

FY-2017 BUDGET



OKLAHOMA STATE DEPARTMENT OF
EDUCATION
— CHAMPION EXCELLENCE —



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 10, 2016
SUBJECT: FY 17 Education Budget Recommendation

The following budget is recommended for approval by the State Board of Education.

The Oklahoma State Legislature passed S.B. 1616 making certain appropriations to the State Board of Education. Amounts for Financial Support of Public Schools, Flexible Benefit Allowance, Support of Public School Activities, Support of Partnership of Math Intervention and Administrative/Support Functions of the State Department of Education (SDE) were specifically appropriated.

Most notably, in this year's budget the Legislature was able to maintain funding for the school funding formula, in exchange eliminating \$33 million for Instructional Materials along with \$38.2 million from the Support of Public School Activities fund. The Legislature also appropriated funds to meet the estimated obligation of providing a Flexible Benefit Allowance (FBA) for certified and support personnel.

Of the \$91.9 million appropriated to Public School Activities, more than 80% is reserved for existing obligations, including almost \$33 million for the Teachers' Retirement System, leaving just over \$15 million for 22 programs.

Attached Documentation:

- FY 17 SDE Appropriation/Budget
- FY 17 SDE Appropriation/Budget Program Description
- S.B. 1616 (Education Appropriations)
- S.B. 1616 Bill Summary
- FY 17 SDE Appropriations/Budget Presentation

JH/ct

**Oklahoma State Board of Education
Items Appropriated by S.B. 1616 for Fiscal Year 2017**

Purpose	FY 16 Appropriation	FY 17 Proposed Budget	Total Increase/(Decrease)	% Decrease
Financial Support of Public Schools	1,876,735,176.00	1,870,703,624.00	(6,031,552.00)	0.32%
<i>Amount appropriated from General Revenue (GR)</i>	<i>990,708,890.00</i>	<i>1,038,594,450.00</i>	<i>47,885,560.00</i>	
Instructional Materials	33,000,000.00	-	(33,000,000.00)	100.00%
Flexible Benefit Allowance <i>(appropriated from GR)</i>	416,023,565.00	442,030,522.00	26,006,957.00	0.00%
<i>Certified Personnel</i>	<i>267,559,579.00</i>	<i>284,030,744.00</i>		
<i>Support Personnel</i>	<i>148,463,986.00</i>	<i>157,999,778.00</i>		
Support of Public School Activities <i>(appropriated from GR)</i>	130,178,226.00	91,956,442.00	(38,221,784.00)	29.36%
<i>Transfer from Support of Partnership of Math Intervention</i>		<i>400,000.00</i>		
<i>Total Support of Public School Activities Fund</i>		<i>92,356,442.00</i>		
Support of Partnership of Math Intervention <i>(appropriated from GR)</i>	-	1,000,000.00	1,000,000.00	0.00%
<i>Requested Transfer to Public School Activities</i>		<i>(400,000.00)</i>		
<i>Total Support of Partnership of Math Intervention</i>		<i>600,000.00</i>		
Administrative and Support Functions <i>(appropriated from GR)</i>	22,399,295.00	15,831,344.00	(6,567,951.00)	29.32%
Lottery Trust Fund - Transfer to TRS Revolving Fund (62 O.S. 34.93 and 3A O.S. 713(C)(3))	3,268,435.00	2,599,751.00	(668,684.00)	20.46%
Lottery Trust Fund - Transfer to School Consolidation Assistance Fund (70 O.S. 7-203)	3,268,435.00	2,599,751.00	(668,684.00)	20.46%
TOTAL APPROPRIATION	2,484,873,132.00	2,426,721,434.00	(58,151,698.00)	2.34%

**Oklahoma State Board of Education
Support of Public School Activities Budget**

Purpose		FY 16 Appropriation	FY 17 Proposed Budget	Total Increase/ (Decrease)	% Decrease	Notes
1	Teachers' Retirement System (70 O.S. 17-108.2)	32,712,137.00	32,712,137.00	-	0.00%	Restored to FY 16 level
2	Early Intervention SoonerStart (70 O.S. 13-124)	14,400,341.00	14,400,341.00	-	0.00%	Restored to FY 16 level
3	Testing/ACE (70 O.S. 1210.508, 20 USC §6311(b)(2))	12,486,587.00	11,064,293.00	(1,422,294.00)	11.39%	Savings per HB 3218
4	Alternative Education - Statewide school programs (70 O.S. 1210.561, 70 O.S. 1210.568)	13,710,627.00	9,472,400.00	(4,238,227.00)	30.91%	Adjusted as funds are available
5	Education Leadership Oklahoma - National Board Teacher Bonus (70 O.S. 6-204.2)	9,328,520.00	5,500,000.00	(3,828,520.00)	41.04%	Adjusted based on need
6	School Lunch Matching & MOE (7 CFR 210-17 and 7 CFR 235.11(a))	4,954,240.00	3,500,000.00	(1,454,240.00)	29.35%	Maintain state match and MOE
7	Funding Required to Meet Obligations	87,592,452.00	76,649,171.00	(10,943,281.00)	12.49%	
8	Early Childhood Initiative (70 O.S. 10-105.4)	10,487,197.00	8,000,000.00	(2,487,197.00)	23.72%	Adjusted as funds are available
9	Reading Sufficiency (70 O.S. 1210.508D)	6,492,074.00	4,507,271.00	(1,984,803.00)	30.57%	Adjusted as funds are available
10	AP Teacher Training and Test Fee Assistance, AVID & NMSI (70 O.S. 1210.703)	3,144,940.00	1,100,000.00	(2,044,940.00)	65.02%	Summer PD Institute
11	Oklahoma Student Information System (70 O.S. 18-200.1(E))	1,843,585.00	704,053.00	(1,139,532.00)	61.81%	Adjusted as funds are available
12	Standards Implementation (70 O.S. 11-103.6, 20 USC §6311(b)(1))	64,000.00	350,000.00	286,000.00	0.00%	Implementation of new standards
13	Alternative Education Programs - Oklahoma Technical Assistance Center (70 O.S. 1210.568)	299,634.00	150,000.00	(149,634.00)	49.94%	Adjusted as funds are available
14	Teacher and Leader Effectiveness Programs (70 O.S. 6-101.16, 20 USC §6611)	1,000,000.00	95,947.00	(904,053.00)	90.41%	Implementation of HB 2957
15	Charter Schools Incentive Fund (70 O.S. 3-144)	49,940.00	-	(49,940.00)	100.00%	Funds not available
16	Education Leadership Oklahoma - Psychologists, Speech Pathologists and Audiologists Bonus (70 O.S. 6-206)	3,595,610.00	-	(3,595,610.00)	100.00%	Funds not available
17	Parent Education Program Grant (70 O.S. 10-105.3)	998,781.00	-	(998,781.00)	100.00%	Funds not available
18	Personal Financial Literacy (70 O.S. 11-103.6h)	149,817.00	-	(149,817.00)	100.00%	Funds not available
19	Staff Development for Schools (70 O.S. 6-193)	4,244,818.00	-	(4,244,818.00)	100.00%	Funds not available
20	Teacher Residency Program (70 O.S. 6-195)	250,000.00	-	(250,000.00)	100.00%	Funds not available
21	Total Programs Supported by State Statute/Federal Law (lines 1-6, 8-20)	120,212,848.00	91,556,442.00	(28,656,406.00)	23.84%	
22	Great Expectations	1,115,675.00	300,000.00	(815,675.00)	73.11%	Previously funded through SCGP
23	Teach for America	2,496,952.00	250,000.00	(2,246,952.00)	89.99%	Adjusted as funds are available
24	Street School	200,000.00	150,000.00	(50,000.00)	25.00%	Previously funded through SCGP
25	Oklahoma Arts Institute	349,573.00	100,000.00	(249,573.00)	71.39%	Adjusted as funds are available
26	Ag in the Classroom	38,628.00	-	(38,628.00)	100.00%	Funds not available
27	Rural Infant Stimulation Environment Program (RISE)	529,297.00	-	(529,297.00)	100.00%	Funds not available
28	School Competitive Grants Pool (SCGP) *Removed Great Expectations and Street School from FY 16 total	4,746,618.00	-	(4,746,618.00)	100.00%	Funds not available
29	SCORE Grants/Reading Readiness	189,000.00	-	(189,000.00)	100.00%	Funds not available
30	STEM Ready Schools	299,634.00	-	(299,634.00)	100.00%	Funds not available
31	Total Programs Not Supported by State Statute/Federal Law (lines 22-30)	9,965,377.00	800,000.00	(9,165,377.00)	91.97%	
32	Total Support of Public School Activities	130,178,225.00	92,356,442.00	(37,821,783.00)	29.05%	

Oklahoma State Board of Education

Program Descriptions for Items Appropriated by S.B. 1616 for Fiscal Year 2017

Purpose	Description	FY 17 Appropriation
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.	1,870,703,624.00
Instructional Materials (70 O.S. 16-114a)	Based on legislative appropriations. Funds allocated to school districts for textbooks and instructional expenses on an average daily attendance basis (ADA). \$100,000 preserved from carryover to meet the statutory requirements for replacement of textbooks destroyed by fire or other hazard.	-
Flexible Benefit Allowance (70 O.S. 26-104)	See next two items.	442,030,522.00
<i>Certified Personnel</i>	Benefit amount to approximately 51,487 school district certified personnel to offset health insurance costs.	284,030,744.00
<i>Support Personnel</i>	Benefit amount to approximately 32,837 school district support personnel to offset health insurance costs.	157,999,778.00
Support of Public School Activities	Funds allocated to school districts and other entities for implementation of various education programs and initiatives.	92,356,442.00

Purpose	Description	FY 17 Appropriation
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 is based on number of members, years of service and credit amount set in statute.	32,712,137.00
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 required to maintain federal IDEA Part C funds and Maintenance of Effort (MOE). Program serves approximately 8,500 families per year.	14,400,341.00
Testing/ACE (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.	11,064,293.00
Alternative Education - Statewide school programs (70 O.S. 1210.561, 70 O.S. 1210.568)	Serves students in grades 6-12 who are most at risk of not completing a high school education. Provides grants to schools for alternative education programs. This year there were 278 programs including coops across the state serving approximately 13,500 students. Graduation rate for these students is 81%. Statute requires \$700 per student.	9,472,400.00
Education Leadership Oklahoma - 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. Funding will provide bonuses to approximately 1,400 teachers.	5,500,000.00
School Lunch Matching & MOE (7 CFR 210-17 and 7 CFR 235.11(a))	Minimum amount required for state match and maintenance of effort required by USDA in order to receive federal funds for the National School Lunch Program. In FY 15 schools provided 131,443,462 meals to students.	3,500,000.00

Purpose	Description	FY 17 Appropriation
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 2,664 children.	8,000,000.00
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. Last year schools received 51.25% of the funding needed to serve 84,454 students.	4,507,271.00
AP Teacher Training and Test Fee Assistance, AVID & NMSI (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. AVID allows teachers to teach rigorous AP/Pre-AP curriculum without leaving behind students. NMSI offers hands-on training, resources, and ongoing coaching support for math, science, and English teachers. AVID and NMSI grants will not be provided this year. Last year funds were used for test fee assistance, which will no longer be provided. Funds will be used for summer professional development required for AP teachers. More than 1,000 teachers are expected to attend.	1,100,000.00
Oklahoma Student Information System (70 O.S. 18-200.1(E))	Funds used to support and maintain Oklahoma Student Information System and SLDS projects.	704,053.00

Purpose	Description	FY 17 Appropriation
Standards Implementation (70 O.S. 11-103.6, 20 USC §6311(b)(1))	The State Board is directed to develop and implement new curricular standards for English Language Arts and Mathematics that are college and career ready. Funds will be used to develop frameworks and other materials to help teachers understand the standards, and for training around the state.	350,000.00
Alternative Education Programs - Oklahoma Technical Assistance Center (70 O.S. 1210.568)	Provides ongoing training of personnel to educate at-risk populations, provides technical assistance to school districts to enhance the probability of success, and conducts an in-depth analysis and evaluation of state-funded alternative education programs and reports to the State Board of Education.	150,000.00
Teacher and Leader Effectiveness Programs (70 O.S. 6-101.16, 20 USC §6611)	Designed to accurately evaluate the effectiveness of teachers and leaders in the public school system. Each school district in the State must adopt a teacher and leader evaluation policy based on the statewide TLE system. HB 2957, 2016 requires school districts to adopt a new individualize plan of professional development. Funds will be used for development of and training for the new component.	95,947.00
Charter Schools Incentive Fund (70 O.S. 3-144)	Contingent on funds available, funds are used to provide financial support to new charter schools.	-
Education Leadership Oklahoma - Psychologists, Speech Pathologists and Audiologists Bonus (70 O.S. 6-206)	National certified school psychologist, speech language pathologists and audiologists receive an annual bonus in the amount of \$5,000 or prorated based on the proportionate equivalency to full-time employment. Provides bonuses to approximately 720 FTEs.	-

Purpose	Description	FY 17 Appropriation
Parent Education Program Grant (70 O.S. 10-105.3)	Provides practical information and guidance to parents regarding the development of language, cognition, social skills, and motor development of children. It focuses on families with a chance for adverse childhood outcomes and those districts with a high free and reduced lunch count. Services are provided to families of children birth to age 3 are free and voluntary. Served 1,634 families in FY 15.	-
Personal Financial Literacy (70 O.S. 11-103.6h)	Personal Financial Literacy is designed for students in Grades 7-12. Students learn ideas, concepts, knowledge and skills to make good personal financial decisions. Funds are used to update curriculum and provide training to teachers. Last year training was provided to 404 teachers.	-
Staff Development for Schools (70 O.S. 6-193)	Funds allocated to districts on ADA basis for professional development activities.	-
Teacher Residency Program (70 O.S. 6-195)	Mentoring program for first-year teachers, providing professional development, support and coaching. New requirement of HB 2885, 2014. Last year the program served 3,256 teachers.	-
Total Programs Supported by State Statute/Federal Law		91,556,442.00

Purpose	Description	FY 17 Appropriation
Great Expectations	GE is a teacher professional development program based on the latest research of the most effective teaching practices. Last year the program provided a four-day summer institute and training sessions for 936 Oklahoma Educators. GE coaches provided 624 days on instructional coaching for teachers and principals at 156 Oklahoma Schools. Last year, approximately 900 educators attended the GE Fall conference. School leaders at four school districts attended 8 days of leadership training. An estimated 2,000 educators are trained each year.	300,000.00
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.	250,000.00
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.	150,000.00
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 serves approximately 270 students and 250 educators and is supported through private donations.	100,000.00

Purpose	Description	FY 17 Appropriation
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.	-
Rural Infant Stimulation Environment Program (RISE)	Program containing four classrooms for children aging from 12 months to 6 years, providing developmentally appropriate practices and integrated therapies for approximately 17 students with disabilities.	-
STEM Ready Schools	SDE leadership program to support districts and prepare teachers in the Science, Technology, Engineering and Math. This years 37 teachers were selected for the program.	-
School Competitive Grants Pool	Grants awarded for professional development and other activities based on a statewide competitive application basis. Last year 18 programs were selected for grants.	-
SCORE Grants/Reading Readiness	Systems Changing Oklahoma Reading Expectations (SCORE) grants designed to help schools improve literacy rates. The grants fund comprehensive intervention reading programs in schools with high rates of illiteracy. 20 schools received grants in FY 15. Grants were 2-year grants and are not complete.	-
Total Programs Not Supported by State Statute/Federal Law		800,000.00

Purpose	Description	FY 17 Appropriation
Support of Partnership of Math Intervention	According to SB 1616, 2016, monies are appropriated "for support of a partnership for math intervention for grades 4-8."	600,000.00
Administrative and Support Functions	Administrative and support functions for the State Department of Education. Funds also used to pay for required state testing and accountability.	15,831,344.00
Lottery Trust Fund - Transfer to TRS Revolving Fund (H.B. 2242, 2015, 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.	2,599,751.00
Lottery Trust Fund - Transfer to School Consolidation Assistance Fund (H.B. 2242, 2015, 70 O.S. 7-203)	Funds appropriated to SDE to assist district consolidation, annexation, shared superintendent, severance payments and ACE technology.	2,599,751.00
TOTAL APPROPRIATION		2,426,721,434.00



S.B. 1616

RE: S.B. 1616

SUBJECT: General Appropriations

Senate Bill 1616 becomes effective July 1, 2016. This bill is the general appropriations bill and makes appropriations to the various agencies of the executive, legislative and judicial branches. It appropriates \$2,426,721,434 to the State Board of Education.

- Sections 1-17 (pages 4-7, 75-78): Appropriates \$2,426,721,434 to the State Board of Education for Fiscal Year 2017 (FY17), which is the same amount Common Education had at the end of FY16 after two general revenue failures and a supplemental appropriation.
- Financial Support of Public Schools (commonly known as the funding formula) is appropriated \$1,870,703,624, which is *\$6,031,552 less* than beginning FY16 and *\$24,267,215 more* than ending FY16.
 - \$1,038,594,450 from the General Revenue Fund
 - \$696,954,056 from the Education Reform Revolving Fund
 - \$41,168,478 from the Common Education Technology Fund
 - \$3,610,000 from the Mineral Leasing Fund FY 17
 - \$1,113,795 from the Mineral Leasing Fund FY15
 - \$22,116,071 from the Oklahoma Lottery Trust Fund FY17
 - \$1,281,686 from the Oklahoma Lottery Trust Fund FY15
 - NOTE: \$65,865,088 from the Constitutional Reserve Fund is also appropriated for the Financial Support of Public Schools, but that appropriation is made in S.B. 1584.
- Support of Public School Activities (commonly known as the line items) is appropriated \$91,956,442 from the General Revenue Fund, which is *\$38,221,784 less* than in FY16.
- Heath Benefit Allowance (commonly known as Flexible Benefit Allowance/FBA) is appropriated \$442,030,522, which is *\$26,006,957 more* than in FY16, from the General Revenue Fund.
 - \$284,030,744 for Certified Employees
 - \$157,999,778 for Support Personnel

- Textbooks and Instructional Materials is appropriated \$0, which is *\$33,000,000 less* than in FY16.
- Administrative and Support Functions of the State Department of Education is appropriated \$15,831,344 from the General Revenue Fund, which is *\$6,567,951 less* than in FY16.
- School Consolidation Assistance Fund is appropriated \$2,599,751, which is *\$668,684 less* than FY16.
 - \$142,410 from the Oklahoma Lottery Trust Fund FY15
 - \$2,457,341 from the Oklahoma Lottery Trust Fund FY17
- Oklahoma Teachers' Retirement System Dedicated Revenue Revolving Fund is appropriated \$2,599,751, which is *\$668,684 less* than FY16.
 - \$142,410 from the Oklahoma Lottery Trust Fund FY15
 - \$2,457,341 from the Oklahoma Lottery Trust Fund FY17
- The FY17 Budget additionally lists other Dedicated Funds, Interagency Funds and Other Funds going to each state agency. For the State Department of Education, dedicated Funds equal \$3,970,283. Interagency Funds equal \$100,000. Other Funds, which include local and federal sources of revenue, equal \$5,891,256,292. Therefore, the total estimated amount of revenue available to Common Education is shown as \$8,322,048,009.
- Section 190: The Ad Valorem Reimbursement Fund is appropriated \$47,074,091 from the Special Cash Fund of the State Treasury. These monies will be transferred directly to the Ad Valorem Reimbursement Fund for the purpose of reimbursing counties for school districts that claim a loss of revenue due to tax exemptions. This section of the bill will go into effect upon the Governor's signature.

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.

An Act

ENROLLED SENATE
BILL NO. 1616

By: Jolley, Treat and Sharp of
the Senate

and

Sears and Casey of the
House

An Act relating to general appropriations for the expenses of various agencies of the executive, legislative and judicial departments of the state; defining terms; stating legislative intent; summarizing appropriated funds; summarizing dedicated funds; summarizing interagency funds; summarizing other funds; providing totals; making appropriations to the State Board of Education, the Oklahoma Arts Council, the State Board of Career and Technology Education, the Office of Educational Quality and Accountability, the Oklahoma Educational Television Authority, the Oklahoma State Regents for Higher Education, the Commissioners of the Land Office, the Oklahoma Department of Libraries, the Physician Manpower Training Commission, the Board of Trustees of the Oklahoma School of Science and Mathematics, the Oklahoma Center for the Advancement of Science and Technology, the Office of the State Auditor and Inspector, the Office of the State Bond Advisor, the State Election Board, the Oklahoma Department of Emergency Management, the Ethics Commission, the Office of the Governor, the Oklahoma House of Representatives, the Legislative Service Bureau, the Office of the Lieutenant Governor, the Office of Management and Enterprise Services, the Oklahoma Merit Protection Commission, the Military Department of the State of Oklahoma, the Oklahoma State Senate, the Oklahoma Tax Commission, the Office of the State Treasurer, the Oklahoma Space Industry Development Authority, the Department of Transportation, the State Department of Health, the Oklahoma Health Care Authority, the J.D. McCarty Center for Children with

Developmental Disabilities, the Department of Mental Health and Substance Abuse Services, the Oklahoma State University Medical Authority, the University Hospitals Authority, the Oklahoma Department of Veterans Affairs, the Oklahoma Commission on Children and Youth, the Office of Disability Concerns, the Department of Human Services, the Office of Juvenile Affairs, the State Department of Rehabilitation Services, the Oklahoma Department of Agriculture, Food, and Forestry, the Oklahoma Department of Commerce, the Rural Economic Action Plan Fund, the Oklahoma Conservation Commission, the Corporation Commission, the Department of Environmental Quality, the Oklahoma Historical Society, the Oklahoma Horse Racing Commission, the J.M. Davis Memorial Commission, the Department of Labor, the Department of Mines, the Oklahoma Tourism and Recreation Department, the Oklahoma Water Resources Board, the Alcoholic Beverage Laws Enforcement Commission, the Department of Corrections, the Office of the State Fire Marshal, the Oklahoma State Bureau of Investigation, the Council on Law Enforcement Education and Training, the Board of Medicolegal Investigations, the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control, the Department of Public Safety, the Office of the Attorney General, the Court of Criminal Appeals, district attorneys and the District Attorneys Council, the Supreme Court, the Oklahoma Indigent Defense System, the Pardon and Parole Board and the Special Cash Fund; stating amounts of the appropriations; stating purposes and restrictions; authorizing and requiring certain expenditures; authorizing and requiring certain transfers; providing for noncodification; and providing effective dates.

SUBJECT: General appropriations

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

SECTION 1. NEW LAW A new section of law not to be codified in the Oklahoma Statutes reads as follows:

A. As used in this section:

1. "Total" shall mean the aggregate total of all fund sources;

2. "Appropriated funds" shall mean those funds identified in Sections 2 through 194 of this act, as well as those identified in Enrolled Senate Bill No. 1584 of the 2nd Session of the 55th Oklahoma Legislature, as appropriated from the General Revenue Fund or from such other funds to the state agencies indicated;

3. "Dedicated funds" shall mean funds available for expenditure by a state agency in a revolving fund or other source identified as available for use by that agency;

4. "Interagency funds" shall mean funds received by one state agency from another state agency for services rendered as provided by law; and

5. "Other funds" shall mean funds received from the federal government or any political subdivision of this state, or pursuant to gifts, grants, contributions or entitlements.

B. It is the intent of the Legislature that amounts identified in this section are identified for informational purposes only and such identification shall not limit the agency to such amounts if additional funding is made available for expenditure in fiscal year 2017. It is the further intent of the Legislature that no ad valorem tax revenue identified as "other funds" in this section be construed as being used for state purposes.

	Appropriated Funds	Dedicated Funds	Interagency Funds	Other Funds	Total Funds
State Board of Education					
FY'17 General Revenue Fund for Financial Support of Public Schools	\$1,038,594,450				\$1,038,594,450
Education Reform Revolving Fund for Financial Support of Public Schools	\$696,954,056				\$696,954,056
Common Education Technology Fund for Financial Support of Public Schools	\$41,168,478				\$41,168,478
FY'17 Mineral Leasing Fund for Financial Support of Public Schools	\$3,610,000				\$3,610,000
FY'15 Mineral Leasing Fund for Financial Support of Public Schools	\$1,113,795				\$1,113,795
FY'17 Oklahoma Lottery Trust Fund for Financial Support of Public Schools	\$22,116,071				\$22,116,071
FY'15 Oklahoma Lottery Trust Fund for Financial Support of Public Schools	\$1,281,686				\$1,281,686
FY'17 General Revenue Fund for the Support of Public Schools Activities Fund	\$91,956,442				\$91,956,442
FY'17 General Revenue Fund for Support of Partnership of Math Intervention	\$1,000,000				\$1,000,000
FY'17 General Revenue Fund for the Certified Employee Health Benefit Allowance	\$284,030,744				\$284,030,744

	Appropriated Funds	Dedicated Funds	Interagency Funds	Other Funds	Total Funds
FY'17 General Revenue Fund for the Support Personnel Health Benefit Allowance	\$157,999,778				\$157,999,778
FY'17 General Revenue Fund for Administrative and Support Functions of the State Department of Education	\$15,831,344				\$15,831,344
FY'17 Oklahoma Lottery Trust Fund for Transfer to the School Consolidation Assistance Fund	\$2,457,341				\$2,457,341
FY'15 Oklahoma Lottery Trust Fund for Transfer to the School Consolidation Assistance Fund	\$142,410				\$142,410
FY'17 Oklahoma Lottery Trust Fund for Transfer to the Oklahoma Teachers Retirement System Dedicated Revenue Revolving Fund	\$2,457,341				\$2,457,341
FY'15 Oklahoma Lottery Trust Fund for Transfer to the Oklahoma Teachers Retirement System Dedicated Revenue Revolving Fund	\$142,410				\$142,410
Constitutional Reserve Fund for Financial Support of Public Schools	\$65,865,088				\$65,865,088
Statistical Survey Revolving Fund 220 for Duties		\$24,000			\$24,000
Grants and Donations Revolving Fund 225 for Duties		\$1,760,000			\$1,760,000
School Investigation Audit Revolving Fund 230 for Duties		\$2,600			\$2,600

	Appropriated Funds	Dedicated Funds	Interagency Funds	Other Funds	Total Funds
Drug Abuse Education Revolving Fund 235 for Duties		\$85,000			\$85,000
Teachers Certificate Fund 240 for Duties		\$1,184,183			\$1,184,183
Drivers Education Revolving Fund 255 for Duties		\$900,000			\$900,000
Oklahoma Early Intervention Revolving Fund 250 for Duties					\$0
Charter Schools Incentive Revolving Fund 275 for Duties					\$0
State Board of Education Charter School Revolving Fund 277 for Duties		\$10,000			\$10,000
Oklahoma Youth and Government Revolving Fund 286 for Duties		\$1,000			\$1,000
Deer Creek Foundation License Plate Revolving Fund 287 for Duties		\$3,500			\$3,500
Agency Relationship Fund 430 for Duties				\$48,689	\$48,689
School Lunch Division Federal Administration Fund 435 for Duties				\$6,666,410	\$6,666,410
Interagency Reimbursement Fund 443 for Duties			\$100,000		\$100,000
Federal Educational Programs Revolving Fund 450 for Duties				\$32,665,422	\$32,665,422

	Appropriated Funds	Dedicated Funds	Interagency Funds	Other Funds	Total Funds
Local Revenues				\$1,714,635,816	\$1,714,635,816
Bond Sinking Funds				\$589,864,300	\$589,864,300
Federal Revenues				\$692,173,697	\$692,173,697
State Dedicated Funds				\$487,595,884	\$487,595,884
Intermediate Funds				\$150,264,884	\$150,264,884
School Districts (carry forward and other misc. revenue)				\$1,921,536,473	\$1,921,536,473
Oklahoma Teachers Retirement System Apportionment				\$295,804,717	\$295,804,717
TOTAL	\$2,426,721,434	\$3,970,283	\$100,000	\$5,891,256,292	\$8,322,048,009
State Arts Council					
FY'17 General Revenue Fund for Duties	\$2,938,293				\$2,938,293
Oklahoma Arts Council Arts Education Revolving Fund 200 for Duties		\$40,000			\$40,000
National Endowment for the Arts Federal Fund 440 for Duties				\$733,300	\$733,300
Americans for the Arts State Policy Pilot Program Grant for Duties				\$10,000	\$10,000

EDUCATION

SECTION 2. There is hereby appropriated to the State Board of Education from any monies not otherwise appropriated from the General Revenue Fund of the State Treasury for the fiscal year ending June 30, 2017, the sum of One Billion Thirty-eight Million Five Hundred Ninety-four Thousand Four Hundred Fifty Dollars (\$1,038,594,450.00) or so much thereof as may be necessary for the financial support of public schools.

SECTION 3. There is hereby appropriated to the State Board of Education from any monies not otherwise appropriated from the Education Reform Revolving Fund created in Section 34.89 of Title 62 of the Oklahoma Statutes the sum of Six Hundred Ninety-six Million Nine Hundred Fifty-four Thousand Fifty-six Dollars (\$696,954,056.00) or so much thereof as may be necessary for the financial support of public schools.

SECTION 4. The State Board of Education is hereby authorized to expend during the fiscal year ending June 30, 2017, from the Common Education Technology Revolving Fund of the State Treasury the sum of Forty-one Million One Hundred Sixty-eight Thousand Four Hundred Seventy-eight Dollars (\$41,168,478.00) or so much thereof as may be necessary for the financial support of public schools.

SECTION 5. There is hereby appropriated to the State Board of Education from any monies not otherwise appropriated from the Mineral Leasing Fund of the State Treasury for the fiscal year ending June 30, 2017, the sum of Three Million Six Hundred Ten Thousand Dollars (\$3,610,000.00) or so much thereof as may be necessary for the financial support of public schools.

SECTION 6. There is hereby appropriated to the State Board of Education from any monies not otherwise appropriated from the Mineral Leasing Fund of the State Treasury for the fiscal year ending June 30, 2015, the sum of One Million One Hundred Thirteen Thousand Seven Hundred Ninety-five Dollars (\$1,113,795.00) or so much thereof as may be necessary for the financial support of public schools.

SECTION 7. There is hereby appropriated to the State Board of Education from any monies not otherwise appropriated from the

Oklahoma Education Lottery Trust Fund of the State Treasury for the fiscal year ending June 30, 2017, the sum of Twenty-two Million One Hundred Sixteen Thousand Seventy-one Dollars (\$22,116,071.00) or so much thereof as may be necessary for the financial support of public schools.

SECTION 8. There is hereby appropriated to the State Board of Education from any monies not otherwise appropriated from the Oklahoma Education Lottery Trust Fund of the State Treasury for the fiscal year ending June 30, 2015, the sum of One Million Two Hundred Eighty-one Thousand Six Hundred Eighty-six Dollars (\$1,281,686.00) or so much thereof as may be necessary for the financial support of public schools.

SECTION 9. There is hereby appropriated to the State Board of Education from any monies not otherwise appropriated from the General Revenue Fund of the State Treasury for the fiscal year ending June 30, 2017, the sum of Ninety-one Million Nine Hundred Fifty-six Thousand Four Hundred Forty-two Dollars (\$91,956,442.00) or so much thereof as may be necessary for the support of public schools activities.

SECTION 10. There is hereby appropriated to the State Board of Education from any monies not otherwise appropriated from the General Revenue Fund of the State Treasury for the fiscal year ending June 30, 2017, the sum of One Million Dollars (\$1,000,000.00) or so much thereof as may be necessary for support of a partnership for math intervention for grades 4-8.

SECTION 11. There is hereby appropriated to the State Board of Education from any monies not otherwise appropriated from the General Revenue Fund of the State Treasury for the fiscal year ending June 30, 2017, the sum of Two Hundred Eighty-four Million Thirty Thousand Seven Hundred Forty-four Dollars (\$284,030,744.00) or so much thereof as may be necessary for the Certified Employee Health Benefit Allowance.

SECTION 12. There is hereby appropriated to the State Board of Education from any monies not otherwise appropriated from the General Revenue Fund of the State Treasury for the fiscal year ending June 30, 2017, the sum of One Hundred Fifty-seven Million Nine Hundred Ninety-nine Thousand Seven Hundred Seventy-eight

Dollars (\$157,999,778.00) so much thereof as may be necessary for the Support Personnel Health Benefit Allowance.

SECTION 13. There is hereby appropriated to the State Board of Education from any monies not otherwise appropriated from the General Revenue Fund of the State Treasury for the fiscal year ending June 30, 2017, the sum of Fifteen Million Eight Hundred Thirty-one Thousand Three Hundred Forty-four Dollars (\$15,831,344.00) or so much thereof as may be necessary for administrative and support functions of the State Department of Education.

SECTION 14. There is hereby appropriated to the State Board of Education from any monies not otherwise appropriated from the Oklahoma Education Lottery Trust Fund of the State Treasury for the fiscal year ending June 30, 2017, the sum of Two Million Four Hundred Fifty-seven Thousand Three Hundred Forty-one Dollars (\$2,457,341.00) or so much thereof as may be necessary for transfer to the School Consolidation Assistance Fund.

SECTION 15. There is hereby appropriated to the State Board of Education from any monies not otherwise appropriated from the Oklahoma Education Lottery Trust Fund of the State Treasury for the fiscal year ending June 30, 2015, the sum of One Hundred Forty Two Thousand Four Hundred Ten Dollars (\$142,410.00) or so much thereof as may be necessary for transfer to the School Consolidation Assistance Fund.

SECTION 16. There is hereby appropriated to the State Board of Education from any monies not otherwise appropriated from the Oklahoma Education Lottery Trust Fund of the State Treasury for the fiscal year ending June 30, 2017, the sum of Two Million Four Hundred Fifty-seven Thousand Three Hundred Forty-one Dollars (\$2,457,341.00) or so much thereof as may be necessary for transfer to the Teachers' Retirement System Dedicated Revenue Revolving Fund.

SECTION 17. There is hereby appropriated to the State Board of Education from any monies not otherwise appropriated from the Oklahoma Education Lottery Trust Fund of the State Treasury for the fiscal year ending June 30, 2015, the sum of One Hundred Forty-two Thousand Four Hundred Ten Dollars (\$142,410.00) or so much thereof

as may be necessary for transfer to the Teachers' Retirement System Dedicated Revenue Revolving Fund.

SECTION 18. There is hereby appropriated to the Oklahoma Arts Council from any monies not otherwise appropriated from the General Revenue Fund of the State Treasury for the fiscal year ending June 30, 2017, the sum of Two Million Nine Hundred Thirty-eight Thousand Two Hundred Ninety-three Dollars (\$2,938,293.00) or so much thereof as may be necessary to perform the duties imposed upon the Oklahoma Arts Council by law.

SECTION 19. There is hereby appropriated to the State Board of Career and Technology Education from any monies not otherwise appropriated from the General Revenue Fund of the State Treasury for the fiscal year ending June 30, 2017, the sum of One Hundred Fourteen Million Nine Hundred Sixteen Thousand Five Hundred Ninety-nine Dollars (\$114,916,599) or so much thereof as may be necessary to perform the duties imposed upon the State Board of Career and Technology Education by law.

SECTION 20. There is hereby appropriated to the State Board of Career and Technology Education from any monies not otherwise appropriated from the Oklahoma Education Lottery Trust Fund of the State Treasury for the fiscal year ending June 30, 2017, the sum of Two Million Seven Hundred Three Thousand Seventy-five Dollars (\$2,703,075.00) pursuant to paragraph 2 of subsection C of Section 713 of Title 3A of the Oklahoma Statutes for allocation by the State Board of Career and Technology Education for the education and general operating budgets of the institutions and for other programs, construction, renovations or repairs administered by the State Board of Career and Technology Education.

SECTION 21. There is hereby appropriated to the State Board of Career and Technology Education from any monies not otherwise appropriated from the Oklahoma Education Lottery Trust Fund of the State Treasury for the fiscal year ending June 30, 2015, the sum of One Hundred Fifty-six Thousand Six Hundred Fifty-one Dollars (\$156,651.00) pursuant to paragraph 2 of subsection C of Section 713 of Title 3A of the Oklahoma Statutes for allocation by the State Board of Career and Technology Education for the education and general operating budgets of the institutions and for other

cents (\$932.36) for bad checks net of vault overages as of May 12, 2016.

SECTION 188. TRANSFER The State Treasurer shall transfer from unclaimed deposits received during the five years prior to July 1, 2011, the amount of Seven Hundred Fifty-four Thousand Two Hundred Seventy-five and Two cents (\$754,275.02) to the Special Cash Fund of the State Treasury.

SECTION 189. There is hereby appropriated to the Office of Management and Enterprise Services from any monies not otherwise appropriated from the Special Cash Fund of the State Treasury the sum of Eight Million Seventy-eight Thousand One Hundred Twenty Dollars (\$8,078,120.00) or so much thereof as may be necessary to perform the duties imposed upon the Office of Management and Enterprise Services by law.

SECTION 190. There is hereby appropriated to the State Board of Education from any monies not otherwise appropriated from the Special Cash Fund of the State Treasury the sum of Forty-seven Million Seventy-four Thousand Ninety-one Dollars (\$47,074,091.00) to be transferred to the Ad Valorem Reimbursement Fund, created pursuant to Section 193 of Title 62 of the Oklahoma Statutes, for the purpose of reimbursing counties for school districts that claim a loss of revenue due to a tax exemption granted pursuant to the provisions of Section 6B of Article X of the Oklahoma Constitution.

SECTION 191. There is hereby appropriated to the Special Cash Fund of the State Treasury from any monies not otherwise appropriated from the Rebuilding Oklahoma Access and Driver Safety Fund (275 Fund) the sum of Two Hundred Million Dollars (\$200,000,000.00) for availability of appropriation.

SECTION 192. There is hereby appropriated to the Oklahoma Health Care Authority from any monies not otherwise appropriated from the Special Cash Fund of the State Treasury the sum of Two Hundred Million Dollars (\$200,000,000.00) or so much thereof as may be necessary to perform the duties imposed upon the Oklahoma Health Care Authority by law.

SECTION 193. There is hereby appropriated to the Special Cash Fund of the State Treasury from any monies not otherwise

appropriated from the Unclaimed Property Fund (711 Fund) the sum of Fifteen Million Dollars (\$15,000,000.00) for availability of appropriation.

SECTION 194. There is hereby appropriated to the Department of Corrections from any monies not otherwise appropriated from the Special Cash Fund of the State Treasury the sum of Fifteen Million Dollars (\$15,000,000.00) or so much thereof as may be necessary to perform the duties imposed upon the Department of Corrections by law.

SECTION 195. Sections 2 through 189 of this act shall become effective July 1, 2016.

SECTION 196. Sections 191 through 194 of this act shall become effective December 1, 2016.

Passed the Senate the 25th day of May, 2016.

Presiding Officer of the Senate

Passed the House of Representatives the 27th day of May, 2016.

Presiding Officer of the House
of Representatives

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.

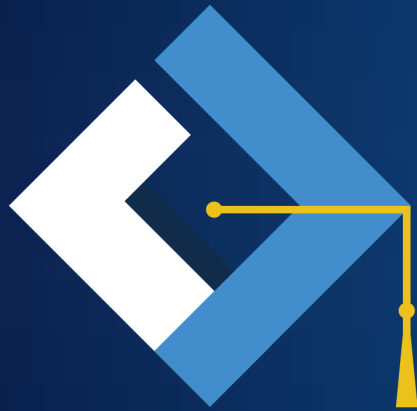
Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____



OKLAHOMA STATE DEPARTMENT OF
EDUCATION
— CHAMPION EXCELLENCE —

FY 2017 State Appropriation and Budget

June 10, 2016

Carolyn Thompson

Chief of Government Affairs

FY 17 Appropriations

- **SB 1616:** General Appropriations (GA) bill. The State Board of Education is appropriated **\$2,426,721,434** for FY 17, a 2.34% decrease from FY 16 appropriation.
 - **\$47,074,091** was appropriated to the Ad Valorem Reimbursement Fund to be transferred upon Governor's signature.
 - EFFECTIVE July 1, 2016.
- **SB 1584:** Appropriates \$65,865,088 to the Financial Support of Public Schools (formula) from the Constitutional Reserve Fund (Rainy Day Fund).

Legislative Appropriation:

SB 1616

- Financial Support of Public Schools (Formula):
\$1,870,703,624
 - \$6,031,552 *less than* in FY16
- Support of Public School Activities: \$91,956,442
 - \$38,221,784 *less than* in FY16
- Textbooks and Instructional Materials: \$0
 - \$33,000,000 *less than* in FY16
- Flexible Benefit Allowance: \$442,030,522
 - \$26,006,957 *more than* in FY16



OKLAHOMA STATE DEPARTMENT OF
EDUCATION
— CHAMPION EXCELLENCE —

Legislative Appropriation:

SB 1616

- Support of Partnership of Math Intervention:
\$1,000,000
 - \$1,000,000 *more than* in FY16
- Administrative/Support Functions of SDE:
\$15,831,344
 - \$6,567,951 *less than* in FY16
- School Consolidation Assistance Fund: \$2,599,751
 - \$668,684 *less than* in FY16
- Teachers' Retirement Dedicated Revenue:
\$2,599,751
 - \$668,684 *less than* in FY16



OKLAHOMA STATE DEPARTMENT OF
EDUCATION
— CHAMPION EXCELLENCE —

What makes up the Formula?

\$1,870,703,624 total

- \$1,038,594,450 from the General Revenue (GR) Fund
 - \$47,885,560 **more than** in FY 16
- \$696,954,056 from the Education Reform Revolving Fund (1017)
 - \$32,881,504 **less than** in FY 16
- \$41,168,478 from the Common Education Technology Fund
 - \$6,203,821 **less than** in FY 16 (Fund collected approx. \$31m in FY 16)
- \$4,723,795 from the Mineral Leasing Fund
 - \$678,715 **less than** in FY 16
- \$23,397,757 from the Oklahoma Lottery Trust Fund
 - \$6,018,160 **less than** in FY 16
- \$65,865,088 from SB 1584 (Rainy Day Fund)
 - \$9,134,912 **less than** in FY 16



OKLAHOMA STATE DEPARTMENT OF
EDUCATION
— CHAMPION EXCELLENCE —

Support of Public School Activities Required for Existing Obligations

Purpose	FY 2016	FY 2017	Increase/ (Decrease)
Teachers' Retirement	\$32,712,137	\$32,712,137	-
SoonerStart	\$14,400,341	\$14,400,341	-
Testing/ACE	\$12,486,587	\$11,064,293	(\$1,422,294)
Alternative Education Programs	\$13,710,627	\$9,472,400	(\$4,238,227)
National Board Teacher Bonus	\$9,328,520	\$5,500,000	(\$3,828,520)
School Lunch	\$4,954,240	\$3,500,000	(\$1,454,240)
Total	\$87,592,452	\$76,649,171	(\$10,943,281)

SDE Budget Priorities

- **SoonerStart** – State partnership with Dept of Health serving children with developmental disabilities ages birth to three to prepare them for entering public school. Receives matching federal IDEA Part C funding. Serves 8,500 families annually.
- **Alternative Education** – School programs serving students at risk for drop-out in grade 6-12. Serves approximately 13,500 students in 278 programs. State law requires funding of \$700/student. Funding levels reduced but maintains required state amount.
- **Early Childhood Initiative** – Serves approx. 2,700 at-risk students and families, empowering them with the tools they need to break the cycle of poverty. Receives matching private and federal dollars.

SDE Budget Priorities

- **Reading Sufficiency** – Provides funding to students reading below grade level in kindergarten through third grade. Last year more than 84,000 students met the requirement for funding.
- **Standards Implementation** – Funding will provide resources and training for teachers around the state in order prepare them for teaching the new Math and ELA standards.



Funding Reduced

\$23,015,640 Saved:

- Testing/ACE
- Alternative Education
- National Board Teacher Bonus
- School Lunch Match
- Early Childhood Initiative
- Reading Sufficiency
- AP, AVID, NMSI
- Student Information System
- Teacher and Leader Effectiveness
- Great Expectations
- Teach for America
- Street School
- Oklahoma Arts Institute

Funding Eliminated

\$15,092,143 Saved:

- Charter Schools Incentive Fund
- Psychologists, Speech Pathologists and Audiologists Bonus
- Parent Education Program Grants
- Personal Financial Literacy
- Staff Development for Schools
- Teacher Residency Program
- Ag in the Classroom
- Rural Infant Stimulation Environment Program (RISE)
- School Competitive Grants Pool
- SCORE Grants
- STEM Ready Schools