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- *Subsequent information should not be understood as, or considered a substitute for, specific legal advice. For inquiries, please contact Glen Johnson, or another licensed attorney.

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1ST SESSION OF THE 59TH LEGISLATURE

During the 2023 legislative session, most of the focus was given to education, passing the following initiatives:

- the Oklahoma Parental Choice Tax Credit Act – tax credits for parents who send their children to private schools (the focal point of the 2023 legislative session)
- longevity-based pay raises for all certified staff;
- additional funding for literacy programs;
- six weeks of paid maternity leave for teachers;
- funding for the Redbud School Grant program to benefit rural schools that have less ad valorem tax collection than other districts.

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1ST SESSION OF THE 59TH LEGISLATURE - 2023

The Legislature also spent time addressing:

- illegal marijuana grow operations
- investments were made in affordable housing,
- health care,
- home-based services for developmentally disabled individuals, and
- The Lead Act - financial incentives – Enel (solar based company) – Inola, OK – \$80 million for incentives (\$16 billion project – 3,500 jobs)
 - Panasonic – the first plant went to Kansas, other incentives for a second plant still under consideration in Pryor, OK
 - Volkswagen – went to Canada

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1ST SESSION OF THE 59TH LEGISLATURE - 2023

- During regular session, Governor Stitt signed 344 bills and joint resolutions into law.
- He allowed 15 regular session measures to take effect without his signature, and he vetoed 52 regular session bills.
- Lawmakers chose to override 19 of those 52 vetoes during regular session.
- Bills that didn't make it over the finish line this year are dormant and will carry over into next session.

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Legislative Committee Examines Oklahoma's Livable Wages Threshold



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2nd SPECIAL SESSION OF THE 59TH LEGISLATURE - 2023

- Gov. Kevin Stitt called the second special session on to address three issues:
 - A. A trigger law mandating that if a state or federal court finds that some individuals, due to their race, heritage, or political classification, don't have to pay a state tax, then no Oklahoman will have to pay the tax;
 - B. A tax cut that puts Oklahoma on the path to zero income taxes;
 - C. A budget transparency measure to ensure Oklahomans and their elected representatives have the ability and opportunity to see how their taxpayer dollars are being spent.
- Adjourned a little more than five hours after it began, when the Senate adjourned sine die. According to Senate leadership, Governor Stitt did not articulate a plan regarding the three issues he wanted addressed.
- The House is adjourned to the Call of the Chair.

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FY24 BUDGET UPDATE

- **Total FY24 appropriation bill distributes \$11.3 billion to various state agencies.**
 - **The total appropriated dollars for FY 2024, including supplements, equals \$12.9 billion.**
 - The Board of Equalization in June approved a \$190.0 million decrease in the General Revenue Fund estimate for fiscal year 2024 as a result of bills this session.
 - Three bills are forecast to reduce individual income tax collections to the General Revenue Fund, and one will increase it, resulting in a \$134.1 million decline.

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2024 LEGISLATIVE SESSION

- FY25 budget
- Income tax cuts
- Budget transparency
- Common Education/Department of Education
- Tribal relations

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BUDGET OUTLOOK FY '25

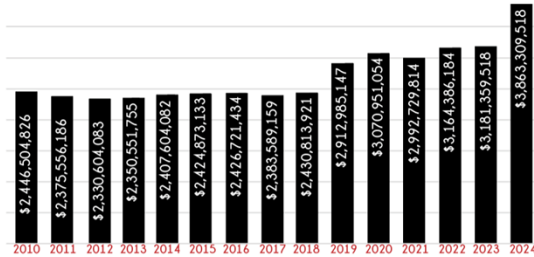
YTD

- Total General Revenue Fund collections for the first two months of fiscal year 2024 are \$1.2 billion
- \$24.1 million, or 2%, below the estimate
- \$107 million, or 8.1%, below prior year collections for the same period
- Budget numbers are beginning to tighten up

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FY24 EDUCATION BUDGET AGREEMENT

COMMON EDUCATION APPROPRIATIONS



Total FY 24 Appropriation:
\$3,863,309,518

Total FY 24 New Investment: \$682M

- \$1,000 per-student investment increase
- \$4,766 average teacher pay increase
- 59% increase in public school funding(\$1.55B) over the last six years

FY24 EDUCATION BUDGET AGREEMENT

Formula Funding: \$500M

HB 2901 | SB 1119 | HB 2902

Teacher Pay: \$285M

- Experienced-based teacher pay raise
 - \$3,000 (0-4 years)
 - \$4,000 (5-9 years)
 - \$5,000 (10-14 years)
 - \$6,000 (15+ years)
- Adjusts minimum salary schedule
- Certified Employees
 - CareerTech, Corrections/OJA, School for Deaf, School for Blind
 - Includes same raise for those paid above minimum
- Funds Off-Formula Schools
 - State Board of Education budget

Additional State Aid: \$215M

- Weight Adjustments (HB 2902)
 - Transportation 1.39 to 2
 - Economically Disadvantaged .25 to .3
 - Small School 529 ADM to 750 ADM
- Inflationary Costs Offset
- Investment Opportunities
- Student support services
 - Nurses, counselors, behavior specialists, etc.
- Support staff raises
- New/expanded academic or extracurricular programs

FY24 EDUCATION BUDGET AGREEMENT

Redbud Funding: \$125M – Benefits rural schools with less ad valorem tax collections – 416 school districts qualify

- Increases the funding level to highest possible percentage based on money available
- 416 school districts (estimated) will receive Redbud, 100 district increase

Literacy Pilot: \$3.3M (SB 1118) – for reading initiatives and literacy programs in K-12 schools

- \$10M over 3 years
- Literacy instruction teams

Safety Pilot: \$50M (HB 2903 & HB 2904) – to promote stranger safety and security measures in K-12 schools

- \$150M over 3 years
- School Resource Officers – additional personnel
- Physical security improvements

Maternity Leave (SB 1121)

- 6-week leave for mothers who have worked in same district for a year
- State funded

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OKLAHOMA PARENTAL CHOICE TAX CREDIT ACT

- HB 1934 by Rep. Charles McCall, R-Atoka, and Sen. Greg Treat, R-Edmond, creates the Oklahoma Parental Choice Tax Credit Act.
- The measure establishes a tiered system of tax credits for parents or guardians who send their children to accredited private schools. The tax credit tiers are based on a household's total adjust gross income during the second preceding tax year.
- The measure also establishes a \$1,000 per-student income tax credit for qualified expenses related to homeschooling.

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TRIBAL COMPACTS

- During special session, the House and Senate voted to override the Governor's veto of:
 - HB 1005X permit tribes with motor vehicle registration compacts to extend those agreements through Dec. 31, 2024.
 - SB 26X extends the tobacco tax compacts until Dec. 31, 2024. We negotiated the first motor fuels and tobacco compacts when I was speaker in 1995.
- Lawsuits filed in the Oklahoma Supreme Court by Gov. Stitt and the Oklahoma Council of Public Affairs. On Monday, October 16th, the Oklahoma Supreme Court ruled in favor of the Legislature by refusing to hear the OCPA lawsuit. Gov. Stitt's Lawsuit alleges only governors can negotiate tribal compacts. Oral argument before the Oklahoma Supreme Court is set for December 7.

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OVERVIEW OF SENATE AND HOUSE

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SPECIAL ELECTION FOR SENATE DISTRICT 32 - Lawton

- Below are the candidates vying for Senate District 32, which was vacated by Sen. John Michael Montgomery. Senate District 32 is located primarily in the western half of Comanche County.
- **Primary Election Winners:**
 - **Dusty Deevers, R-Elgin**
 - **Larry Bush, D-Lawton**
- **General election is scheduled for Dec. 12.**

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SPECIAL ELECTION FOR HOUSE DISTRICT 39 - Edmond

House District 39 special election, the seat recently vacated by Rep. Ryan Martinez, stretches as far north as Waterloo Road and runs south to 15th Street in Edmond. The district has Bryant Avenue on the eastern boundary and Western Avenue on the western boundary.

The special primary election is set for Dec. 12, and the special general election is scheduled for Feb. 13, which falls in the second week of the 2024 regular legislative session.

Seven (7) Republicans

- Cris Price, Edmond
- Ross Vanhooser, Edmond
- Kristen Ferate, Edmond
- Erick Harris, Edmond
- Ronda Lee Peterson, Edmond
- William A. Gaige Jr., Edmond
- Tim Hale, Edmond

Two (2) Democrat candidates:

- Regan Raff, Edmond
- Paul Timmons, Edmond

One (1) Libertarian

- Richard Prawdzienski, Edmond

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STATE SENATE

- Currently, Republican Senators hold a 39 to 8 advantage over Democrats (one seat is vacant).
- Half of the 48 state senate seats are up for re-election each cycle.

Senate Term Limited Seats (5)

- **Sen. Nathan Dahm** (R-Broken Arrow), District 33
- **Sen. Kay Floyd** (D-Oklahoma City), District 46
- **Sen. Kevin Matthews** (D-Tulsa), District 11
- **Sen. Rob Standridge** (R-Norman), District 15
- **President Pro Tempore Greg Treat** (R-Oklahoma City), District 47

Senators Not Running (3)

- **Sen. John Michael Montgomery** (R-Lawton), District 32
- **Sen. Joe Newhouse** (R-Tulsa), District 25
- **Sen. Cody Rogers** (R-Jenks), District 37

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STATE HOUSE

- Following the 2022 election cycle, Republicans hold a 80 to 20 advantage over Democrats (one vacant seat).
- All 101 House seats up for election each cycle.

House Term Limited Seats (4)

- **Rep. Jon Echols** (R-Oklahoma City), District 90
- **Rep. Mark McBride** (R-Moore), District 53
- **Speaker Charles McCall** (R-Atoka), District 22
- **Rep. Terry O'Donnell** (R-Catoosa), District 23

House Members Not Running (3)

- **Rep. Jeff Boatman** (R-Tulsa), District 67
- **Rep. Sherry Conley** (R-Newcastle), District 20
- **Rep. Ryan Martinez** (R-Edmond), District 39

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2024-25 LEADERSHIP CHANGES

Senate Leadership Turnover due to Term Limits

- **President Pro Temp Greg Treat (R-OKC), SD 47**
- **Senate Dem Leader - Kay Floyd (D-OKC), SD 46**
- **Senate Dem Caucus Chair - Kevin Matthews (D-Tulsa), SD 11**

House Leadership Turnover due to Term Limits

- **Speaker Charles McCall, R-Atoka, HD 22**
- **Majority Floor Leader Jon Echols, R-OKC, HD 90**
- **Asst Floor Leader Mark McBride, R-Moore, HD 53**
- **Majority Whip Terry O'Donnell, R-Catoosa, HD 23**

There will be a new Speaker of the House and a new Senate President pro tem after the 2024 Session – January 2025

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QUESTIONS AND CLOSING COMMENTS

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