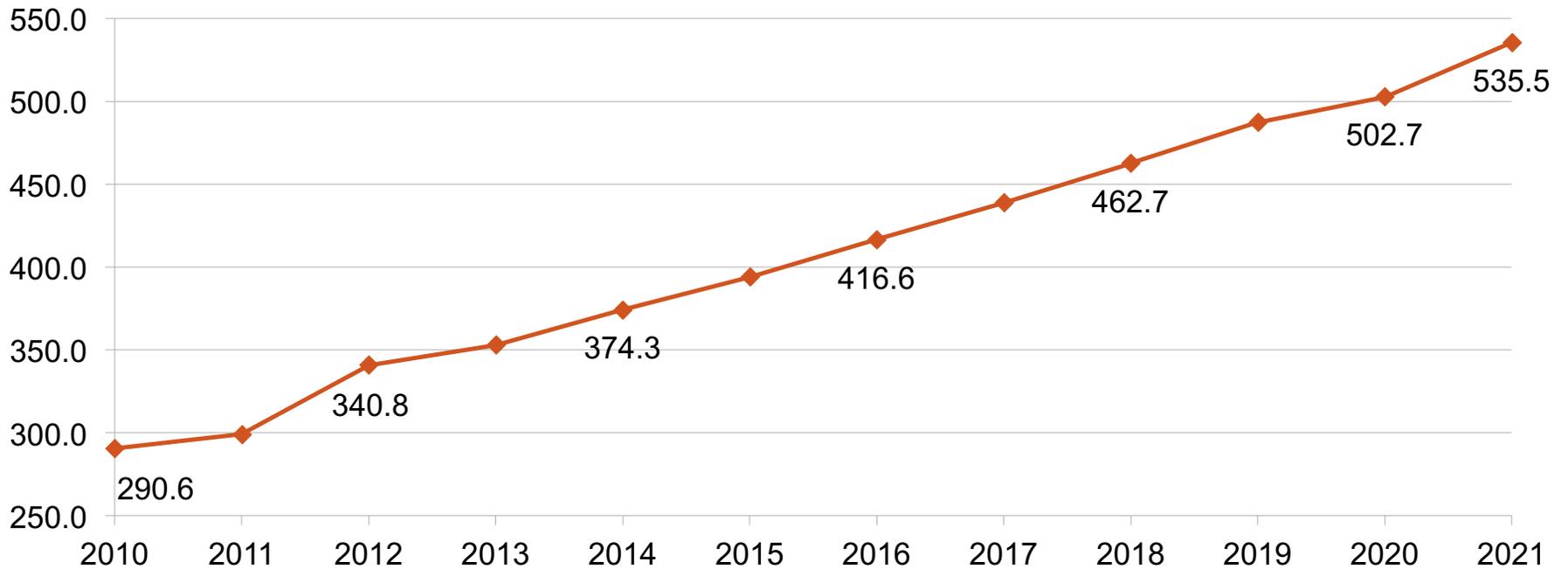
# 7 Sources of Formula Revenue



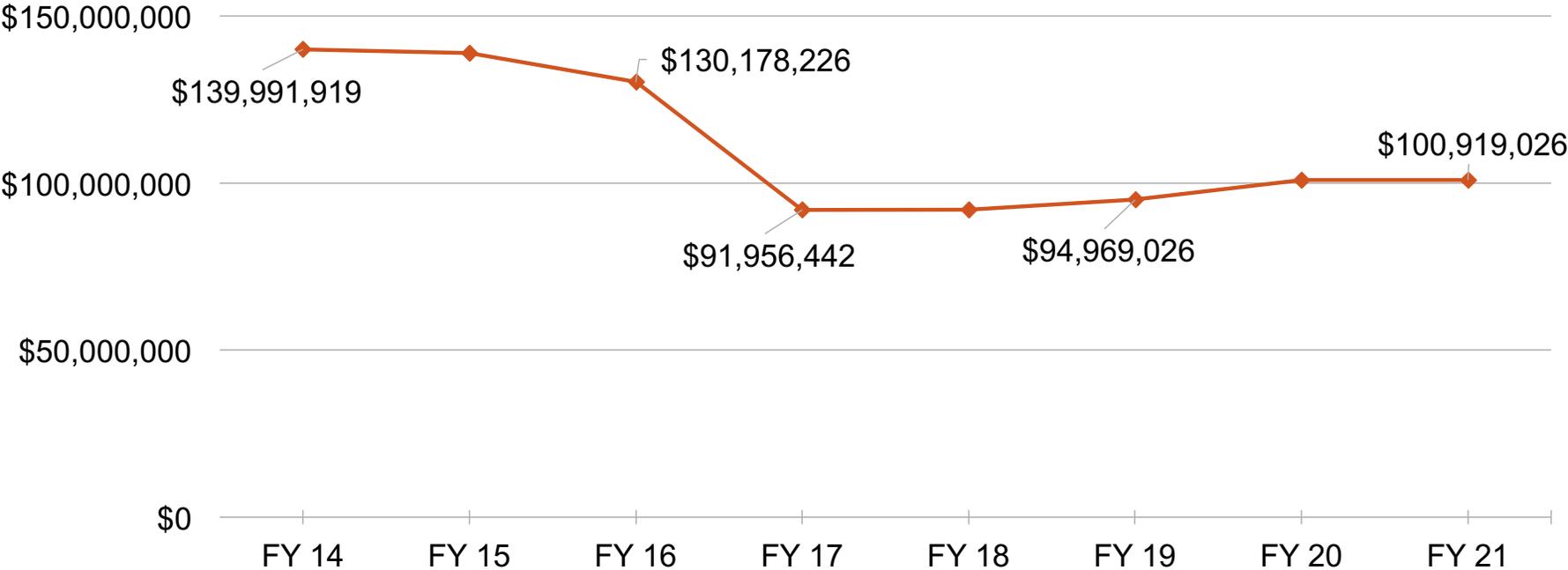
# Flexible Benefit Allowance

Providing Health Insurance to 85,700 Oklahoma Educators

(In Millions \$)



# Support of Students and Teachers\*



\*Formally known as Public School Activities



# Support of Students and Teachers

## Obligations Met/Funding Maintained

- Sooner Start (\$14,400,341)
- Early Childhood Initiative (\$12,000,000)
- School Lunch Match (\$3,500,000)
- Ag in the Classroom (\$38,000)
- Teachers' Retirement Credit (\$34,000,000)
- Secure Schools Program (\$2,350,000)
- National Board Certified Teacher Bonus (\$2,000,000)
- Teach for America (\$2,000,000)

# Support of Students and Teachers

## Funding Reduced/Eliminated

- Reading Sufficiency Act
  - **Reduced** by \$1,000,000 (\$11,000,000 total)
- Alternative Education
  - **Reduced** by \$1,000,000 (\$10,000,000 total)
- Testing
  - **Reduced** by \$5,394,315 (\$4,205,685 total)
- AP Teacher Training and Test Fee Assistance
  - **Reduced** by \$300,000 (\$1,000,000 total)

# Support of Students and Teachers

## Funding Reduced/Eliminated

- Great Expectations
  - Reduced by \$100,000 (\$300,000 total)
- Street School
  - Reduced by \$80,000 (\$100,000 total)
- Speech Pathologist, Audiologist, Psychologist Bonus
  - Reduced by \$725,000 (\$2,900,000 total)
- Teacher/Leader Effectiveness
  - Reduced by \$125,000 (\$125,000 total)

# Support of Students and Teachers

## Funding Eliminated

- Oklahoma Arts Institute
  - Eliminated
- Standards Implementation
  - Eliminated
- Teacher Induction Program
  - Eliminated

# Support of Students and Teachers

## New Funding

- **\$1,000,000** for Imagine Math online curriculum.
- This supplemental math program suite provides adaptive, age-appropriate learning environments for students in PreK-8.
- Funding sufficient for half of students 3-8 grade, approximately 155,500 students.



**OKLAHOMA**  
Education





## S.B. 1922

RE: S.B. 1922

SUBJECT: Public Finance

Senate Bill 1922 becomes effective July 1, 2020. This bill is the general appropriations (GA) bill and makes appropriations to the various agencies of the executive, legislative and judicial branches of state government. It appropriates \$2,992,729,814 to the State Board of Education.

- Sections 1-16: Appropriates \$2,992,729,814 to the State Board of Education for Fiscal Year 2021 (FY 21), which is \$78,221,240 *less* than was appropriated in FY 20.
- Financial Support for Public Schools (i.e., funding formula) is appropriated \$2,300,970,669, which is \$110,800,358 *less* than FY 20.
  - \$953,338,319 from the General Revenue Fund
  - \$1,015,074,419 from the Education Reform Revolving Fund (i.e., 1017 Fund)
    - NOTE: Additional appropriations to the 1017 fund are provided for in Section 145 of this bill, H.B. 2741, H.B. 2742 and H.B. 2743.
  - \$46,938,566 from the Common Education Technology Fund
  - \$243,668,709 from the Constitutional Reserve (Rainy Day) Fund
    - NOTE: One-time appropriations from the Constitutional Reserve Fund are provided for in S.B. 1921.
  - \$3,800,000 from the Mineral Leasing Fund FY 21
  - \$5,411,258 from the Mineral Leasing Fund FY 19
  - \$23,715,000 from the Oklahoma Education Lottery Trust Fund FY 21
  - \$9,024,428 from the Oklahoma Education Lottery Trust Fund FY 19
- Support for Public School Activities is appropriated \$100,919,026 from the General Revenue Fund, which is equal to the amount appropriated in FY 20.
- Textbooks and instructional materials is appropriated \$33,000,000 from the General Revenue Fund, which is equal to the amount appropriated in FY 20.
- Health Benefit Allowance (i.e., Flexible Benefit Allowance/FBA) is appropriated \$535,537,021 from the General Revenue Fund, which is \$32,845,101 *more* than FY 20.
  - \$347,081,644 for Certified Employees
  - \$188,455,377 for Support Personnel

- Administrative and Support Functions of the State Department of Education is appropriated \$15,027,640 from the General Revenue Fund, which is \$1,218,457 *less* than FY 20.
- School Consolidation Assistance Fund is appropriated \$3,637,714, which is \$476,237 *more* than FY 20.
  - \$2,635,000 from the Oklahoma Education Lottery Trust Fund FY 21.
  - \$1,002,714 from the Oklahoma Education Lottery Trust Fund FY 19.
- Oklahoma Teachers' Retirement System Dedicated Revenue Revolving Fund is appropriated \$3,637,714, which is \$476,237 *more* than FY 20.
  - \$2,635,000 from the Oklahoma Education Lottery Trust Fund FY 21.
  - \$1,002,714 from the Oklahoma Education Lottery Trust Fund FY 19.
- Section 27: Appropriates \$11,764,823 to the Oklahoma State Regents for Higher Education for concurrent enrollment expenditures, which is equal to the amount appropriated in FY 20.
- Section 145: The Education Reform (1017) Revolving Fund is appropriated \$30,000,000 from the Oklahoma Medical Marijuana Authority Revolving Fund.
  - Section 145 became effective May 15, 2020.
- Section 146: The Ad Valorem Reimbursement Fund is appropriated \$112,000,000 from any monies not otherwise appropriated from the General Revenue Fund of the State Treasury for the fiscal year ending June 30, 2019 (FY 19), for the purpose of reimbursing counties for school districts that claim a loss of revenue due to exemptions of certain ad valorem taxes, which is \$12,400,000 *more* than FY 20.
  - Section 146 became effective May 15, 2020.
- Section 147: The Teachers' Retirement Credit is appropriated \$9,824,315 from any monies not otherwise appropriated from the General Revenue Fund of the State Treasury for the fiscal year ending June 30, 2019 (FY 19).
  - Section 147 became effective May 15, 2020.
  - NOTE: This appropriation fulfills the amount needed for the FY 20 credit.

Should you have any questions related to this bill, please contact Ms. Mathangi Shankar, Chief Financial Officer, at (405) 522-0162 or Ms. Carolyn Thompson, Chief of Government Affairs, at (405) 522-3520.

Helpful statutory reference: 62 O.S. §193, 70 O.S. §628.13



## H.B. 4153

RE: H.B. 4153

SUBJECT: State Department of Education

House Bill 4153 becomes effective July 1, 2020. This bill sets budgetary expenditure limits for the State Board of Education.

- Section 1(1): Directs \$2,300,970,699 of the funds appropriated in Senate Bills 1921 and 1922 be reserved for the financial support of public schools.
- Section 1(2): Directs \$100,919,026 of the funds appropriated in Senate Bill 1922 be appropriated as follows:
  - Teachers' Retirement Credit – \$34,000,000
  - Alternative and High Challenge Education – \$10,000,000
  - Education Leadership Oklahoma – \$4,900,000
  - Advanced Placement Incentives – \$1,000,000
  - Reading Sufficiency Act – \$11,000,000
  - Teacher and Leader Effectiveness – \$125,000
  - Required Assessments – \$4,205,685
  - Teach for America – \$2,000,000
  - Great Expectations – \$300,000
  - Street School – \$100,000
  - Ag in the Classroom – \$38,000
  - Imagine Math - \$1,000,000
  - Early Intervention – \$14,400,341
  - School Lunch Matching – \$3,500,000
  - Secure Schools Program – \$2,350,000
  - Early Childhood Initiative – \$12,000,000
- Section 1(3): Directs \$15,027,640 of the funds appropriated in Senate Bill 1922 be reserved for Administrative and Support Functions of Department of Education (OSDE).
- Section 2: Requires the State Board of Education to budget \$4,044,045,822 of the funds available as follows. Requires outcome-based performance measures for each:
  - Payroll, Salaries, or Wages, to include tax-sheltered deferment contracts and longevity payments authorized by state statutes – \$18,246,524
  - Professional and Personal Services contracts – \$16,250,280

- Other operating funds – \$2,966,490,508
  - Expenditure of Federal Funds – \$1,043,058,509
- Section 5: Directs \$34,000,000 of the funds appropriated for Teachers’ Retirement Credit to be transferred to the Teachers’ Retirement System.
- Section 6: Allows OSDE to reduce in equal portions funds for Education Leadership Oklahoma, Advanced Placement Incentives, Reading Sufficiency, Teacher and Leader Effectiveness Programs, Alternative and High Challenge Education, Required Assessments, Street School, Ag in the Classroom, Imagine Math, and Great Expectations if funds are insufficient to fully fund the Teachers’ Retirement Credit.
- Section 7: Directs \$6,575,000 of the funds appropriated for Education Leadership Oklahoma to be allocated as follows:
  - \$2,000,000 to the Oklahoma National Board Certification Revolving Fund; and
  - \$2,900,000 to the Oklahoma School Psychologist, Speech-language Pathologist, and Audiologist National Certification Revolving Fund.
- Section 8: Directs \$1,000,000 for Advanced Placement Teacher Training and Test Fee Assistance to provide assistance for students in financial need, grants to districts wanting to start new AP programs and to expand professional development.
- Section 9: Directs \$11,000,000 for the Reading Sufficiency Act.
- Section 10: Directs \$125,000 to fund Teacher and Leader Effectiveness programs to improve the effectiveness of teachers and leaders in the public school system through continued development.
- Section 11: Directs \$4,205,685 for administering the statewide student assessment system for grades 3-8 and high school.
- Section 12: Directs \$300,000 to Great expectations for scholarships to the Great Expectations Summer Institutes for Teachers offered by an institution within The Oklahoma State System of Higher Education.
- Section 13: Directs \$10,000,000 to Alternative and High Challenge Education for the purpose of operating the statewide system of alternative education programs and for encouraging school districts to participate in innovative alternative education programs.
- Section 14: Directs \$14,400,341 to Early Intervention to be expended for direct services to eligible infants, toddlers and their families.
- Section 15: Directs \$2,350,000 to the Secure Schools Program for the purpose of implementing a statewide K-12 public school mobile panic button system.

- Section 16: Directs \$12,000,000 to the Early Childhood Initiative for the purpose of funding the early childhood program.
- Section 17: Directs the State Board of Education to prescribe the duties and compensation of employees not prescribed by law that perform duties for the State Department of Education.
- Section 18: Requires state aid funds to be reduced or withheld by the State Board of Education in an amount necessary to ensure compliance with the law.
- Section 19: Authorizes the State Board of Education to request a transfer of appropriated funds to the appropriate dispensing fund.
- Section 20: Authorizes the State Superintendent to request through the Office of Management and Enterprise Services (OMES) the early transfer by the Oklahoma Tax Commission of tax collections to the Education Reform Revolving Fund for the purpose of early allocation to the Board's disbursing funds to alleviate cash-flow problems.
- Section 21: Directs a proportionate reduction in funds for each school district that qualifies, excluding Financial Support of Public Schools, should the funds appropriated not be sufficient to fully fund the provisions of this bill.
- Section 22(A): Authorizes the State Superintendent to request through OMES that receipt and expenditure of unanticipated federal funds awarded after July 1, 2020, be exempt from expenditure and budgetary limitations. Requires the request to be made in writing and filed with the Appropriations Committee chairs in the House and Senate. Directs the House and Senate to notify OMES if the request does not comply with legislative intent within 12 days of receipt.
- Section 22(B): Directs OMES to approve the exemption request unless the House and Senate object as described in subsection A of this section. Requires OMES to give written notice of approval or disapproval to the agency, the Governor and the Appropriations Committee chairs of the House and Senate within 18 days of receipt.
- Section 23: Authorizes appropriations made in S.B. 1921 and S.B.1922, but not including appropriations made for capital outlay purposes, to be budgeted for the fiscal year ending June 30, 2021 or for the fiscal year ending June 30, 2022.

NOTE: Some sections of this bill are duplicated in the general appropriations bill, S.B. 1922.

Should you have any questions related to this bill, please contact Ms. Mathangi Shankar, Chief Financial Officer, at (405) 522-0162 or Ms. Carolyn Thompson, Chief of Government Affairs, at (405) 522-3520.

Helpful statutory references: 70 O.S. §26-103, 6-204.2, 6-206.1, 1210.703, 1210.508, 6-101.16, 1210.568, 13-125, 10-105.4, 17-108.2, 6-194.2.