

FY 23 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: June 23, 2022
SUBJECT: FY 23 Education Budget

The Oklahoma State Legislature passed S.B. 1040 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). H.B. 4465 sets budgetary limits for all common education programs.

While this year's budget remained relatively flat – a 0.53% overall increase – additional funding is appropriated for the Flexible Benefit Allowance, Public School Activities and the compliance, oversight and operational functions of the OSDE. The appropriation for Instructional Materials decreased based on the amount requested by the OSDE, which is a projection aligned with the subject adoption cycle for next fiscal year.

New this year, the Legislature appropriated funds to reduce the unfunded liability of the Teachers' Retirement System (OTRS) to the OSDE which will then be transferred to OTRS. Previously, these funds were apportioned directly to OTRS, but now will be appropriated by the Legislature and certified by the Board of Equalization.

The Legislature invested significantly in supports for students and teachers including increased funds for SoonerStart, Alternative Education and Reading Sufficiency. Other increases include state assessments, Advanced Placement and the Teachers' Retirement employee credit. Four new line items were also included – Imagine Reading, ACT Work Keys, Child ID and student information security. Lastly, two items previously funded were restored – Great Expectations and standards implementation. Overall, Public School Activities increased by \$9 million.

Attached Documentation:

- FY 23 OSDE Appropriation/Budget
- FY 23 OSDE Appropriation/Budget Program Descriptions
- FY 23 OSDE Appropriation/Budget Presentation
- S.B. 1040 Bill Summary
- H.B. 4465 Bill Summary

JH/ct

Oklahoma State Board of Education

Purpose	FY 22 Appropriation HB 2900
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1	Financial Support of Public Schools (70 O.S. § 18-200.1)	2,437,246,699
2	<i>General Revenue (GR)</i>	<i>1,471,384,271</i>
3	<i>Education Reform Revolving Fund (1017 funds)</i>	<i>875,289,631</i>
4	<i>Common Education Technology Fund</i>	<i>47,372,299</i>
5	<i>Oklahoma Lottery Trust Fund</i>	<i>34,451,092</i>
6	<i>Mineral Leasing Fund</i>	<i>8,749,406</i>

7	Instructional Materials (70 O.S. § 16-114a)	60,000,000
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8	Flexible Benefit Allowance (70 O.S. § 26-104)	535,537,021
9	<i>Certified Personnel</i>	<i>347,081,644</i>
10	<i>Support Personnel</i>	<i>188,455,377</i>

11	Support of Public School Activities	108,919,026
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12	Compliance, Oversight, Operational Functions	15,027,640
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13	Lottery Trust Fund - Transfer to TRS Revolving Fund (62 O.S. § 34.93 and 3A O.S. § 713(C)(3))	3,827,899
14	Lottery Trust Fund - Transfer to School Consolidation Assistance Fund (70 O.S. § 7-203)	3,827,899

15	TOTAL APPROPRIATION	3,164,386,184
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16	Teachers' Retirement System Dedicated Revenue (62 O.S. § 34.93)	
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Budget for Fiscal Year 2023

FY 23 Appropriation SB 1040	Total Increase/(Decrease)	Percent Change	Notes
2,437,246,699	-	0.00%	
1,457,068,668	(14,315,603)	-0.98%	
890,120,375	14,830,744	1.67%	based on projected tax revenue
47,025,701	(346,598)	-0.74%	
38,041,192	3,590,100	9.44%	increase in available prior year cash
4,990,763	(3,758,643)	-75.31%	decrease due to prior year shortfall
45,190,000	(14,810,000)	-32.77%	projected amount needed for Elementary ELA
553,404,829	17,867,808	3.23%	expected to meet obligations
359,193,470	12,111,826	3.37%	
194,211,359	5,755,982	2.96%	
117,919,026	9,000,000	7.63%	
19,145,366	4,117,726	21.51%	increase requested for staff and IT needs
4,226,799	398,900	9.44%	determined by statute
4,226,799	398,900	9.44%	determined by statute
3,181,359,518	16,973,334	0.53%	
401,906,190	401,906,190	100.00%	HB 4452 transfer to OTRS

Oklahoma State Board of Education

Purpose

**FY 22
Appropriation
SB 1067**

Strategic Plan Pillar 1: Achieve Academic Success

1	Early Intervention SoonerStart (70 O.S. § 13-124)	14,400,341
2	Alternative Education Programs (70 O.S. § 1210.561, 70 O.S. § 1210.568)	12,000,000
3	Reading Sufficiency (70 O.S. § 1210.508D)	12,000,000
4	Early Childhood Initiative (70 O.S. § 10-105.4)	12,000,000
5	Required Assessments (70 O.S. 1210.508, 20 USC § 6311(b)(2))	8,205,685
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)	1,000,000
8	Imagine Math	1,000,000
9	Imagine Reading	-
10	Great Expectations	-
11	Oklahoma Arts Institute	320,000
12	Standards Implementation (70 O.S. § 11-103.6, 20 USC § 6311(b)(1))	-
13	ACT Work Keys	
14	Street School	180,000
15	Ag in the Classroom	38,000
	Total	64,644,026

Strategic Plan Pillar 2: Build Exceptional Educators and Schools

16	Teachers' Retirement System Credit (70 O.S. § 17-108.2)	34,500,000
17	Psychologists, Speech Pathologists, Audiologists Bonus (70 O.S. § 6-206)	3,300,000
18	Secure Schools Program	2,350,000
19	Teach for America	2,000,000
20	National Board Teacher Bonus (70 O.S. § 6-204.2)	1,500,000
21	Student Information Security (70 O.S. § 3-104)	-
22	Child ID	-
23	Teacher and Leader Effectiveness Programs (70 O.S. § 6-101.16)	250,000
24	Teacher Induction Program (70 O.S. § 6-195)	375,000
	Total	44,275,000

Grand Total

\$ 108,919,026

Public School Activities

FY 23 Appropriation HB 4465	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.)

16,225,341	1,825,000	increases current services/required federal match
14,000,000	2,000,000	serve additional students at risk of dropping out
13,000,000	1,000,000	89,464 students in FY 22 KG-3
12,000,000	-	maintain current services
9,205,685	1,000,000	meet contract req. for state/federal assessments
3,500,000	-	maintain current services and federal match
1,500,000	500,000	test fee assistance; new program grants
1,000,000	-	maintain online math instruction platform
1,000,000	1,000,000	online reading instruction platform
500,000	500,000	teacher support for classroom management
320,000	-	maintain scholarships for Arts Institute
300,000	300,000	standards development; curriculum frameworks
250,000	250,000	workplace skills assessment for seniors
180,000	-	maintain current services
38,000	-	maintain current services
73,019,026	8,375,000	

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

35,000,000	500,000	increase to meet obligations
3,300,000	-	stipends for 660 FTEs
2,350,000	-	allow all districts access
2,000,000	-	maintain current services
1,000,000	(500,000)	stipends for estimated 200 teachers
500,000	500,000	security infrastructure for WAVE
500,000	500,000	id program for missing children
250,000	-	leader training, PL focus, emergency cert teachers
-	(375,000)	Support first year teachers
44,900,000	625,000	

\$ 117,919,026	\$ 9,000,000
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Oklahoma State Board of Education

Program Descriptions for Fiscal Year 2023 Budget

Purpose	Description	FY 23 Budget
Financial Support of Public Schools (70 O.S. 18-200.1)	State funds appropriated for local school districts are distributed through the state aid formula on a weighted average daily membership (WADM) basis.	2,437,246,699
Instructional Materials (70 O.S. 16-114a)	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; appropriation projected to equal \$69.75 per student. Funds will largely be used to purchase Elementary English Language Arts (\$116ea). Cost/reduction based on projected purchases.	45,190,000
Flexible Benefit Allowance (70 O.S. 26-104)	See next two items.	553,404,829
<i>Certified Personnel</i>	Projected benefit amount for 54,482 school district certified personnel to offset health insurance costs.	<i>359,193,470</i>
<i>Support Personnel</i>	Projected benefit amount for 33,688 school district support personnel to offset health insurance costs.	<i>194,211,359</i>

Purpose	Description	FY 23 Budget
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Support of Public School Activities	Funds allocated to school districts and other entities for implementation of various education programs and initiatives.	117,919,026
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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. As directed by State (70 O.S. §§ 13-121 et seq., as amended) and Federal Law (P.L. 99-457, as amended by P.L. 108-446), the Interagency Coordinating Council (ICC) has submitted this request for increased funding. 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 currently serves approximately 8,500 families annually, but will be able to expand services with additional funds.	16,225,341
2	Alternative Education Programs and Admin (70 O.S. 1210.561, 70 O.S. 1210.568)	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. In FY 21 there were 311 programs including 159 districts and coops across the state serving approximately 10,915 students. Increased funding will assist with implementation of the new funding formula and additional programs required under HB 2520 (2019).	14,000,000

Purpose		Description	FY 23 Budget
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 22, 98,418 students qualified for funding.	13,000,000
4	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
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. Increased funds are required to meet obligations for FY 23.	9,205,685
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 21, schools provided 78,150,353 lunches to students.	3,500,000

Purpose		Description	FY 23 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. Funds will also be used for grants to new AP programs in support of implementing HB 3400 (2020) which requires all high schools to offer four AP courses beginning in 2024-25.	1,500,000
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	Imagine Reading	Supplemental reading program for students in grades 3-8 to build reading confidence through research-based and classroom-validated lessons.	1,000,000
10	Great Expectations	GE is a teacher professional development program based on the latest research of the most effective teaching practices. Funds have previously 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.	500,000

Purpose		Description	FY 23 Budget
11	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
12	Academic Standards Development/Implementation (70 O.S. 11-103.6, 20 USC §6311(b)(1))	Funds are used to support the standards development and revision process and to provide support materials for teachers for effectively teach the state academic standards. These materials are particularly helpful for first year and emergency certified teachers.	300,000
13	ACT Work Keys	Funds will make ACT Work Keys – an assessment-based credential tool that measures foundational workplace skills – available to high school seniors.	250,000
14	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
15	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
16	Teachers' Retirement System (70 O.S. 17-108.2)	Funds appropriated to OSDE 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.	35,000,000

Purpose		Description	FY 23 Budget
17	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. Amount expected to fund stipends for 760 FTEs.	3,300,000
18	Secure Schools Program	Funds intended to be used for the statewide K-12 public school mobile panic button system. 1,107 of 1,842 school sites (60%) have fully deployed the panic button.	2,350,000
19	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. The program supports approximately 400 teachers in six districts including OKC, Tulsa and Lawton.	2,000,000
20	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 23 is 200.	1,000,000

Purpose		Description	FY 23 Budget
21	Student Data Privacy and Security	Support for operational, contractual, and personnel resources to continue work on high-quality and accurate reporting of student information. Without comprehensive data privacy, data protection, and data security, it is not possible to provide policymakers, educators, and the community data that can be used to drive funding, personnel, intervention, and policy-making decisions.	500,000
22	Child ID	Provides child ID kits to parents with the intent of reducing the number of missing children. Will help parents identify their child in the even they go missing. Amount will provide kits for approximately 175,000 students with the remainder provided by private donations.	500,000
23	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.	250,000
24	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.	-

Purpose	Description	FY 23 Budget
Compliance, Oversight, Operational Functions	Funds used for support to schools in a variety of areas including curriculum, accountability, finance and professional development and information technology. Additional funds needed to support implementation of new laws, IT infrastructure and staff retention.	19,145,366
Lottery Trust Fund - Transfer to TRS Revolving Fund (62 O.S 34.93 and 3A O.S. 713(C)(3))	Funds appropriated to the Teachers' Retirement System Dedicated Revenue Revolving Fund to fund the current unfunded liability of the Teachers' Retirement System.	4,226,799
Lottery Trust Fund - Transfer to School Consolidation Assistance Fund (70 O.S. 7-203)	Funds appropriated to SDE to assist district consolidation, annexation, shared superintendent, severance payments and ACE technology.	4,226,799
TOTAL APPROPRIATION		3,181,359,518

FY 2023 State Appropriation and Budget

Carolyn Thompson

Deputy Chief of Staff &
Chief of Government Affairs

June 23, 2022



OKLAHOMA
Education



Legislative Appropriation

The State Board of Education is appropriated a total of **\$3,181,359,518** for FY 23, an increase of \$16,973,334.

- **SB 1040**: General Appropriations (GA) bill
- **HB 4465**: Common Education Budget Limits bill

Legislative Appropriation (SB 1040)

- Financial Support of Public Schools: \$2,437,246,699
 - *equal* to FY 22
- Support of Public School Activities: \$117,919,026
 - \$9,000,000 *more than* FY 22
- Flexible Benefit Allowance: \$553,404,829
 - \$17,867,808 *more than* FY 22
- Instructional Materials/Textbooks: \$45,190,000
 - \$14,810,000 *less than* FY 22

Legislative Appropriation (SB 1040)

- School Consolidation Assistance Fund: \$4,226,799
 - \$398,900 *more than* FY 22
- Teachers' Retirement Dedicated Revenue: \$4,226,799
 - \$398,900 *more than* FY 22
- Compliance, Oversight, Operations of OSDE: \$19,145,366
 - \$4,117,726 *more than* FY 22

What makes up the Formula?

- \$1,457,068,668 from the General Revenue (GR) Fund
 - \$14,315,603 *less than* FY 22
- \$890,120,375 from the Education Reform Revolving Fund (1017)
 - \$14,830,744 *more than* FY 22
- \$47,025,701 from the Common Education Technology Fund
 - \$346,598 *less than* FY 22

What makes up the Formula?

- \$38,041,192 from the Oklahoma Lottery Trust Fund
 - \$3,590,100 *more than* FY 22
- \$4,990,763 from the Mineral Leasing Funds
 - \$3,758,643 *less than* FY 22

1017 Fund

Total Appropriation: \$890,120,375

- \$14,830,744 *more than* FY 22

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 3649:** Sales tax exemption for veteran service organizations providing civilian transition assistance for a reduction of \$5,267
- **HB 3081:** Strategic Industrial Development Enhancement tax credit for a reduction of \$950,760
- **SB 1857:** Hydrogen fuel cell tax credit for a reduction of \$21,788
- **SB 401:** Military retirement benefit income tax exemption for a reduction of \$449,789

Common Education Technology Fund

Total appropriation: \$47,025,701

- \$346,598 *less than* FY 22
- 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 Fund

Total available for appropriation: \$84,535,983

- \$7,978,001 *more than* in FY 22
- \$38,041,192 to Common Education Funding Formula
- \$4,226,799 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

Bills Impacting Education Lottery Trust Fund

- **HB 4388:**
 - Dedicates first \$65m in annual lottery gross proceeds for the 45-45-5-5 formula.
 - Effectively caps future common education formula revenue at \$29,250,000.
 - Dedicates annual net proceeds exceeding \$65m for the purpose of providing additional salary to teachers holding advanced, lead and master certificates.
 - Annual net proceeds for FY 23 are certified as \$57,000,000, so no funds are available for HB 4388 this year.

School Consolidation Fund

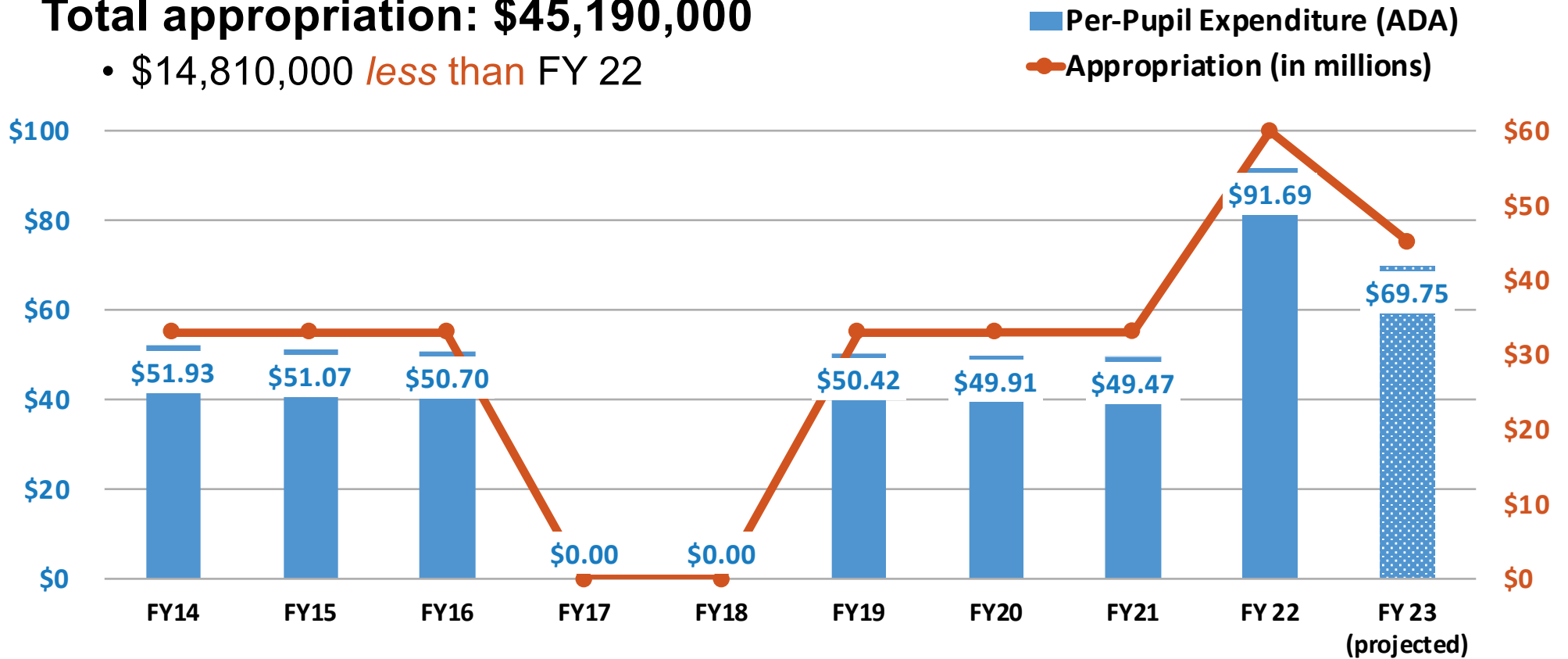
Total appropriation: \$4,226,799

- \$398,900 *more than* FY 22
 - HB 4388 caps future revenue at \$3,250,000
- 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)
 - \$3,713,802 FY 22 allocation to districts
 - \$4,226,799 FY 23 appropriation from Lottery Fund
 - \$9,249,185 total projected revenue available for FY 23

Instructional Materials

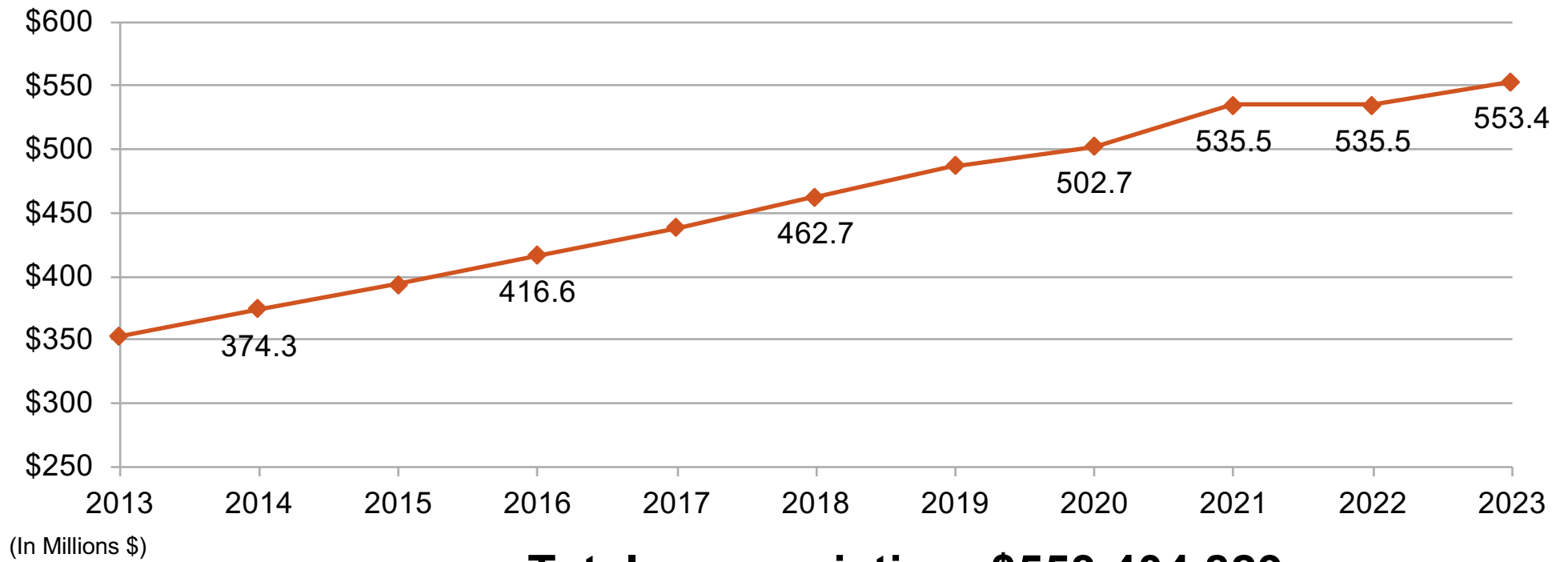
Total appropriation: \$45,190,000

- \$14,810,000 *less than* FY 22



Flexible Benefit Allowance

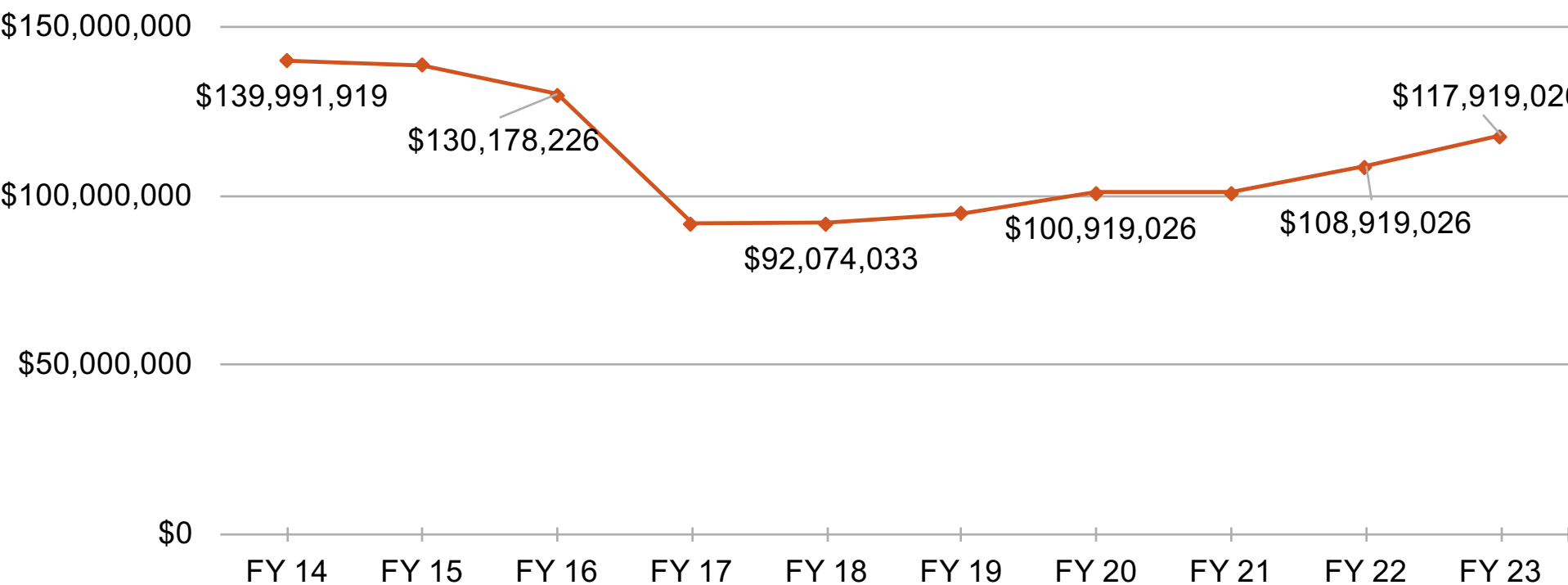
Providing Health Insurance to 88,000 Oklahoma Educators



Total appropriation: \$553,404,829

• \$17,867,808 *more than* FY 22

Support of Students and Teachers*



*Formally known as Public School Activities



Support of Students and Teachers

Funding Increased

- SoonerStart
 - Increased by \$1,825,000 (\$16,225,341 total)
- Alternative Education
 - Increased by \$2,000,000 (\$14,000,000 total)
- Reading Sufficiency Act
 - Increased by \$1,000,000 (\$13,000,000 total)
- AP Training and Test Fee Assistance
 - Increased by \$500,000 (\$1,500,000 total)

Support of Students and Teachers

Funding Increased to Meet Obligation

- Assessments
 - Increased by \$1,000,000 (\$9,205,685 total)
- Teachers' Retirement Credit
 - Increased by \$500,000 (\$35,000,000 total)

Support of Students and Teachers

New/Restored Line Item

- Imagine Reading
 - \$1,000,000
- ACT Work Keys
 - \$250,000
- Student Information Security
 - \$500,000
- Child ID
 - \$500,000
- Great Expectations
 - \$500,000
- Standards Implementation
 - \$300,000

Support of Students and Teachers

Funding Maintained

- Early Childhood Initiative
 - \$12,000,000
- School Lunch Match
 - \$3,500,000
- Imagine Math
 - \$1,000,000
- Oklahoma Arts Institute
 - \$320,000
- Street School
 - \$180,000
- Ag in the Classroom
 - \$38,000
- SLP, Audiologist, Psychologist Bonus
 - \$3,300,000
- Secure Schools Program
 - \$2,350,000
- Teach for America
 - \$2,000,000
- NBCT Bonus
 - \$1,000,000
- Teacher Leader Effectiveness
 - \$250,000



OKLAHOMA
Education



S.B. 1040

RE: S.B. 1040

SUBJECT: General appropriations

Senate Bill 1040 becomes effective July 1, 2022. 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 \$3,181,359,518 to the State Board of Education.

- Sections 1-16: Appropriates \$3,181,359,518 to the State Board of Education for Fiscal Year 2023 (FY 23), which is \$16,973,334 *more* than was appropriated in FY 22.
- Financial Support for Public Schools (i.e., funding formula) is appropriated \$2,437,246,699, which is *equal* to the amount appropriated in FY 22.
 - \$1,457,068,668 from the General Revenue Fund
 - \$890,120,375 from the Education Reform Revolving Fund (i.e. 1017 Fund)
 - \$47,025,701 from the Common Education Technology Fund
 - \$4,750,000 from the Mineral Leasing Fund FY 23
 - \$240,763 from the Mineral Leasing Fund FY 21
 - \$25,650,000 from the Oklahoma Education Lottery Trust Fund FY 23
 - \$12,391,192 from the Oklahoma Education Lottery Trust Fund FY 21
- Support of Public School Activities is appropriated \$117,919,026 from the General Revenue Fund, which is \$9,000,000 *more* than the amount appropriated in FY 22.
- Textbooks and instructional materials is appropriated \$45,190,000 from the General Revenue Fund, which is \$14,810,000 *less* than the amount appropriated in FY 22.
- Health Benefit Allowance (i.e., Flexible Benefit Allowance/FBA) is appropriated \$553,404,829 from the General Revenue Fund, which is \$17,867,808 *more* than the amount appropriated in FY 22.
 - \$359,193,470 for Certified Employees
 - \$194,211,359 for Support Personnel
- Administrative and Support Functions of the State Department of Education is appropriated \$19,145,366 from the General Revenue Fund, which is \$4,117,726 *more* than the amount appropriated in FY 22.

- School Consolidation Assistance Fund is appropriated \$4,226,799, which is \$398,900 *more* than the amount appropriated in FY 22.
 - \$2,850,000 from the Oklahoma Education Lottery Trust Fund FY 23.
 - \$1,376,799 from the Oklahoma Education Lottery Trust Fund FY 21.
- Oklahoma Teachers' Retirement System Dedicated Revenue Revolving Fund is appropriated \$4,226,799, which is \$398,900 *more* than the amount appropriated in FY 22.
 - \$2,850,000 from the Oklahoma Education Lottery Trust Fund FY 23.
 - \$1,376,799 from the Oklahoma Education Lottery Trust Fund FY 21.
- Section 17: Authorizes the State Board of Education to transfer \$401,906,190 from the Teachers' Retirement System Dedicated Revenue Revolving Fund to the Teachers' Retirement System of Oklahoma (OTRS) for the purpose of reducing the unfunded liability of the system.

NOTE: H.B. 4452 (2022) makes all transfers from the Oklahoma Teachers' Retirement System Dedicated Revenue Revolving Fund subject to Legislative authorization, requiring the fund to be certified by the State Board of Equalization.

- Section 28: The Oklahoma State Regents for Higher Education is appropriated \$15,764,823 for concurrent enrollment expenditures, which is \$4,000,000 *more* than the amount appropriated in FY 22.
- Section 143: The Ad Valorem Reimbursement Fund is appropriated \$95,283,174 from the General Revenue Fund 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 \$13,716,826 *less* than the amount appropriated FY 22.
 - Section 143 becomes effective May 27.

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. § 34.93, 193, 70 O.S. § 628.13, Article 10 § 23 of the Oklahoma Constitution



H.B. 4465

RE: H.B. 4465

SUBJECT: Education

House Bill 4465 becomes effective July 1, 2022. 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 SB 1040 be reserved for the financial support of public schools.
- Section 1(2): Directs \$716,513,855 of the funds appropriated in SB 1040 be appropriated as follows:
 - Certified Employee Health Benefit Allowance - \$359,193,470
 - Support Personnel Health Benefit Allowance - \$194,211,359
 - Teachers' Retirement Credit - \$35,000,000
 - Purchase of Textbooks and Instructional Materials - \$45,190,000
 - Alternative and High Challenge Education - \$14,000,000
 - Education Leadership Oklahoma - \$4,300,000
 - Advanced Placement Incentives - \$1,500,000
 - Reading Sufficiency Act - \$13,000,000
 - Required Assessments - \$9,205,685
 - Teach for America - \$2,000,000
 - Street School - \$180,000
 - Ag in the Classroom - \$38,000
 - Imagine Math - \$1,000,000
 - Imagine Reading - \$1,000,000
 - Oklahoma Arts Institute - \$320,000
 - Early Intervention SoonerStart - \$16,225,341
 - Secure Schools Program - \$2,350,000
 - Great Expectations - \$500,000
 - Child ID - \$500,000
 - Academic Standards Implementation - \$300,000
 - Teacher Leadership and Effectiveness - \$250,000
 - Student Information Security - \$500,000
 - ACT Work Keys - \$250,000
 - Early Childhood Initiative - \$12,000,000
 - School Lunch Matching - \$3,500,000

- Section 1(3): Directs \$19,145,366 of the funds appropriated in SB 1040 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 \$5,142,469,072 to be budgeted as follows. Requires outcome-based performance measures for each:
 - Payroll, Salaries or Wages - \$21,532,290
 - Professional and Personal Services Contracts - \$27,083,585
 - Other Operating Funds - \$3,215,841,664
 - Expenditure of Federal Funds - \$1,878,011,533
- Section 3: Directs \$4,226,799 of the funds appropriated in SB 1040 be transferred to the School Consolidation Assistance Fund.
- Sections 4: Directs \$4,226,799 of the funds appropriated in SB 1040 for the Teachers' Retirement System Dedicated Revolving Fund be transferred to the Teachers' Retirement System of Oklahoma (OTRS).
- Sections 5: Directs \$35,000,000 of the funds appropriated in SB 1040 for the Teachers' Retirement Credit be transferred to the OTRS.
- Section 6: Allows the 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, Imagine Math, Imagine Reading, ACT Work Keys, Child ID and Oklahoma Arts Institute if funds are insufficient to fully fund the Teachers' Retirement Credit.
- Section 7: Directs \$4,300,000 of the funds appropriated for Education Leadership Oklahoma to be allocated as follows:
 - \$1,000,000 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 \$1,500,000 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 \$13,000,000 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 \$9,205,685 for administering the statewide student assessment system for grades 3-12.
- Section 12: Directs \$14,000,000 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 \$16,225,341 to Early Intervention SoonerStart to be expended for direct services to eligible infants, toddlers and their families.
- Section 14: Directs \$12,000,000 to the Early Childhood Initiative for the purpose of funding the early childhood program.
- Section 15: Directs \$300,000 to Academic Standards Implementation for the purpose of funding implementation of academic standards.
- Section 16: 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 17: Authorizes the State Board of Education to request a transfer of appropriated funds to the appropriate dispensing fund.
- Section 18: 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 19: 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 20(A): Authorizes the State Superintendent to request through OMES that receipt and expenditure of unanticipated federal funds awarded after July 1, 2022 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 20(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 21: Authorizes appropriations made in SB 1040, but not including appropriations made for capital outlay purposes, to be budgeted for the fiscal year ending June 30, 2023 or for the fiscal year ending June 30, 2024.

- Section 22: Directs the State Board of Education to prescribe the duties and compensation of employees not prescribed by law that perform duties for the OSDE.

NOTE: Some sections of this bill are duplicated in the general appropriations bill, SB 1040.

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, 10-105.4, 11-103.6 13-125, 17-108.2, 26-103, 1210.508, 1210.568, 1210.703