

1 ENGROSSED SENATE
2 BILL NO. 1126

By: Hall and Haste of the
Senate

3 and

4 Caldwell (Trey) and Kane of
the House

5
6
7 An Act relating to education; specifying
8 apportionment of certain appropriated funds;
9 providing for the budgeting of funds in certain
categories and amounts; requiring development of
certain performance measures; requiring transfers of
certain funds; limiting authority to reduce certain
apportionments; requiring certain funds to be
expended for certain purposes; stating purposes for
allocated funds; requiring certain transfer of funds;
stating legislative intent regarding expenditures for
direct costs; prohibiting the State Department of
Education from contracting for certain administrative
costs in certain 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 transfer of
certain funds; authorizing the request of early
allocations for certain funds; requiring proportional
reductions of allocations under certain conditions;
authorizing exemption from budgetary limits for
unanticipated federal funds; providing procedures;
requiring approval of exemption request under certain
conditions; requiring budgeting of certain funds in
certain years; requiring certain budgeting
procedures; prohibiting certain budgeting procedures;
providing an effective date; and declaring an
emergency.

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

1 SECTION 1. For the fiscal year ending June 30, 2026, for the
2 support of public school activities by the State Board of Education
3 payable from monies appropriated and authorized by Enrolled House
4 Bill No. 2766 of the 1st Session of the 60th Oklahoma Legislature
5 shall be apportioned as follows:

6 1. Funds appropriated and authorized by Sections 1, 2, 3, 4, 5,
7 6, 7, and 18 of Enrolled House Bill No. 2766 of the 1st Session of
8 the 60th Oklahoma Legislature:

9 Local- and State-supported

10 Financial Support of Public

11 Schools \$3,120,730,927.00

12 SUBTOTAL, PARAGRAPH 1 \$3,120,730,927.00

13 2. Funds appropriated by Sections 8, 9, 10, 12, 17, and 19 of
14 Enrolled House Bill No. 2766 of the 1st Session of the 60th Oklahoma
15 Legislature:

16 Certified Employee Health Benefit

17 Allowance \$410,851,159.00

18 Support Employee Health Benefit

19 Allowance \$247,723,418.00

20 Teachers' Retirement Credit \$35,000,000.00

21 Purchase of Textbooks and

22 Instructional Materials \$45,190,000.00

23 Public School Paid Maternity Leave

24 Revolving Fund \$6,500,000.00

| | | |
|----|--|------------------|
| 1 | Student Teacher Compensation | \$2,650,000.00 |
| 2 | Alternative and High Challenge | |
| 3 | Education | \$14,000,000.00 |
| 4 | Education Leadership Oklahoma | \$4,500,000.00 |
| 5 | Advanced Placement Incentives | \$1,559,863.00 |
| 6 | Strong Readers Act | \$17,500,000.00 |
| 7 | Required Assessments | \$13,405,685.00 |
| 8 | Street School | \$200,000.00 |
| 9 | Ag in the Classroom | \$38,000.00 |
| 10 | Imagine Math | \$1,000,000.00 |
| 11 | Imagine Reading | \$1,000,000.00 |
| 12 | Oklahoma Imagination Library | |
| 13 | Program | \$2,000,000.00 |
| 14 | Oklahoma Arts Institute | \$320,000.00 |
| 15 | Early Intervention | \$16,725,341.00 |
| 16 | Great Expectations | \$500,000.00 |
| 17 | Early Childhood Initiative | \$14,000,000.00 |
| 18 | School Lunch Matching | \$3,140,137.00 |
| 19 | Nationally Recognized Career | |
| 20 | Readiness Assessments | \$250,000.00 |
| 21 | Civil Rights Curriculum | \$50,000.00 |
| 22 | SUBTOTAL, PARAGRAPH 2 | \$838,103,603.00 |
| 23 | 3. Funds appropriated by Section 11 of Enrolled House Bill No. | |
| 24 | 2766 of the 1st Session of the 60th Oklahoma Legislature: | |

1 Administrative and Support
2 Functions of the State Department
3 of Education \$18,145,366.00
4 SUBTOTAL, PARAGRAPH 3 \$18,145,366.00
5 TOTAL State School Aid and Programs \$3,976,979,896.00

6 SECTION 2. For the fiscal year ending June 30, 2026, the State
7 Board of Education shall budget all funds in the following
8 categories and amounts:

| Category | Total |
|------------------------------------|---------------------|
| Payroll, Salaries or Wages, | \$22,627,959.00 |
| Including Tax-sheltered Deferment | |
| Contracts and Longevity Payments | |
| Authorized by State Statutes | |
| Professional and Personal Services | |
| Contracts | \$33,645,498.00 |
| Other Operating Funds | \$3,927,205,809.00 |
| Expenditure of Federal Funds | \$634,934,710.00 |
| TOTAL | \$4,618,413,9761.00 |

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

21 SECTION 3. The funds appropriated in Sections 13 and 14 of
22 Enrolled House Bill No. 2766 of the 1st Session of the 60th Oklahoma
23 Legislature in the amount of Three Million Two Hundred Fifty

1 Thousand Dollars (\$3,250,000.00) shall be transferred to the School
2 Consolidation Assistance Fund.

3 SECTION 4. The funds appropriated in Sections 15 and 16 of
4 Enrolled House Bill No. 2766 of the 1st Session of the 60th Oklahoma
5 Legislature in the amount of Three Million Two Hundred Fifty
6 Thousand Dollars (\$3,250,000.00) shall be transferred to the
7 Teachers' Retirement System Dedicated Revenue Revolving Fund.

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

12 SECTION 6. If the funds allocated in Section 1 of this act
13 specifically for the purpose of funding the Teachers' Retirement
14 Credit are insufficient to fully fund the employee contribution
15 credits provided for in Section 17-108.2 of Title 70 of the Oklahoma
16 Statutes as invoiced by the Teachers' Retirement System of Oklahoma,
17 the State Department of Education may reduce in equal proportions
18 funds allocated in Section 1 of this act to Alternative and High
19 Challenge Education, Education Leadership Oklahoma, Advanced
20 Placement Incentives, Strong Readers Act, Required Assessments,
21 Street School, Ag in the Classroom, Imagine Math, Imagine Reading,
22 Oklahoma Imagination Library Program, Oklahoma Arts Institute, Great
23 Expectations, Nationally Recognized Career Readiness Assessments,
24 and Civil Rights Curriculum. The total amount of funds reduced

1 shall not exceed the additional amount required to fully fund the
2 employee contribution credits.

3 SECTION 7. The funds allocated in Section 1 of this act for the
4 purpose of funding Education Leadership Oklahoma shall be expended
5 as follows:

6 1. Two Hundred Fifty Thousand Dollars (\$250,000.00) shall be
7 transferred to the Oklahoma National Board Certification Revolving
8 Fund, created in Section 6-204.4 of Title 70 of the Oklahoma
9 Statutes, for the purpose of awarding annual bonuses as directed;
10 and

11 2. Four Million Two Hundred Fifty Thousand Dollars
12 (\$4,250,000.00) shall be transferred to the Oklahoma School
13 Psychologist, Speech-Language Pathologist, and Audiologist National
14 Certification Revolving Fund, created in Section 6-206.1 of Title 70
15 of the Oklahoma Statutes, for the purpose of awarding annual bonuses
16 as directed.

17 SECTION 8. The funds allocated in Section 1 of this act for
18 Advanced Placement Incentives shall be expended for the purpose of
19 providing assistance for students in financial need, providing
20 grants to districts wanting to start new advanced placement (AP)
21 programs, and expanding professional development, pursuant to the
22 provisions of Section 1210.703 of Title 70 of the Oklahoma Statutes.

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1 SECTION 9. The funds allocated in Section 1 of this act for the
2 Strong Readers Act shall be expended pursuant to the provisions of
3 Section 1210.508A et seq. of Title 70 of the Oklahoma Statutes.

4 SECTION 10. The funds allocated in Section 1 of this act for
5 Required Assessments shall be expended for the purpose of
6 administering a statewide student assessment system for grades three
7 through twelve, pursuant to Section 1210.508 of Title 70 of the
8 Oklahoma Statutes.

9 SECTION 11. The funds allocated in Section 1 of this act for
10 Alternative and High Challenge Education shall be expended for the
11 purpose of operating the statewide system of alternative education
12 programs, as provided in Section 1210.568 of Title 70 of the
13 Oklahoma Statutes, and for encouraging school districts to
14 participate in innovative alternative education programs.

15 SECTION 12. The funds allocated in Section 1 of this act for
16 Early Intervention shall be transferred to the Early Intervention
17 Revolving Fund (250). It is the intent of the Legislature that
18 funding available for SoonerStart Early Intervention Services be
19 expended for direct services to eligible infants and toddlers and
20 their families. The State Department of Education shall not
21 contract, pay, or reimburse for administrative cost recovery
22 personnel, accounting, management information system costs, and
23 maintenance and operations at the state or local level or indirect

1 costs which do not comply with the requirements of Section 13-125 of
2 Title 70 of the Oklahoma Statutes.

3 SECTION 13. The funds allocated in Section 1 of this act for
4 the Early Childhood Initiative shall be expended for the purpose of
5 funding the early childhood program pursuant to the provisions of
6 Section 10-105.4 of Title 70 of the Oklahoma Statutes.

7 SECTION 14. Of the funds allocated in Section 1 of Enrolled
8 House Bill No. 2766 of the 1st Session of the 60th Oklahoma
9 Legislature, Five Million Dollars (\$5,000,000.00) shall be deposited
10 in the Grow Your Own Educator Revolving Fund pursuant to the
11 provisions of Section 2 of Enrolled Senate Bill No. 235 of the 1st
12 Session of the 60th Oklahoma Legislature.

13 SECTION 15. The funds allocated in Section 1 of this act for
14 Civil Rights Curriculum shall be expended pursuant to the provisions
15 of Section 11.103.6p of Title 70 the Oklahoma Statutes.

16 SECTION 16. State Aid funds shall be reduced or withheld by the
17 State Board of Education in an amount necessary to ensure compliance
18 with this act.

19 SECTION 17. The State Board of Education is authorized to
20 request the Office of Management and Enterprise Services to transfer
21 appropriated funds to the appropriate dispensing fund.

22 SECTION 18. The Superintendent of Public Instruction may
23 request through the Director of the Office of Management and
24 Enterprise Services the early transfer by the Oklahoma Tax

1 Commission of tax collections to the Education Reform Revolving Fund
2 for the purpose of early allocation to the State Board of
3 Education's disbursing funds to alleviate cash-flow problems.

4 SECTION 19. If funds appropriated in Sections 1 through 19 of
5 Enrolled House Bill No. 2766 of the 1st Session of the 60th Oklahoma
6 Legislature are not sufficient to fully fund the provisions of this
7 act, each school district that qualifies for funds, excluding
8 Financial Support of Public Schools, pursuant to the provisions of
9 this act shall take a proportionate reduction.

10 SECTION 20. A. The Superintendent of Public Instruction may
11 request, in the manner provided in this section, that receipt and
12 expenditure of unanticipated federal funds awarded after July 1,
13 2024, be exempt from expenditure limitations and from budgetary
14 limitations.

15 1. The Superintendent shall make a request for exemption to the
16 Office of Management and Enterprise Services in writing and file a
17 revised budget work program.

18 2. The Superintendent shall also file copies of the request for
19 exemption and budget work program revisions with the chair of the
20 Appropriations Committee of the Oklahoma State Senate and the chair
21 of the Appropriations and Budget Committee of the Oklahoma House of
22 Representatives. The chair of the Appropriations Committee of the
23 Oklahoma State Senate and/or the chair of the Appropriations and
24 Budget Committee of the Oklahoma House of Representatives shall

1 | notify the Office of Management and Enterprise Services of any
2 | noncompliance of the request with legislative intent within twelve
3 | (12) calendar days of receipt of the exemption request.

4 | B. The Office of Management and Enterprise Services shall
5 | approve the request for exemption unless both the chair and vice
6 | chair of the Legislative Oversight Committee on State Budget
7 | Performance provide written notification to the Office of Management
8 | and Enterprise Services within twelve (12) calendar days of the
9 | Committee's receipt of the exemption request that the exemption
10 | subverts the intention and objectives of the Legislature in
11 | establishing the original limit. The Office of Management and
12 | Enterprise Services shall give written notice of approval or
13 | disapproval of each exemption to the agency, the Governor, the chair
14 | of the Appropriations Committee of the Oklahoma State Senate, and
15 | the chair of the Appropriations and Budget Committee of the Oklahoma
16 | House of Representatives within eighteen (18) calendar days of
17 | receiving the request.

18 | SECTION 21. It is the intent of the Legislature that compliance
19 | with the provisions of this act is enforceable pursuant to the
20 | provisions of paragraph 9 of subsection A of Section 18b of Title 74
21 | of the Oklahoma Statutes.

22 | SECTION 22. This act shall become effective July 1, 2025.

23 | SECTION 23. It being immediately necessary for the preservation
24 | of the public peace, health or safety, an emergency is hereby

1 declared to exist, by reason whereof this act shall take effect and
2 be in full force from and after its passage and approval.

3 Passed the Senate the 20th day of May, 2025.

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6 Presiding Officer of the Senate

7 Passed the House of Representatives the _____ day of _____,
8 2025.

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10 _____
11 Presiding Officer of the House
12 of Representatives