

FY 2020 BUDGET



OKLAHOMA
STATE DEPARTMENT *of* 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 27, 2019
SUBJECT: FY 20 Education Budget

The Oklahoma State Legislature passed H.B. 2765 making appropriations to the State Board of Education. Amounts are appropriated for Financial Support of Public Schools, Flexible Benefit Allowance, Support of Public School Activities and Administrative/Support Functions of the Oklahoma State Department of Education (OSDE). S.B. 1048 sets budgetary limits for all common education programs.

This year's budget reflects the largest ever appropriated for common education – more than \$3 billion – and includes a \$1,220 salary increase for certified school personnel and an additional \$74 million for school operational expenditures. Funding was increased for the Flexible Benefit Allowance to fully cover health insurance for teachers and support staff, and for the administrative and support functions of the OSDE to cover the cost of salary increases for state employees. Funding was maintained at an amount of \$33 million for textbooks and instructional materials for schools.

Within the Public School Activities line item, the Reading Sufficiency Act, early childhood initiative, alternative education and Teach for America received increased funding. Notably, the appropriation for the Reading Sufficiency Act – \$12 million – provides full funding for the first time since its inception. Funding for the Teachers' Retirement employee credit was not fully funded and a supplemental appropriation in the 2020 Legislative Session is expected. Finally, a new line item to fund a mobile panic button system for all k-12 schools was also included.

Attached Documentation:

- FY 20 OSDE Appropriation/Budget
- FY 20 OSDE Appropriation/Budget Program Descriptions
- H.B. 2765 Bill Summary
- S.B. 1048 Bill Summary
- FY 20 OSDE Appropriations/Budget Presentation

JH/ct

Oklahoma State Board of Education	Public School Activities
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Purpose	FY 19 Appropriation	FY 20 Appropriation SB 1048	Total Increase/ (Decrease)	Notes
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Strategic Plan Pillar 1: Achieve Academic Success		(To ensure a high-quality public education, the OSDE will close the opportunity and achievement gap for each student in Oklahoma.)			
1	Alternative Education Programs and Admin (70 O.S. 1210.561, 70 O.S. 1210.568)	10,060,988	11,000,000	939,012	increase to help with changes in HB 2520
2	Early Intervention SoonerStart (70 O.S. 13-124)	14,400,341	14,400,341	-	maintains current services and required federal match
3	Reading Sufficiency (70 O.S. 1210.508D)	6,500,000	12,000,000	5,500,000	78,358 students KG-3 * \$153 ea
4	Early Childhood Initiative (70 O.S. 10-105.4)	10,650,000	12,000,000	1,350,000	increase services across state
5	Required Assessments (70 O.S. 1210.508, 20 USC §6311(b)(2))	7,500,000	9,600,000	2,100,000	meet ESSA requirements/peer review, cost for US History test
6	School Lunch Matching & MOE (7 CFR 210-17 and 7 CFR 235.11(a))	3,069,419	3,500,000	430,581	increase required for federal match
7	AP Teacher Training and Test Fee Assistance (70 O.S. 1210.703)	523,141	1,300,000	776,859	test fee assistance, PD institutes
8	Great Expectations	400,000	400,000	-	maintain current services
9	Oklahoma Arts Institute	200,000	200,000	-	maintain current services
10	Street School	180,000	180,000	-	maintain current services
11	Standards Implementation (70 O.S. 11-103.6, 20 USC §6311(b)(1))	150,000	150,000	-	Science and Fine Arts revision, curriculum frameworks
12	Ag in the Classroom	38,000	38,000	-	maintain current services
13	Total	53,671,889	64,768,341	11,096,452	

Strategic Plan Pillar 2: Build Exceptional Educators and Schools		(The OSDE will support the recruitment, preparation and retention of highly qualified teachers and leaders.)			
14	Teachers' Retirement System Credit (70 O.S. 17-108.2)	32,712,137	24,175,685	(8,536,452)	will require supplemental appropriation in 2020 Leg. Session
15	Psychologists, Speech Pathologists and Audiologists Bonus (70 O.S. 6-206)	3,650,000	3,625,000	(25,000)	stipends for 725 FTEs
16	Secure Schools Program	-	3,000,000	3,000,000	statewide K-12 public school mobile panic button system
17	National Board Teacher Bonus (70 O.S. 6-204.2)	3,285,000	2,950,000	(335,000)	stipends for 590 teachers
18	Teach for America	1,250,000	2,000,000	750,000	increase services across state
19	Teacher and Leader Effectiveness Programs (70 O.S. 6-101.16)	250,000	250,000	-	support Professional Learning (PL) Focus
20	Teacher Induction Program (70 O.S. 6-195)	150,000	150,000	-	maintain current services
21	Total	41,297,137	36,150,685	(5,146,452)	

Grand Total	\$ 94,969,026	\$ 100,919,026	\$ 5,950,000	
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**Oklahoma State Board of Education
Program Descriptions for Fiscal Year 2020 Budget Request**

Purpose	Description	FY 20 Request
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.	2,411,771,057
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. Amount reflects estimated cost to pay for purchasing secondary ELA (\$65 ea) and Instructional Technology/Personal Financial Literacy (\$30 ea.).	33,000,000
Flexible Benefit Allowance (70 O.S. 26-104)	See next two items.	502,691,920
<i>Certified Personnel</i>	Projected benefit amount for 52,639 school district certified personnel to offset health insurance costs.	322,414,199
<i>Support Personnel</i>	Projected benefit amount for 33,358 school district support personnel to offset health insurance costs.	180,277,721

Purpose	Description	FY 20 Request
Support of Public School Activities	Funds allocated to school districts and other entities for implementation of various education programs and initiatives.	100,919,026
Alternative Education Programs and Admin (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. Last year there were 317 programs including 205 districts in coops across the state serving approximately 12,069 students, an increase from prior years.	11,000,000
Early Intervention SoonerStart (70 O.S. 13-124)	SoonerStart is Oklahoma's early intervention program serving infants and toddlers with developmental delays from birth to 36 months. SoonerStart is a collaborative interagency project coordinated with the Departments of Health, Human Services, Mental Health and Substance Abuse Services, Health Care Authority and the Commission on Children and Youth. Funding level is increased to restore reduced funds from previous years and to maintain federal IDEA Part C funds and Maintenance of Effort (MOE). Program serves approximately 8,500 families per year.	14,400,341
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. In previous years, schools have received approximately 50% of the amount originally intended for the program – \$150 per student. Last year 78,358 students qualified for funding. With the amount funded this year, schools will receive \$153 per student.	12,000,000

Purpose	Description	FY 20 Request
<p>Early Childhood Initiative (70 O.S. 10-105.4)</p>	<p>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 serviced to 2,830 children in 2018. Additional funding is expected to be used to expand the program to Lawton and open a fourth center in Tulsa.</p>	<p>12,000,000</p>
<p>Required Assessments (70 O.S. 1210.508, 20 USC §6311(b)(2))</p>	<p>Funds utilized for the administration of a statewide student assessment system for grades 3-8 and high school. Additional funding is required to ensure assessments are valid under requirements of ESSA, meet peer review requirements and pay for new U.S. History assessment.</p>	<p>9,600,000</p>
<p>School Lunch Matching & MOE (7 CFR 210-17 and 7 CFR 235.11(a))</p>	<p>Minimum amount necessary for the state match and maintenance of effort required by USDA in order to receive federal funds for the National School Lunch Program. In FY 17 schools provided 136,909,835 meals to students.</p>	<p>3,500,000</p>
<p>AP Teacher Training, Test Fee Assistance (70 O.S. 1210.703)</p>	<p>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.</p>	<p>1,300,000</p>
<p>Great Expectations</p>	<p>GE is a teacher professional development program based on the latest research of the most effective teaching practices. Funds are 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. This will benefit approximately 62,000 students.</p>	<p>400,000</p>

Purpose	Description	FY 20 Request
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 largely supported through private donations.	200,000
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
Standards Implementation (70 O.S. 11-103.6, 20 USC §6311(b)(1))	Funds are used for review and implementation of curricular standards. The science and fine arts standards will be reviewed and revised in FY 20. Funds will be used to continue development of frameworks and other materials to help teachers understand the standards, and for training around the state.	150,000
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. Funding is maintained at prior year level.	38,000
Teachers' Retirement System (70 O.S. 17-108.2)	Funds appropriated to SDE as a pass through to TRS to offset a portion of teachers' contributions to the retirement system. Amount required is based on number of members, years of service and credit amount set in statute.	24,175,685

Purpose	Description	FY 20 Request
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. Funding is based on projected number of FTEs to receive the bonus, approximately 725.	3,625,000
Secure Schools Program	Funds intended to be used for a statewide K-12 public school mobile panic button system.	3,000,000
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 20 is 590.	2,950,00
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.	2,000,000

Purpose	Description	FY 20 Request
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 will also be used to continue training programs for assistant principals (Moving UP) and principals (Lead to Succeed) and emergency certified teachers.	250,000
Teacher Induction Program (70 O.S. 6-195)	The program requires each first-year teacher, including first-year emergency certified teachers, to have a mentor. There were approximately 3,180 first-year teachers in 2018. Funds are used for providing professional development, support and coaching to the mentors.	150,000
Administrative and Support Functions	Funds used for support to schools in a variety of areas including curriculum, accountability, finance and professional development and information technology. Additional funds are dedicated for salary increases required by HB 2771, 2019.	16,246,097
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.	3,161,477
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.	3,161,477
TOTAL APPROPRIATION		3,070,951,054



H.B. 2765

RE: H.B. 2765

SUBJECT: Public Finance

House Bill 2765 becomes effective July 1, 2019. 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 \$3,070,951,054 to the State Board of Education.

- Section 1-16: Appropriates \$3,070,951,054 to the State Board of Education for Fiscal Year 2020 (FY 20), which is \$157,965,907 *more* than was appropriated in FY 19.
- Financial Support for Public Schools (i.e., funding formula) is appropriated \$2,411,771,057, which is \$133,648,768 *more* than FY 19.
 - \$1,478,105,700 from the General Revenue Fund
 - NOTE: S.B. 1048 requires \$58,858,503 of the amount appropriated to be used to provide an increase in compensation for certified personnel.
 - \$854,300,525 from the Education Reform Revolving Fund (i.e., 1017 Fund)
 - \$47,111,412 from the Common Education Technology Fund.
 - \$3,800,000 from the Mineral Leasing Fund FY 20
 - \$131 from the Mineral Leasing Fund FY 18
 - \$21,375,000 from the Oklahoma Education Lottery Trust Fund FY 20
 - \$7,078,289 from the Oklahoma Education Lottery Trust Fund FY 18
- Support for Public School Activities is appropriated \$100,919,026 from the General Revenue Fund, which is \$5,950,000 *more* than FY 19.
- Textbooks and instructional materials is appropriated \$33,000,000 from the General Revenue Fund, which is equal to the amount appropriated in FY 19.
- Health Benefit Allowance (i.e., Flexible Benefit Allowance/FBA) is appropriated \$502,691,920 from the General Revenue Fund, which is \$18,958,804 *more* than FY 19.
 - \$322,414,199 for Certified Employees
 - \$180,277,721 for Support Personnel

- Administrative and Support Functions of the State Department of Education is appropriated \$16,246,097 from the General Revenue Fund, which is \$265,907 *more* than FY 19.
 - NOTE: This increase is dedicated to the pay raises for state employees contained in H.B. 2771.
- School Consolidation Assistance Fund is appropriated \$3,161,477, which is \$428,786 *less* than FY 19.
 - \$2,375,000 from the Oklahoma Education Lottery Trust Fund FY 20.
 - \$786,477 from the Oklahoma Education Lottery Trust Fund FY 18.
- Oklahoma Teachers' Retirement System Dedicated Revenue Revolving Fund is appropriated \$3,161,477, which is \$428,786 *less* than FY 19.
 - \$2,375,000 from the Oklahoma Education Lottery Trust Fund FY 20.
 - \$786,477 from the Oklahoma Education Lottery Trust Fund FY 18.
- Section 27: Appropriates \$11,764,823 to the Oklahoma State Regents for Higher Education for concurrent enrollment expenditures, which is \$3,300,000 *more* than FY 19.
- Section 124: The Ad Valorem Reimbursement Fund is appropriated \$99,600,000 from the Special Cash Fund of the State Treasury 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 \$6,900,000 *more* than FY 19.
 - Section 124 becomes effective June 15, 2019.

Should you have any questions related to this bill, please contact Ms. Mathangi Shankar, Chief Financial Officer, at (405) 522-0162 or Ms. Carolyn Thompson, Chief of Government Affairs, at (405) 522-3520.

Helpful statutory reference: 62 O.S. §193, 70 O.S. §628.13



S.B. 1048

RE: S.B. 1048

SUBJECT: State Department of Education

Senate Bill 1048 becomes effective July 1, 2019. This bill sets budgetary expenditure limits for the State Board of Education.

- Section 1: Directs \$58,858,503 of the funds appropriated to the State Board of Education for the financial support of public schools in House Bill 2765 be spent on providing an increase in compensation for certified personnel of schools.
 - Defines certified personnel to mean a certified person employed on a full-time basis to serve as a teacher, principal, supervisor, administrator, counselor, librarian, or certified or registered nurse, but does not include a superintendent of a school district.
 - Requires the salary increase to be in addition to, and not as a replacement for, the step increases indicated in the minimum salary schedule.
 - Requires school districts to report the amount of increase in compensation each teacher received as a result to the OSDE no later than December 31, 2019. Directs the OSDE to publish the information no later than February 1, 2020.
- Section 2(2): Directs \$100,919,026 of the funds appropriated to the State Board of Education in House Bill 2765 be appropriated as follows:
 - Teachers' Retirement Credit – \$24,175,685
 - Education Leadership Oklahoma – \$6,575,000
 - Reform Implementation – \$25,868,000
 - Alternative and High Challenge Education – \$11,000,000
 - Early Intervention – \$14,400,341
 - Early Childhood Initiative – \$12,000,000
 - School Lunch Matching – \$3,500,000
 - Great Expectations – \$400,000
 - Secure Schools Program – \$3,000,000
- Section 3: Requires the State Board of Education to budget \$3,770,951,054 of the funds available as follows. Requires outcome-based performance measures for each:

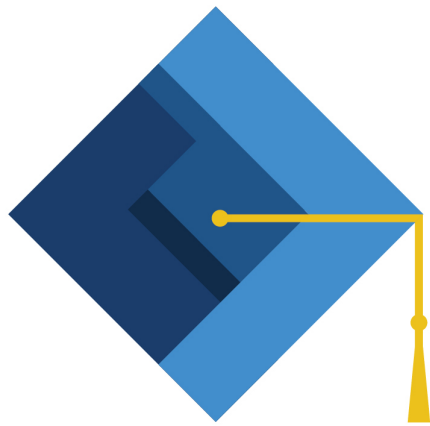
- Payroll, Salaries, or Wages, to include tax-sheltered deferment contracts and longevity payments authorized by state statutes – \$16,246,097
 - Professional and Personal Services contracts – \$70,000,000
 - Other operating funds – \$2,984,704, 957
 - Expenditure of Federal Funds – \$700,000,000
- Section 7: Directs \$6,575,000 of the funds appropriated for Education Leadership Oklahoma to be allocated as follows:
 - \$2,950,000 to the Oklahoma National Board Certification Revolving Fund; and
 - \$3,625,000 to the Oklahoma School Psychologist, Speech-language Pathologist, and Audiologist National Certification Revolving Fund.
- Section 8: Directs \$25,868,000 of the funds appropriated for Reform Implementation to be allocated as follows:
 - \$1,300,000 for Advanced Placement Teacher Training and Test Fee Assistance to provide assistance for students in financial need, grants to districts wanting to start new AP programs and to expand professional development;
 - \$12,000,000 to fund the Reading Sufficiency Act;
 - \$150,000 for the Teacher Induction Program for providing professional development, support and coaching to mentor teachers;
 - \$150,000 for developing and implementing academic standards and frameworks to help teachers understand the standards and for training;
 - \$250,000 to fund Teacher and Leader Effectiveness programs to improve the effectiveness of teachers and leaders in the public school system through continued development;
 - \$9,600,000 for administering the statewide student assessment system for grades 3-8 and high school;
 - \$2,000,000 to Teach for America;
 - \$180,000 to Street School;
 - \$200,000 to the Oklahoma Arts Institute; and
 - \$38,000 for Ag in the Classroom.
- Section 9: Directs \$11,000,000 to fund Alternative and High Challenge Education and to encourage districts to participate in innovative alternative education programs.
- Section 10: Directs \$14,400,341 to be transferred to the Early Intervention Fund for SoonerStart Early Intervention Services to expand direct services to eligible infants, toddlers and their families.
- Section 11: Directs \$3,000,000 to be used to fund Secure School Programs for the purpose of implementing a statewide K-12 mobile panic button system.
- Section 12: Directs \$12,000,000 to be used to fund the Early Childhood Initiative for early childhood programs.

- Section 13: Directs the State Board of Education to prescribe the duties and compensation of employees not prescribed by law that perform duties for the State Department of Education.
- Section 14: 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 15: Authorizes the State Board of Education to request a transfer of appropriated funds to the appropriate dispensing fund.
- Section 16: 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 this bill will take a proportionate reduction.
- Section 17: Authorizes appropriations made in H.B. 2765, but not including appropriations made for capital outlay purposes, to be budgeted for the fiscal year ending June 30, 2020 or for the fiscal year ending June 30, 2021.

NOTE: This bill also duplicates much of the language contained in H.B. 2765.

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 references: 70 O.S. §26-103, 18-114.14, 6-204.2, 6-206.1, 1210.703, 1210.508, 6-195, 11-103.6, 6-101.16, 1210.568, 13-125, 10-105.4,



OKLAHOMA STATE DEPARTMENT OF
EDUCATION
— CHAMPION EXCELLENCE —

FY 2020 State Appropriation and Budget

June 27, 2019

Carolyn Thompson

Chief of Government Affairs

Legislative Appropriation

The State Board of Education is appropriated a total of **\$3,070,951,054** for FY 20, an increase of \$157,965,907.

- **HB 2765:** General Appropriations (GA) bill.
- **SB 1048:** Common Education Budget Limits bill.



Legislative Appropriation

HB 2765

- Financial Support of Public Schools: \$2,411,771,057
 - \$133,648,768 *more than* FY 19
- Support of Public School Activities: \$100,919,026
 - \$5,950,000 *more than* FY 19
- Flexible Benefit Allowance: \$502,691,920
 - \$18,958,804 *more than* FY 19
- Instructional Materials/Textbooks: \$33,000,000
 - *equal to* FY 19



Legislative Appropriation

HB 2765

- School Consolidation Assistance Fund: \$3,161,477
 - \$428,786 *less than* FY 19
- Teachers' Retirement Dedicated Revenue: \$3,161,477
 - \$428,786 *less than* FY 19
- Administrative/Support functions of SDE: \$16,246,097
 - \$265,907 *more than* FY 19



Salary Increase for Certified Staff

HB 2765, SB 1048

- **\$58,858,503** of formula funds designated for salary increases for certified personnel.
 - Includes teacher, principal, supervisor, administrator, counselor, librarian, nurse, but excludes superintendents
 - Must be in addition to the required step increase
 - Expectation of \$1,220 average increase across all certified staff (could differentiate)
 - Reporting of increases required



Ad Valorem Reimbursement

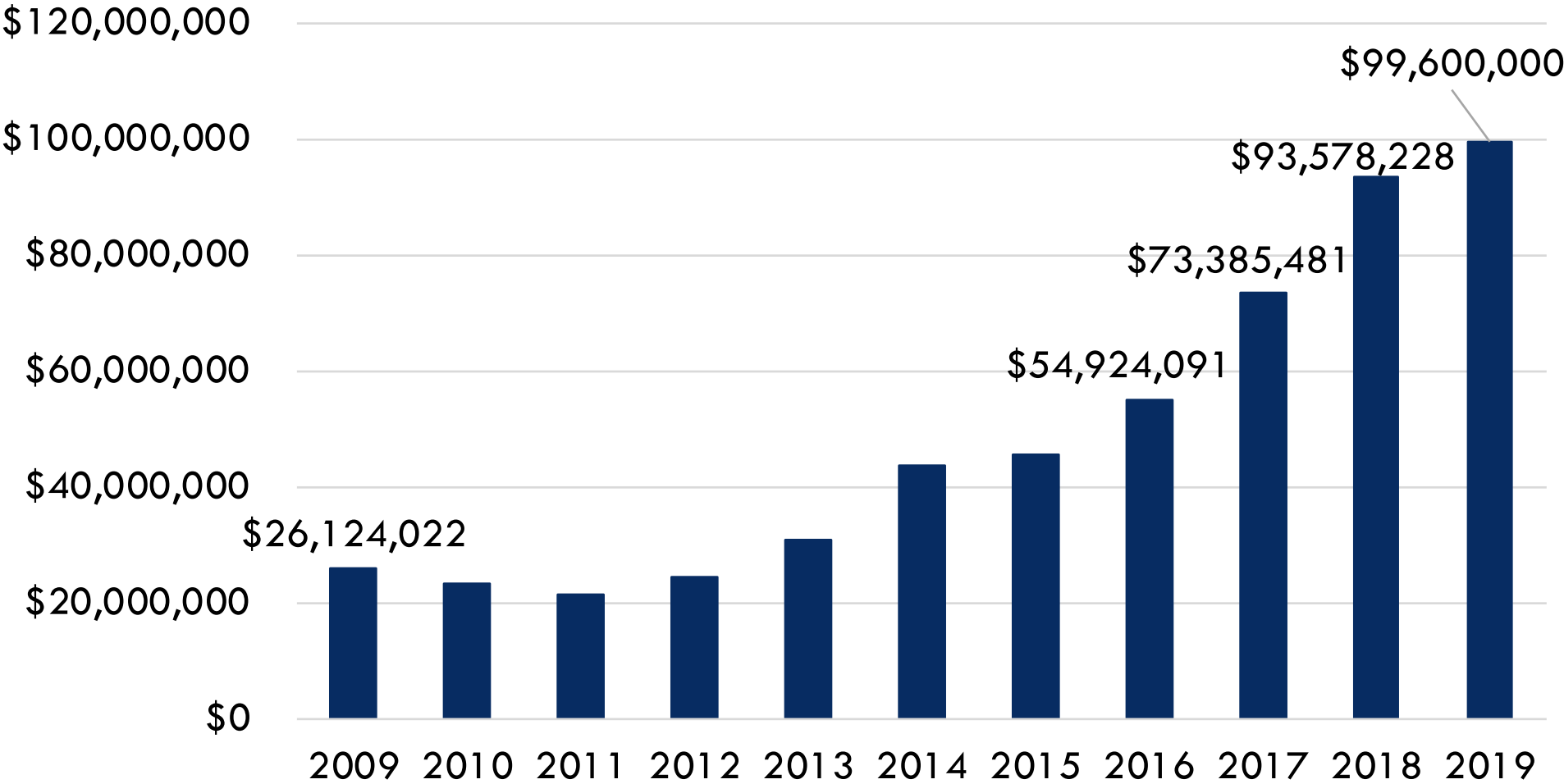
Reimburses school districts that claim a loss of revenue due to ad valorem tax exemptions.

(62 O.S. §193)

- HB 2765: Appropriates **\$99,600,000** to the Ad Valorem Reimbursement Fund from Special Cash.
 - \$6,900,000 *more than* FY 19
 - Allows funds to be paid out before end of fiscal year



History of Ad Valorem Reimbursement



What makes up the Formula?

- \$1,478,105,700 from the General Revenue (GR) Fund
 - \$104,904,399 *more than* FY 19
- \$854,300,525 from the Education Reform Revolving Fund (1017)
 - \$36,133,549 *more than* FY 19
- \$47,111,412 from the Common Education Technology Fund
 - \$3,359,339 *less than* FY 19
- \$28,453,289 from the Oklahoma Lottery Trust Fund
 - \$3,859,084 *less than* FY 19
- \$3,800,131 from the Mineral Leasing Funds
 - \$170,757 *less than* FY 19



1017 Fund

Revenue sources:

- Individual Income Tax
- Corporate Income Tax
- Use Tax
- Special License Plates
- Tribal Gaming
- Cigarette Tax (existing)
- Horse Track Gaming
- Tobacco Products Tax
- Business Activity Tax

➤ Amount available for appropriation will go up or down depending revenue sources.



Common Education Technology Fund

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
- Total allocated to Common Ed Tech combined with other apportioned funds – \$150m.
= approx. \$50m per year for Common Ed Tech



Education Lottery Trust

Fund Distribution:

- 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

Total per Board of Equalization: \$63,229,531

- \$28,453,289 to FY 20 formula
- \$3,161,477 each to School Consolidation Fund/OTRS



School Consolidation Fund

Used for:

- **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)**
 - \$3,289,541 FY 19 allocation to districts
 - \$3,161,477 FY 20 appropriation from Lottery Fund
 - \$8,247,218 total projected revenue available for FY 20



7 Sources of Formula Revenue

Local and county revenues:

1. Ad valorem taxes
2. County 4-mill

State – dedicated revenues:

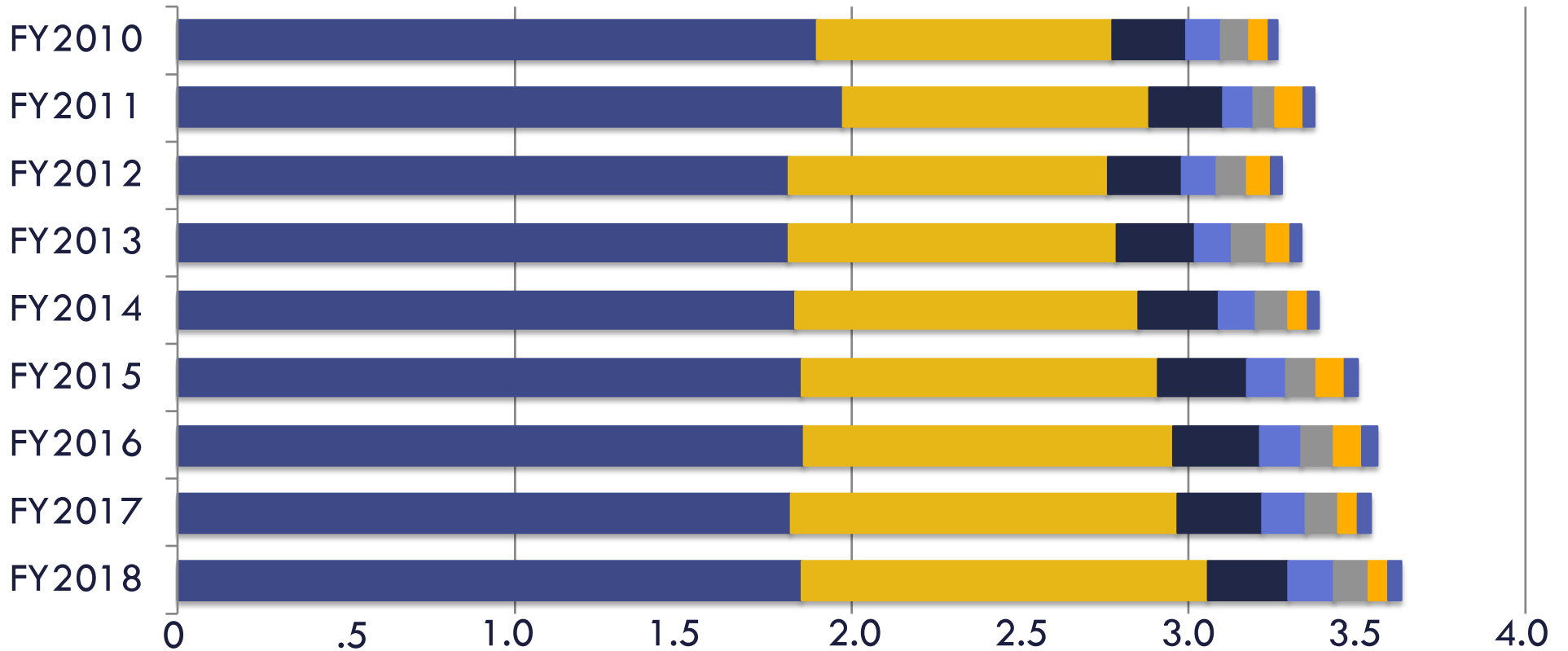
3. State school land earnings
4. Gross production
5. Motor vehicle collections
6. Rural electrification association (rea) tax

State appropriated:

7. Financial support of schools (formula funding)



7 Sources of Formula Revenue



In Billions

■ Financial Support (appropriations)

■ Ad Valorem

■ Motor Vehicle

■ County 4-Mill

■ School Land

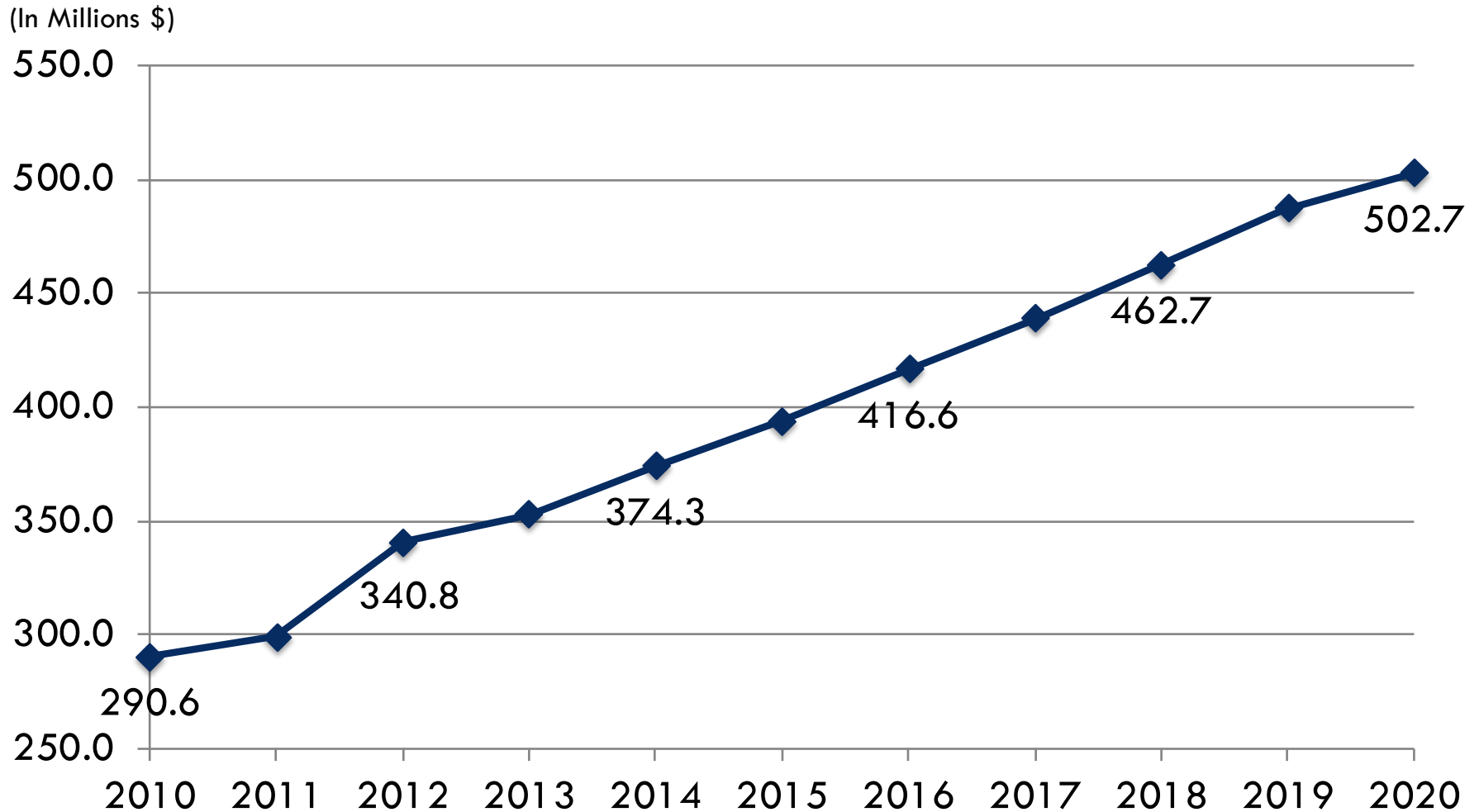
■ Gross Production

■ Rural Electrification Association

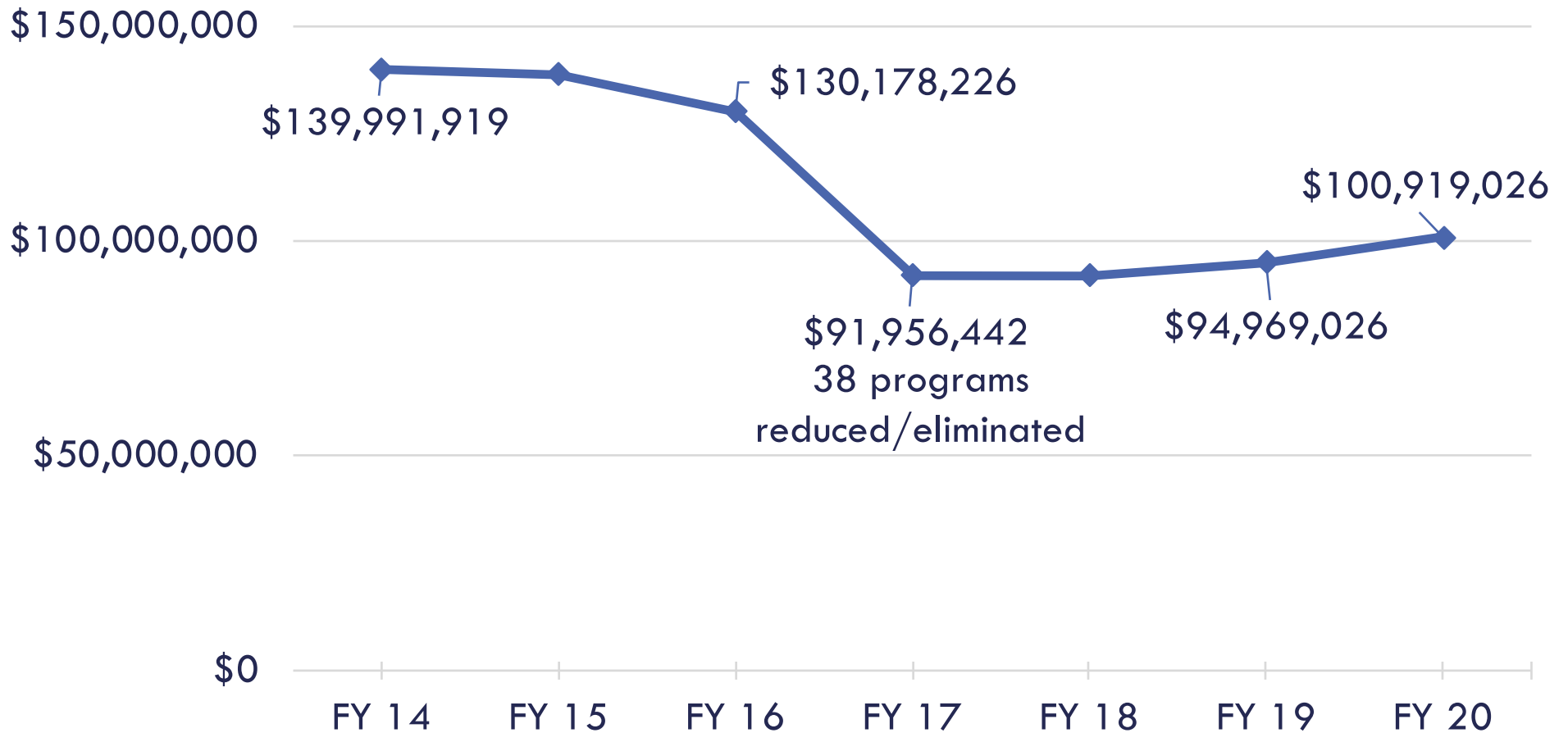


Flexible Benefit Allowance

Providing Health Insurance to 86,000 Oklahoma Educators



Support of Students and Teachers*



*Formally known as Public School Activities



Support of Students and Teachers Obligations Met

- Teachers' Retirement
 - Will need supplemental appropriation to meet obligation for FY 20.
- Sooner Start
- Testing
- National Board Certified Teacher Bonus
- School Lunch Match



Support of Students and Teachers

Funding increased/restored

- Early Childhood Initiative
 - Increased by \$1,350,000 (\$12,000,000 total)
- Reading Sufficiency Act
 - Increased by \$5,500,000 (\$12,000,000 total)
- Alternative Education
 - Increased by \$939,012 (\$11,000,000 total)
- Teach for America
 - Increased by \$750,000 (\$2,000,000 total)



Support of Students and Teachers

Funding Maintained

- AP Teacher Training and Test Fee Assistance
- Standards Implementation
- Teacher/Leader Effectiveness
- Teacher Induction Programs
- Great Expectations
- Oklahoma Arts Institute
- Street School
- Ag in the Classroom
- Speech Pathologist, Audiologist, Psychologist Bonus



Reading Sufficiency Act

- **\$12,000,000** provides full funding of the Reading Sufficiency Act for the first time since passage of the law.
 - Distributed to schools on per student basis for students k-3 not meeting reading benchmarks.
 - Provides approximately \$153 per student.
 - Funds used for instructional training, summer academies, professional development, support of student reading plan.



Support of Students and Teachers

New Funding

- **\$3,000,000** for Secure School Program to implement statewide panic button system.
- RAVE Mobile Safety to provide panic button app to all school districts free of charge.
- Alert authorities/staff to active shooter, medical emergency, fire, other 911 emergency.
- Provides geo-fencing and location services based on building floor plans.

