



OKLAHOMA  
Education

# FY22 BUDGET





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:** June 24, 2021  
**SUBJECT:** FY 22 Education Budget

The Oklahoma State Legislature passed H.B. 2900 making appropriations to the State Board of Education. Amounts are appropriated for Financial Support of Public Schools, Instructional Materials, Flexible Benefit Allowance, Support of Public School Activities and Administrative and Support Functions of the Oklahoma State Department of Education (OSDE). S.B. 1067 sets budgetary limits for all common education programs.

This year's budget reflects a 5.6% overall increase in state appropriations for common education – an increase of more than \$171 million – restoring last year's cuts to the State Aid Funding Formula and nearly doubling the investment in Instructional Materials. The increase clearly reflects the state's strong economic resurgence following the height of the COVID-19 pandemic.

While the budget represents an increase in most areas, certain items and programs benefited from notably higher appropriations. Of particular note, the approximately \$136 million in additional appropriations to the funding formula were sufficient to trigger class size requirements for Kindergarten and First Grade as established by H.B. 1017 (1990). The \$60 million for instructional materials far surpasses the benchmark of \$55 per student, as required in state statute, which has not been met since FY 07. Additionally, both the Reading Sufficiency Act (RSA) and Alternative Education programs received increases, restoring prior cuts. The Flexible Benefit Allowance (FBA) – the state's allocation for educator health insurance – as well as OSDE administrative and support functions remained at FY 21 levels.

Attached Documentation:

- FY 22 OSDE Appropriation/Budget
- FY 22 OSDE Appropriation/Budget Program Descriptions
- FY 22 OSDE Appropriation/Budget Presentation
- H.B. 2900 Bill Summary
- S.B. 1067 Bill Summary

JH/ct

## Oklahoma State Board of Education

	Purpose	FY 20 Appropriation HB 2765/SB 1048	FY 21 Appropriation SB 1922
1	<b>Financial Support of Public Schools (70 O.S. 18-200.1)</b>	<b>2,411,771,057</b>	<b>2,300,970,699</b>
2	<i>General Revenue (GR)</i>	1,478,105,700	953,338,319
3	<i>Education Reform Revolving Fund (1017 funds)</i>	854,300,525	1,015,074,419
4	<i>Common Education Technology Fund</i>	47,111,412	46,938,566
5	<i>Oklahoma Lottery Trust Fund</i>	28,453,289	32,739,428
6	<i>Mineral Leasing Fund</i>	3,800,131	9,211,258
7	<i>Constitutional Reserve Fund</i>	-	243,668,709
8	<b>Instructional Materials (70 O.S. 16-114a)</b>	<b>33,000,000</b>	<b>33,000,000</b>
9	<b>Flexible Benefit Allowance (70 O.S. 26-104)</b>	<b>502,691,920</b>	<b>535,537,021</b>
10	<i>Certified Personnel</i>	322,414,199	347,081,644
11	<i>Support Personnel</i>	180,277,721	188,455,377
12	<b>Support of Public School Activities</b>	<b>100,919,026</b>	<b>100,919,026</b>
13	<b>Administrative and Support Functions</b>	<b>16,246,097</b>	<b>15,027,640</b>
14	Lottery Trust Fund - Transfer to TRS Revolving Fund (62 O.S. 34.93 and 3A O.S. 713(C)(3))	3,161,477	3,637,714
15	Lottery Trust Fund - Transfer to School Consolidation Assistance Fund (70 O.S. 7-203)	3,161,477	3,637,714
16	<b>TOTAL APPROPRIATION</b>	<b>3,070,951,054</b>	<b>2,992,729,814</b>

## Budget for Fiscal Year 2022

FY 22 Appropriation HB 2900	Total Increase/(Decrease)	Percent Change	Notes
<b>2,437,246,699</b>	<b>136,276,000</b>	<b>5.65%</b>	operational funds/implement class size requirements in K/1
1,471,384,271	518,045,952	35.05%	
875,289,631	(139,784,788)	-16.36%	due to apportionment change
47,372,299	433,733	0.92%	
34,451,092	1,711,664	6.02%	
8,749,406	(461,852)	-12.15%	
-	(243,668,709)	-	
<b>60,000,000</b>	<b>27,000,000</b>	<b>81.82%</b>	amount needed to fund purchase of Science materials
<b>535,537,021</b>	-	<b>0.00%</b>	expected to meet obligations
347,081,644	-	0.00%	
188,455,377	-	0.00%	
<b>108,919,026</b>	<b>8,000,000</b>	<b>7.93%</b>	
<b>15,027,640</b>	-	<b>0.00%</b>	
<b>3,827,899</b>	<b>190,185</b>	<b>6.02%</b>	determined by statute
<b>3,827,899</b>	<b>190,185</b>	<b>6.02%</b>	determined by statute
<b>3,164,386,184</b>	<b>171,656,370</b>	<b>5.59%</b>	

# Oklahoma State Board of Education

<b>Purpose</b>	<b>FY 20 Appropriation SB 1048</b>
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Strategic Plan Pillar 1: Achieve Academic Success		
1	Early Intervention SoonerStart (70 O.S. 13-124)	14,400,341
2	Early Childhood Initiative (70 O.S. 10-105.4)	12,000,000
3	Reading Sufficiency (70 O.S. 1210.508D)	12,000,000
4	Alternative Education Programs (70 O.S. 1210.561, 70 O.S. 1210.568)	11,000,000
5	Required Assessments (70 O.S. 1210.508, 20 USC §6311(b)(2))	9,600,000
6	School Lunch Matching & MOE (7 CFR 210-17 and 7 CFR 235.11(a))	3,500,000
7	AP Teacher Training and Test Fee Assistance (70 O.S. 1210.703)	1,300,000
8	Imagine Math	-
9	Oklahoma Arts Institute	200,000
10	Street School	180,000
11	Ag in the Classroom	38,000
12	Great Expectations	400,000
	<b>Total</b>	<b>64,768,341</b>

Strategic Plan Pillar 2: Build Exceptional Educators and Schools		
13	Teachers' Retirement System Credit (70 O.S. 17-108.2)	24,175,685
14	Psychologists, Speech Pathologists, Audiologists Bonus (70 O.S. 6-206)	3,625,000
15	Secure Schools Program	3,000,000
16	Teach for America	2,000,000
17	National Board Teacher Bonus (70 O.S. 6-204.2)	2,950,000
18	Teacher Induction Program (70 O.S. 6-195)	150,000
19	Teacher and Leader Effectiveness Programs (70 O.S. 6-101.16)	250,000
	<b>Total</b>	<b>36,150,685</b>

<b>Grand Total</b>	<b>\$100,919,026</b>
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## Public School Activities

FY 21 Appropriation HB 4153	FY 22 Appropriation SB 1067	Total Increase/ (Decrease)	Notes
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(To ensure a high-quality public education, the OSDE will close the opportunity and achievement gap for each student in Oklahoma.)

14,400,341	14,400,341	-	maintains current services/required federal match
12,000,000	12,000,000	-	maintain current services
11,000,000	12,000,000	1,000,000	89,459 students in FY 21 KG-3
10,000,000	12,000,000	2,000,000	serve additional students at risk of dropping out
4,205,685	8,205,685	4,000,000	meet contract req. for state/federal assessments
3,500,000	3,500,000	-	maintain current services and federal match
1,000,000	1,000,000	-	maintain test fee assistance
1,000,000	1,000,000	-	maintain online math instruction platform
-	320,000	320,000	increase to restore prior cuts
100,000	180,000	80,000	increase to restore prior cuts
38,000	38,000	-	maintain current services
300,000	-	(300,000)	
<b>57,544,026</b>	<b>64,644,026</b>	<b>7,100,000</b>	

(The OSDE will support the recruitment, preparation and retention of highly qualified teachers and leaders.)

34,000,000	34,500,000	500,000	increase to meet obligations
2,900,000	3,300,000	400,000	stipends for 740 FTEs
2,350,000	2,350,000	-	allow all districts access
2,000,000	2,000,000	-	maintain current services
2,000,000	1,500,000	(500,000)	stipends for estimated 400 teachers
-	375,000	375,000	Support first year teachers
125,000	250,000	125,000	leader training, PL focus, emergency cert teachers
<b>43,375,000</b>	<b>44,275,000</b>	<b>900,000</b>	

<b>\$ 100,919,026</b>	<b>\$ 108,919,026</b>	<b>\$ 8,000,000</b>	
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## Oklahoma State Board of Education Program Descriptions for Fiscal Year 2022 Budget

Purpose	Description	FY 22 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>2,437,246,699</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. Statute requires \$55 per student, but that amount has not been allocated since FY 07 until now in FY 22. Funds will largely be used to purchase Science materials (\$60ea per Elementary, \$85ea per Secondary). Funds may also be used to purchase Health and Vocational Education (\$30ea).	<b>60,000,000</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 54,482 school district certified personnel to offset health insurance costs.	347,081,644
<i>Support Personnel</i>	Projected benefit amount for 33,688 school district support personnel to offset health insurance costs.	188,455,377



Purpose	Description	FY 22 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>108,919,026</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

Purpose	Description	FY 22 Budget
3 Reading Sufficiency (70 O.S. 1210.508D)	<p>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 21, 89,459 students qualified for funding. Using the FY 21 count as an estimate for FY 22 and this year's funding, schools will receive \$134 per student.</p>	12,000,000
4 Alternative Education Programs and Admin (70 O.S. 1210.561, 70 O.S. 1210.568)	<p>Serves students in grades 7-12 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. Increased funding will assist with implementation of the new funding formula and additional programs required under HB 2520 (2019).</p>	12,000,000
5 Required Assessments (70 O.S. 1210.508, 20 USC §6311(b)(2))	<p>Funds utilized for the administration of a statewide student assessment system for grades 3-8 and high school. Increased funds were required to meet obligations for FY 22 as carryover funds from FY 20 have been exhausted.</p>	8,205,685
6 School Lunch Matching & MOE (7 CFR 210-17 and 7 CFR 235.11(a))	<p>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 20, schools provided 110,933,355 lunches to students.</p>	3,500,000

Purpose	Description	FY 22 Budget
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
9 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.	320,000
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.	180,000
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

Purpose	Description	FY 22 Budget
12 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.	-
13 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.	34,500,000
14 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 740 FTEs qualify for stipends each year.	3,300,000
15 Secure Schools Program	Funds intended to be used for the second year of statewide K-12 public school mobile panic button system. 1,085 of 1,842 school sites (58.9%) have fully deployed the panic button.	2,350,000
16 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 22 Budget
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 22 is 400.	1,500,000
18	Teacher Induction Program (70 O.S. 6-195)	Statute requires each first-year teacher, including first-year emergency certified teachers, to have a mentor. There were 2,988 first-year educators in FY 21. Funds are used for providing professional development, support and coaching to the mentors.	375,000
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. FY 22 programs will focus on distance learning.	250,000

Purpose	Description	FY 22 Budget
<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>
<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>3,827,899</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>3,827,899</b>
<b>TOTAL APPROPRIATION</b>		<b>3,164,386,184</b>

# FY 2022 State Appropriation and Budget

**Carolyn Thompson**

Chief of Government Affairs

June 24, 2021



**OKLAHOMA**  
Education





# Legislative Appropriation

The State Board of Education is appropriated a total of **\$3,164,386,184** for FY 22, an increase of \$171,656,370.

- **HB 2900**: General Appropriations (GA) bill
- **SB 1067**: Common Education Budget Limits bill

# Legislative Appropriation (HB 2900)

- Financial Support of Public Schools: \$2,437,246,699
  - \$136,276,000 *more than* FY 21
- Support of Public School Activities: \$108,919,026
  - \$8,000,000 *more than* FY 21
- Flexible Benefit Allowance: \$535,537,021
  - *equal* to FY 21
- Instructional Materials/Textbooks: \$60,000,000
  - \$27,000,000 *more than* FY 21

# Legislative Appropriation (HB 2900)

- School Consolidation Assistance Fund: \$3,827,899
  - \$190,185 *more than* FY 21
- Teachers' Retirement Dedicated Revenue: \$3,827,899
  - \$190,185 *more than* FY 21
- Administrative/Support functions of SDE: \$15,027,640
  - *equal* to FY 21

# What makes up the Formula?

- \$1,471,384,271 from the General Revenue (GR) Fund
  - \$518,045,952 *more than* FY 21
- \$875,289,631 from the Education Reform Revolving Fund (1017)
  - \$139,784,788 *less than* FY 21
- \$47,372,299 from the Common Education Technology Fund
  - \$433,733 *more than* FY 21

# What makes up the Formula?

- \$34,451,092 from the Oklahoma Lottery Trust Fund
  - \$1,711,664 *more than* FY 21
- \$8,749,406 from the Mineral Leasing Funds
  - \$461,852 *less than* FY 21

# 1017 Fund

**Total Appropriation: \$875,289,631**

- \$139,784,788 *less than* FY 21

## **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

# Bills Impacting 1017 Fund

- **HB 2894**
  - Reverses OTRS pension apportionment for a reduction of \$87,446,788
- **HB 2960, 2961, 2963**
  - Reduces corporate income tax rate from 6% to 4% for a reduction of \$8,893,500
- **HB 2962**
  - Reduces individual income tax rate from 5% to 4.75% for a reduction of \$6,926,787



# Bills Impacting 1017 Fund

- **HB 2893**
  - Reverses insurance premium tax apportionment for a reduction of \$45,591,612
- **HB 2895**
  - Reverses ROADS fund apportionment for a reduction of \$180,000,000
- **HB 2900**
  - Appropriates \$37,500,000 from OMMA

# Common Education Technology Fund

## Total appropriation: \$47,372,299

- \$433,733 *more than* FY 21
- Statute limits Common Ed Tech allocations (common ed, higher ed, etc.) to \$150m resulting in approximately \$50m per year

## 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

# Education Lottery Trust

**Total available for appropriation: \$76,557,982**

- \$3,803,697 *more than* in FY 21
- \$34,451,092 to Common Education Funding Formula
- \$3,827,899 each to School Consolidation Fund/OTRS

## **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

# School Consolidation Fund

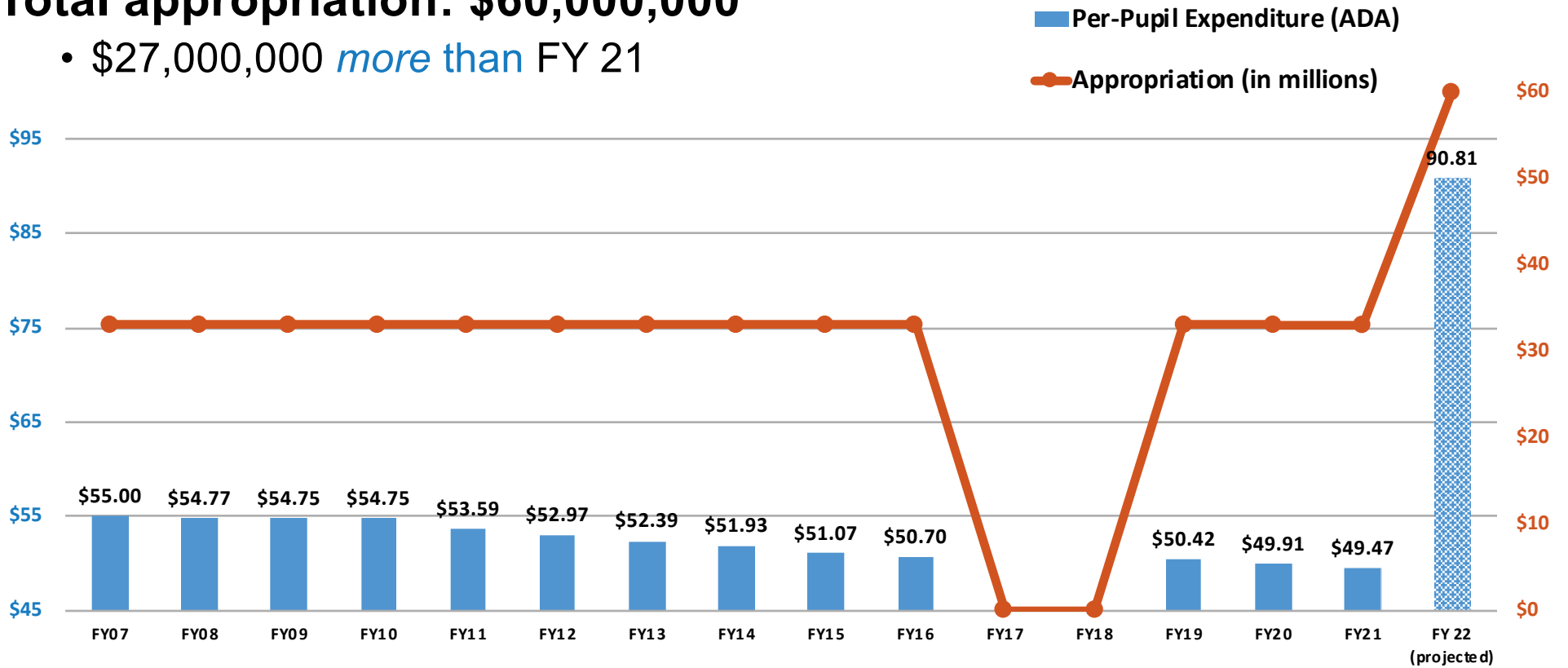
**Total appropriation: \$3,827,899**

- \$190,185 *more than* FY 21
- 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)
  - \$1,718,386 FY 21 allocation to districts
  - \$3,827,899 FY 22 appropriation from Lottery Fund
  - \$8,966,098 total projected revenue available for FY 22

# Instructional Materials

Total appropriation: \$60,000,000

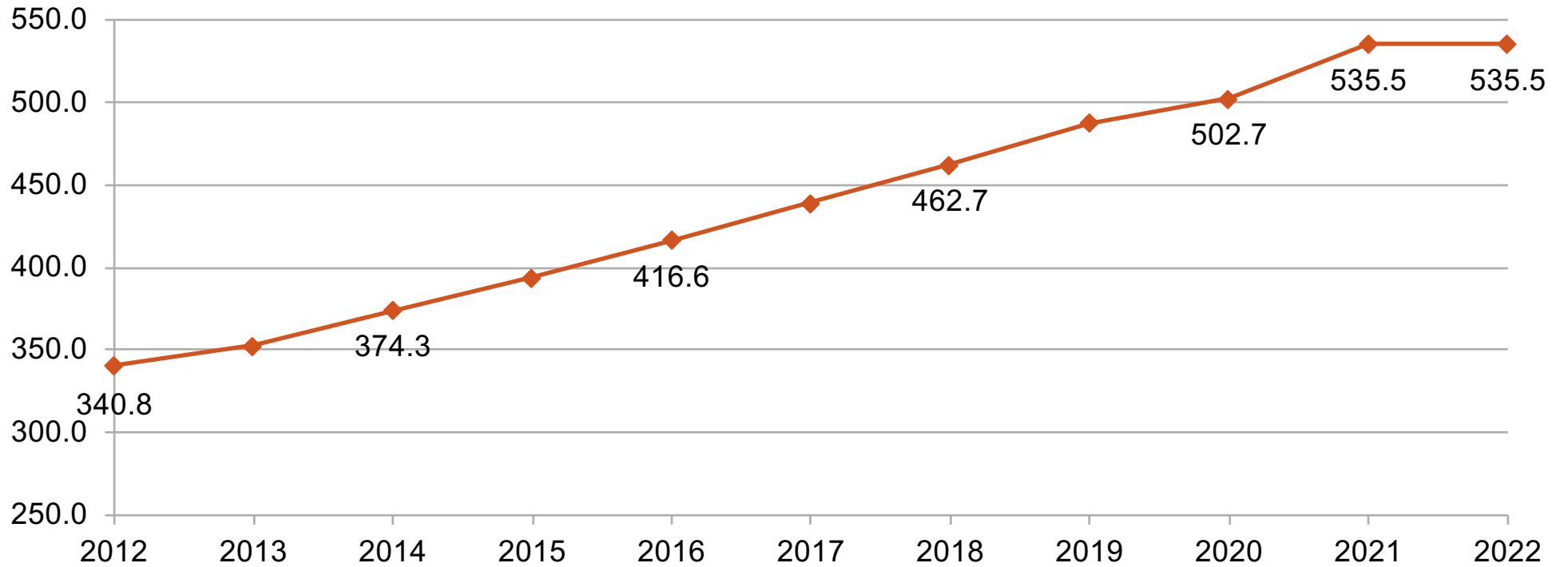
- \$27,000,000 *more than* FY 21



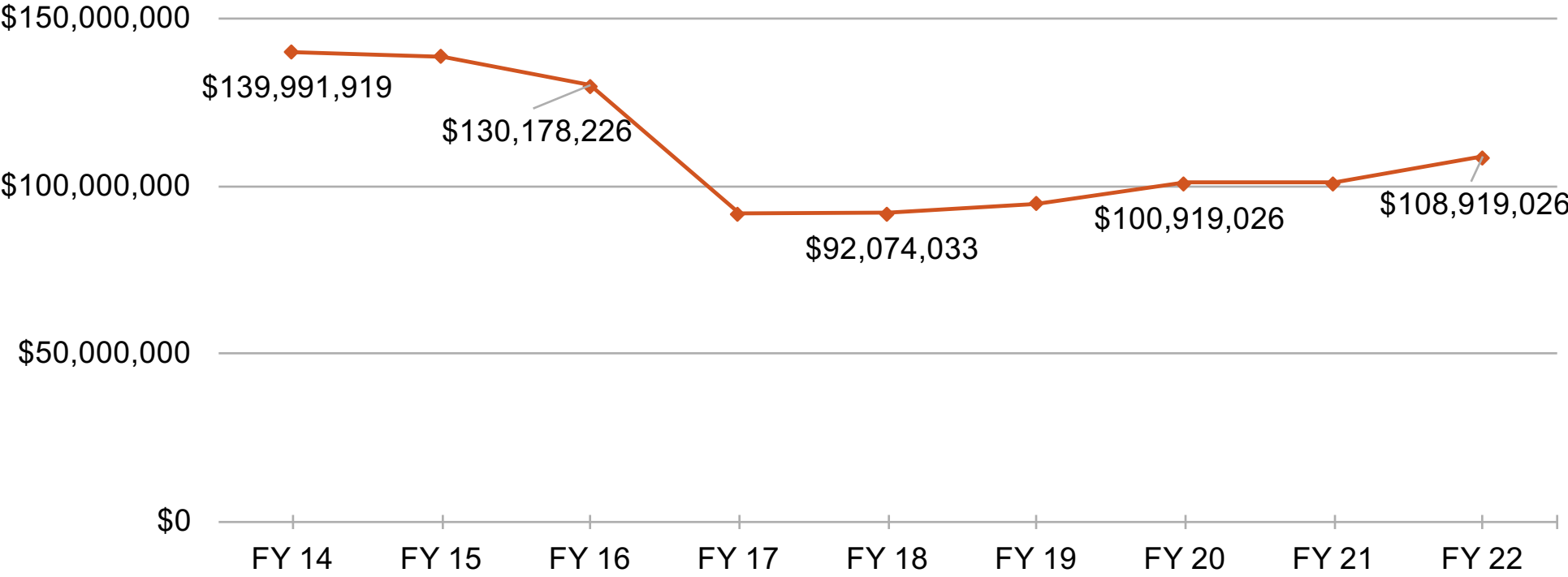
# Flexible Benefit Allowance

## Providing Health Insurance to 88,000 Oklahoma Educators

(In Millions \$)



# Support of Students and Teachers\*



\*Formally known as Public School Activities





# Support of Students and Teachers

## Funding Increased

- Reading Sufficiency Act
  - Increased by \$1,000,000 (\$12,000,000 total)
- Alternative Education
  - Increased by \$2,000,000 (\$12,000,000 total)
- Oklahoma Arts Institute
  - Increased by \$320,000 (\$320,000 total)

# Support of Students and Teachers

## Funding Increased

- Street School
  - Increased by \$80,000 (\$180,000 total)
- Teacher Induction Program
  - Increased by \$375,000 (\$375,000 total)
- Teacher and Leader Effectiveness Programs
  - Increased by \$125,000 (\$250,000 total)

# Support of Students and Teachers

## Funding Increased to Meet Obligation

- Required Assessments
  - Increased by \$4,000,000 (\$8,205,685 total)
- Teachers' Retirement Credit
  - Increased by \$500,000 (\$34,500,000 total)
- Psychologist, Speech Pathologist, Audiologist Bonus
  - Increased by \$400,000 (\$3,300,000 total)

# Support of Students and Teachers

## Funding Maintained

- Sooner Start (\$14,400,341)
- Early Childhood Initiative (\$12,000,000)
- School Lunch Match (\$3,500,000)
- AP Teacher Training/Test Fee Assistance (\$1,000,000)
- Imagine Math (\$1,000,000)
- Ag in the Classroom (\$38,000)
- Secure Schools Program (\$2,350,000)
- Teach for America (\$2,000,000)
- National Board Certified Teacher Bonus (\$1,500,000)



**OKLAHOMA**  
Education



## H.B. 2900

RE: H.B. 2900

SUBJECT: General Appropriations

House Bill 2900 becomes effective July 1, 2021. 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 \$3,164,386,184 to the State Board of Education.

- Sections 1-16: Appropriates \$3,164,386,184 to the State Board of Education for Fiscal Year 2022 (FY 22), which is \$171,656,370 *more* than was appropriated in FY 21.
- Financial Support for Public Schools (i.e. funding formula) is appropriated \$2,437,246,699, which is \$136,276,000 *more* than the amount appropriated in FY 21.
  - \$1,471,384,271 from the General Revenue Fund
  - \$875,289,631 from the Education Reform Revolving Fund (i.e. 1017 Fund)
  - \$47,372,299 from the Common Education Technology Fund
  - \$5,225,000 from the Mineral Leasing Fund FY 22
  - \$3,524,406 from the Mineral Leasing Fund FY 20
  - \$26,077,500 from the Oklahoma Education Lottery Trust Fund FY 22
  - \$8,373,592 from the Oklahoma Education Lottery Trust Fund FY 20

NOTE: The increase to the funding formula provides sufficient operational funding to trigger the class size requirements for kindergarten and first grade established by HB 1017 (1990).

- Support of Public School Activities is appropriated \$108,919,026 from the General Revenue Fund, which is \$8,000,000 *more* than the amount appropriated in FY 21.
- Textbooks and instructional materials is appropriated \$60,000,000 from the General Revenue Fund, which is \$27,000,000 *more* than the amount appropriated in FY 21.
- Health Benefit Allowance (i.e. Flexible Benefit Allowance/FBA) is appropriated \$535,537,021 from the General Revenue Fund, which is equal to the amount appropriated in FY 21.
  - \$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 equal to the amount appropriated in FY 21.
- School Consolidation Assistance Fund is appropriated \$3,827,899, which is \$190,185 *more* than the amount appropriated in FY 21.
  - \$2,897,500 from the Oklahoma Education Lottery Trust Fund FY 22.
  - \$930,399 from the Oklahoma Education Lottery Trust Fund FY 20.
- Oklahoma Teachers' Retirement System Dedicated Revenue Revolving Fund is appropriated \$3,827,899, which is \$190,185 *more* than the amount appropriated in FY 21.
  - \$2,897,500 from the Oklahoma Education Lottery Trust Fund FY 22.
  - \$930,399 from the Oklahoma Education Lottery Trust Fund FY 20.
- Section 28: 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 21.
- Section 137: The Education Reform (1017) Revolving Fund is appropriated \$37,500,000 from the Oklahoma Medical Marijuana Authority Revolving Fund, which is \$7,500,000 *more* than the amount appropriated in FY 21.
  - Section 137 became effective May 24.
- Section 138: The Ad Valorem Reimbursement Fund is appropriated \$109,000,000 from the Cash-flow Reserve Fund for the 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 \$3,000,000 *less* than the amount appropriated FY 21.
  - Section 138 became effective May 24.

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. § 3-104.4, 628.13, 18-113.1, 18-113.2





## **S.B. 1067**

RE: S.B. 1067

SUBJECT: State Department of Education

Senate Bill 1067 becomes effective July 1, 2021. This bill sets budgetary expenditure limits for the State Board of Education.

- Section 1(1): Directs \$2,437,246,699 of the funds appropriated in HB 2900 be reserved for the financial support of public schools.
- Section 1(2): Directs \$704,456,047 of the funds appropriated in HB 2900 be appropriated as follows:
  - Certified Employee Health Benefit Allowance - \$347,081,644
  - Support Personnel Health Benefit Allowance - \$188,455,377
  - Teachers' Retirement Credit - \$34,500,000
  - Purchase of Textbooks and Instructional Materials - \$60,000,000
  - Alternative and High Challenge Education - \$12,000,000
  - Education Leadership Oklahoma - \$4,800,000
  - Advanced Placement Incentives - \$1,000,000
  - Reading Sufficiency Act - \$12,000,000
  - Teacher and Leader Effectiveness - \$250,000
  - Required Assessments - \$8,205,685
  - Teach for America - \$2,000,000
  - Teacher Induction Program - \$375,000
  - Street School - \$180,000
  - 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
  - Oklahoma Arts Institute - \$320,000
- Section 1(3): Directs \$15,027,640 of the funds appropriated in HB 2900 be reserved for Administrative and Support Functions of the Department of Education (OSDE).

- Section 2: Sets the total expenditure limit for the State Board of Education at \$5,818,494,003 to be budgeted as follows. Requires outcome-based performance measures for each:
  - Payroll, Salaries or Wages - \$18,227,387
  - Professional and Personal Services contracts - \$28,696,456
  - Other Operating Funds - \$3,126,828,823
  - Expenditure of Federal Funds - \$2,644,741,337
- Section 5: Directs \$34,500,000 of the funds appropriated for Teachers' Retirement Credit to be transferred to the Teachers' Retirement System.
- Section 6: Allows OSDE to reduce in equal proportions funds for Education Leadership Oklahoma, Advanced Placement, Reading Sufficiency, Teacher/Leader Effectiveness, Alternative and High Challenge Education, Required Assessments, Ag in the Classroom, and Imagine Math if funds are insufficient to fully fund the Teachers' Retirement Credit.
- Section 7: Directs \$4,800,000 of the funds appropriated for Education Leadership Oklahoma to be allocated as follows:
  - \$1,500,000 to the Oklahoma National Board Certification Revolving Fund; and
  - \$3,300,000 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 for students in financial need, to expand professional development, and for grants for districts to start new AP programs.
- Section 9: Directs \$12,000,000 to be expended according to state law for the Reading Sufficiency Act.
- Section 10: Directs \$250,000 for Teacher and Leader Effectiveness programs to improve the effectiveness of teachers and leaders in public schools.
- Section 11: Directs \$8,205,685 for administering the statewide student assessment system for grades 3-8 and high school.
- Section 12: Directs \$12,000,000 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 13: Directs \$375,000 to fund the Teacher Induction Program to support districts in mentoring new teachers and providing instructional coaching.
- 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 \$12,000,000 to the Early Childhood Initiative for the purpose of funding the early childhood program.
- Section 16: Directs the State Board of Education to prescribe the duties and compensation of employees not prescribed by law that perform duties for the OSDE.
- Section 17: 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 18: Authorizes the State Board of Education to request a transfer of appropriated funds to the appropriate dispensing fund.
- Section 19: 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 (1017) Fund for the purpose of early allocation to alleviate cash-flow problems.
- Section 20: 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 the bill.
- Section 21(A): Authorizes the State Superintendent to request through OMES that receipt and expenditure of unanticipated federal funds awarded after July 1, 2021 be exempt from the budget limitations. Requires the request be made in writing to the House and Senate Appropriations Committee chairs. Directs the House and Senate to notify OMES if the request does not comply with legislative intent within 12 days of receipt.
- Section 21(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 22: Authorizes appropriations made in H.B. 2900, but not including appropriations made for capital outlay purposes, to be budgeted for the fiscal year ending June 30, 2022 or for the fiscal year ending June 30, 2023.

NOTE: Some sections of this bill are duplicated in the general appropriations bill, HB 2900.

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: 70 O.S. § 6-101.16, 6-204.2, 6-206.1, 6-195, 10-105.4, 13-125, 17-108.2, 17-108.2, 26-103, 1210.508, 1210.568, 1210.703