An Act relating to education; specifying apportionment of certain funds which were appropriated; providing for the budgeting of funds in certain categories and amounts; requiring development of certain performance measures; requiring transfer of funds to the School Consolidation Assistance Fund; requiring transfer of funds to the Teachers' Retirement System Dedicated Revenue Revolving Fund; requiring the transfer of funds to the Teachers' Retirement System of Oklahoma for the Teachers' Retirement Credit; requiring funds allocated for Education Leadership Oklahoma to be transferred and expended for certain purposes; specifying purposes for funds allocated for Reform Implementation; stating purposes for funds allocated for Alternative and High Challenge Education; stating purpose of funds allocated for Financial Literacy; requiring transfer of Early Intervention funds; stating intent regarding expenditures for direct costs; prohibiting the State Department of Education from contracting for certain administrative costs in the Oklahoma Early Intervention Act; stating purpose for funds allocated for the Early Childhood Initiative; stating purpose for funds allocated for the Parent Training Program; stating purpose for funds allocated for Rural Infant Stimulation Environment Program; providing for duties and compensation of employees of the State Department of Education; requiring the reduction or withholding of State Aid funds for certain purposes; authorizing the State Board of Education to request certain transfer of funds;
providing for certain proportional reduction of funds; requiring budgeting of certain funds in certain years; providing lapse dates; requiring certain budgeting procedures; prohibiting certain budgeting procedures; providing an effective date; and declaring an emergency.

SUBJECT: Education

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

SECTION 1. For the fiscal year ending June 30, 2015, the support of public schools by the State Board of Education payable from monies appropriated and authorized by Sections 1 through 10 of Enrolled Senate Bill No. 2127 of the 2nd Session of the 54th Oklahoma Legislature shall be apportioned as follows:

1. Funds appropriated and authorized by Sections 1 through 7 of Enrolled Senate Bill No. 2127 of the 2nd Session of the 54th Oklahoma Legislature:

   Local and State-supported Financial Support of Public Schools......................$1,877,570,777.00

   SUBTOTAL, PARAGRAPH 1....................$1,877,570,777.00

2. Funds appropriated by Sections 8 and 9 of Enrolled Senate Bill No. 2127 of the 2nd Session of the 54th Oklahoma Legislature:

   Certified Employee Health Benefit Allowance..............................................$263,956,552.00

   Support Personnel Health Benefit Allowance.............................................143,824,310.00

   Teachers' Retirement Credit...............35,311,375.00

   Education Leadership Oklahoma.................14,942,350.00

   Reform Implementation.....................42,859,836.00
Purchase of Textbooks and Instructional Materials........................33,000,000.00

Alternative and High Challenge Education........................................14,027,366.00

Financial Literacy.................................................................150,000.00

Early Intervention.................................................................14,417,922.00

Early Childhood Initiative........................................................10,500,000.00

Parent Training Program..........................................................1,000,000.00

School Lunch Matching.........................................................4,600,425.00

School Lunch Programs..........................................................359,863.00

Rural Infant Stimulation Environment Program........................................529,943.00

Oklahoma Arts Institute...........................................................350,000.00

AG in the Classroom...............................................................38,675.00

SUBTOTAL, PARAGRAPH 2.........................................................$579,868,617.00

3. Funds appropriated by Section 10 of Enrolled Senate Bill No. 2127 of the 2nd Session of the 54th Oklahoma Legislature:

Administrative and Support Functions of the State Department of Education........$22,426,642.00

SUBTOTAL, PARAGRAPH 3.................................$22,426,642.00

TOTAL State School Aid and Programs..............$2,479,866,036.00

SECTION 2. For the fiscal year ending June 30, 2015, the State Board of Education shall budget all funds in the following categories and amounts:

<table>
<thead>
<tr>
<th>Category</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll, Salaries or Wages, Including Tax-sheltered Deferment Contracts and</td>
<td></td>
</tr>
</tbody>
</table>
Longevity Payments Authorized by State Statutes $15,246,558.00

Professional and Personal Services Contracts 66,861,450.00

Other Operating Funds 2,439,381,089.00

Expenditure of Federal Funds 745,142,181.00

TOTAL $3,266,631,278.00

The agency shall develop outcome-based performance measures for each budget category.

SECTION 3. The funds appropriated in Sections 11 and 12 of Enrolled Senate Bill No. 2127 of the 2nd Session of the 54th Oklahoma Legislature in the amount of Three Million Four Hundred Ninety-four Thousand Twenty-three Dollars ($3,494,023.00) shall be transferred to the School Consolidation Assistance Fund.

SECTION 4. The funds appropriated in Sections 13 and 14 of Enrolled Senate Bill No. 2127 of the 2nd Session of the 54th Oklahoma Legislature in the amount of Three Million Four Hundred Ninety-four Thousand Twenty-three Dollars ($3,494,023.00) shall be transferred to the Teachers' Retirement System Dedicated Revenue Revolving Fund.

SECTION 5. The funds allocated in Section 1 of this act specifically for the purpose of funding the Teachers' Retirement Credit shall be transferred to the Teachers' Retirement System of Oklahoma.

SECTION 6. The funds allocated in Section 1 of this act for the purpose of funding Education Leadership Oklahoma shall be expended as follows:

1. Eleven Million Three Hundred Forty-two Thousand Three Hundred Fifty Dollars ($11,342,350.00) shall be transferred to the Oklahoma National Board Certification Revolving Fund created in Section 6-204.4 of Title 70 of the Oklahoma Statutes for the purpose of awarding annual bonuses as directed; and

2. Three Million Six Hundred Thousand Dollars ($3,600,000.00) shall be transferred to the Oklahoma School Psychologist, Speech-
Language Pathologist, and Audiologist National Certification Revolving Fund created in Section 6-206.1 of Title 70 of the Oklahoma Statutes for the purpose of awarding annual bonuses as directed.

SECTION 7. The funds allocated in Section 1 of this act for Reform Implementation shall be expended as follows:

1. Eight Million Dollars ($8,000,000.00) for ACE Remediation shall be allocated by the State Department of Education to school districts for the purpose of funding school districts on a per-hour per-student basis for the costs associated with providing remediation to students pursuant to the provisions of Section 1210.522 of Title 70 of the Oklahoma Statutes. The State Board of Education shall determine the per-hour per-student dollar amount to be allocated to school districts;

2. Four Million One Hundred Fifty Thousand Dollars ($4,150,000.00) for the Advanced Placement Incentives shall be expended for one-time equipment or materials, grants, subsidized training, school incentives, exam fee reimbursement, Advancement Through Individual Determination (AVID), National Math and Science Initiative (NMSI) and administrative costs. The amount of funds expended for administrative costs shall not exceed Ninety-two Thousand Nine Hundred Ninety-seven Dollars ($92,997.00);

3. Six Million Five Hundred Thousand Dollars ($6,500,000.00) for Reading Sufficiency. Funds shall be expended for costs associated with multiple ongoing assessments and remediation pursuant to the provisions of Sections 1210.508C and 1210.508D of Title 70 of the Oklahoma Statutes;

4. Fifty Thousand Dollars ($50,000.00) for the Charter Schools Incentive Fund shall be transferred to the Charter Schools Incentive Fund for use pursuant to the provisions of Section 3-144 of Title 70 of the Oklahoma Statutes;

5. Five Hundred Sixty-four Thousand Dollars ($564,000.00) for development and implementation of standards. Funds shall be used to provide professional development to schools throughout the state;

6. Three Hundred Thousand Dollars ($300,000.00) for STEM-Ready schools. Funds shall be used to prepare teachers in selected Oklahoma schools in Science, Technology, Engineering and Math;
7. One Million Eight Hundred Thousand Dollars ($1,800,000.00) for Think Through Math. Funds shall be used to develop and implement a technology-based intervention and remediation program in mathematics;

8. Four Million Two Hundred Fifty Thousand Dollars ($4,250,000.00) for Staff Development for schools shall be allocated on an average daily attendance basis for the purpose of teacher education and staff development pursuant to rules that shall be promulgated by the State Board of Education;

9. Two Million Dollars ($2,000,000.00) for Teacher and Leader Effectiveness (TLE) Development of Value Added Component. Funds shall be used to implement the provisions of Section 6-101.16 of Title 70 of the Oklahoma Statutes;

10. Two Million Five Hundred Thousand Dollars ($2,500,000.00) for 3rd Grade Reading Readiness shall be used to implement the provisions of Section 1210.508C of Title 70 of the Oklahoma Statutes;

11. One Million Eight Hundred Forty-five Eight Hundred Thirty-six Dollars ($1,845,836.00) for Oklahoma Student Information System Data. Funds shall be used to support the data systems development and integration and other activities as outlined in the State Longitudinal Data Systems (SLDS) grant;

12. Three Million Dollars ($3,000,000.00) for student testing;

13. Two Million Five Hundred Thousand Dollars ($2,500,000.00) shall be allocated for the Teach for America program; and

14. Five Million Four Hundred Thousand Dollars ($5,400,000.00) shall be used for School Competitive Grants Pool. These funds shall be made available on a statewide competitive application basis as specified by the State Department of Education.

SECTION 8. The funds allocated in Section 1 of this act for Alternative and High Challenge Education shall be expended for the purpose of operating the statewide system of alternative education programs as provided in Section 1210.568 of Title 70 of the Oklahoma Statutes, and for encouraging school districts to participate in innovative alternative education programs. The funds shall be expended as follows:
1. Thirteen Million Seven Hundred Twenty-seven Thousand Three Hundred Sixty-six Dollars ($13,727,366.00) for statewide programs; and

2. Three Hundred Thousand Dollars ($300,000.00) for program evaluation, technical assistance and staff development conducted by the contracted technical assistance provider as provided for in Section 1210.568 of Title 70 of the Oklahoma Statutes.

SECTION 9. The funds allocated in Section 1 of this act for Financial Literacy shall be used to implement the provisions of Section 11-103.6h of Title 70 of the Oklahoma Statutes.

SECTION 10. The funds allocated in Section 1 of this act for Early Intervention shall be transferred to the fund designated within the Office of Management and Enterprise Services as the Early Intervention Fund 250. It is the intent of the Legislature that funding available for SoonerStart Early Intervention Services be expended for direct services to eligible infants, toddlers and their families. The State Department of Education shall not contract, pay or reimburse for administrative cost recovery personnel, accounting, and management information system costs, maintenance and operations at the state or local level or indirect costs which do not comply with the requirements of Section 13-125 of Title 70 of the Oklahoma Statutes.

SECTION 11. The funds allocated in Section 1 of this act for the Early Childhood Initiative shall be expended for the purpose of funding the early childhood program pursuant to the provisions of Section 10-105.4 of Title 70 of the Oklahoma Statutes.

SECTION 12. The funds allocated in Section 1 of this act for the Parent Training Program, as authorized in Section 10-105.3 of Title 70 of the Oklahoma Statutes, shall be expended for the continuation and expansion of the Oklahoma Parents as Teachers Program.

SECTION 13. The funds allocated for the Rural Infant Stimulation Environment (RISE) Program in Section 1 of this act shall be used for capital expenditures and operations for a school designed to serve children with disabilities from birth to five (5) years of age.

SECTION 14. The duties and compensation of employees, not otherwise prescribed by law, necessary to perform the duties imposed
upon the State Department of Education by law shall be set by the State Board of Education.

SECTION 15. State Aid funds shall be reduced or withheld by the State Board of Education in an amount necessary to ensure compliance with the provisions of this act.

SECTION 16. The State Board of Education is authorized to request the Office of Management and Enterprise Services to transfer appropriated funds to the appropriate dispensing fund.

SECTION 17. If funds appropriated in Sections 1 through 14 of Enrolled Senate Bill No. 2127 of the 2nd Session of the 54th Oklahoma Legislature are not sufficient to fully fund the provisions of this act, each school district which qualifies for funds, excluding Financial Support of Public Schools, pursuant to the provisions of this act shall take a proportionate reduction.

SECTION 18. Appropriations made by Sections 1 through 14 of Enrolled Senate Bill No. 2720 of the 2nd Session of the 54th Oklahoma Legislature, not including appropriations made for capital outlay purposes, may be budgeted for the fiscal year ending June 30, 2015 (hereafter FY-15) or may be budgeted for the fiscal year ending June 30, 2016 (hereafter FY-16). Funds budgeted for FY-15 may be encumbered only through June 30, 2015, and must be expended by November 15, 2015. Any funds remaining after November 15, 2015, and not budgeted for FY-16, shall lapse to the credit of the proper fund for the then current fiscal year. Funds budgeted for FY-16 may be encumbered only through June 30, 2016. Any funds remaining after November 15, 2016, shall lapse to the credit of the proper fund for the then current fiscal year. These appropriations may not be budgeted in both fiscal years simultaneously. Funds budgeted in FY-15, and not required to pay obligations for that fiscal year, may be budgeted for FY-16, after the agency to which the funds have been appropriated has prepared and submitted a budget work program revision removing these funds from the FY-15 budget work program and after such revision has been approved by the Office of Management and Enterprise Services.

SECTION 19. This act shall become effective July 1, 2014.

SECTION 20. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.
Passed the House of Representatives the 21st day of May, 2014.

__________________________
Presiding Officer of the House of Representatives

Passed the Senate the 23rd day of May, 2014.

__________________________
Presiding Officer of the Senate

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this _____________
day of _________________, 20______, at _____ o’clock _____ M.

By: __________________________

Approved by the Governor of the State of Oklahoma this _______
day of _________________, 20______, at _____ o’clock _____ M.

__________________________
Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this _______
day of _________________, 20______, at _____ o’clock _____ M.

By: __________________________