

# An Act

ENROLLED HOUSE  
BILL NO. 1578

By: Caldwell and Newton of the  
House

and

Stanislawski of the Senate

An Act relating to schools; creating the School Finance Review Commission Act; creating a task force to study and make recommendations to improve the State Aid formula; establishing expiration date; setting duties; providing for membership; providing for naming of cochairs; requiring appointments by certain date; requiring organizational meeting by certain date; specifying quorum; providing frequency of meetings; authorizing creation of a technical advisory team by the cochairs; subjecting meetings to the Oklahoma Open Meeting Act; prohibiting compensation or travel reimbursement for members; providing for staff support; requiring State Department of Education to provide requested information; directing submission of early recommendations; requiring certain report; creating the School Finance Review Commission; designating membership, appointing authorities and terms; providing for staff and administrative support; prohibiting travel reimbursement; requiring Commission to conduct certain review and issue certain reports; providing for codification; providing for noncodification; providing an effective date; and declaring an emergency.

SUBJECT: School Finance Review Commission Act

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3-117.1 of Title 70, unless there is created a duplication in numbering, reads as follows:

This act shall be known and may be cited as the "School Finance Review Commission Act".

SECTION 2. NEW LAW A new section of law not to be codified in the Oklahoma Statutes reads as follows:

A. There is hereby created until December 31, 2018, a task force to study and make recommendations to the Legislature on improving the State Aid formula. The task force's study shall include but not be limited to the State Aid funding formula; local ad valorem rates; formula structure including but not limited to grade level weights, the student category weights and the transportation factor of the State Aid formula; and efficiencies and cost-saving measures regarding the footprint of school districts.

B. The task force shall be comprised of sixteen (16) members to be appointed as follows:

1. Two members who are appointed by the Governor;
2. The Secretary of Education and Workforce Development or designee;
3. Three members who are members of the Senate, appointed by the President Pro Tempore of the Senate;
4. Three members who are members of the House of Representatives, appointed by the Speaker of the House of Representatives;
5. One member who represents a statewide organization that represents businesses, appointed by the Governor;
6. One member who is a superintendent or financial officer for a school district with an average daily membership (ADM) of two thousand five hundred (2,500) students or less, appointed by the President Pro Tempore of the Senate;
7. One member who is a superintendent or financial officer for a school district with an ADM of more than two thousand five hundred

(2,500) students but less than ten thousand (10,000) students, appointed by the Speaker of the House of Representatives;

8. One member who is a superintendent or financial officer for a school district with an ADM of more than ten thousand (10,000) students, appointed by the Governor;

9. One member who is employed in the financial sector, appointed by the Speaker of the House of Representatives;

10. One member who is a professional auditor, appointed by the President Pro Tempore of the Senate; and

11. One member who is appointed by the Superintendent of Public Instruction.

The cochairs of the task force shall be the Secretary of Education and Workforce Development, a member of the Senate appointed as a member of the task force selected by the President Pro Tempore of the Senate and a member of the House of Representatives appointed as a member of the task force selected by the Speaker of the House of Representatives.

C. Appointments to the task force shall be made within thirty (30) days after the effective date of this act. The task force shall conduct an organizational meeting not later than August 31, 2017.

D. A quorum of the task force shall be required to approve any final action of the task force. For purposes of this section, nine members shall constitute a quorum.

E. The task force may meet as often as may be required in order to perform the duties imposed upon it.

F. The cochairs of the task force may create a technical advisory team to research and study the funding formula and make recommendations to the task force on actions to consider.

G. The meetings of the task force shall be subject to the Oklahoma Open Meeting Act.

H. Members of the task force shall receive no compensation or travel reimbursement.

I. The Educational Quality and Accountability Commission shall provide staff and administrative support to the task force. The State Department of Education shall assist the Educational Quality and Accountability Commission as needed in providing staff and administrative support to the task force. The State Department of Education shall provide information as requested to the task force and technical advisory team including the annual report on school finance and information on the structure of the State Aid formula.

J. If the task force develops recommendations prior to December 31, 2017, it shall submit them to the Governor, the President Pro Tempore of the Senate, the Speaker of the House of Representatives and the chairs of the education committees of the Senate and the House of Representatives. The task force shall submit a report of its findings and recommendations by December 31, 2018, to the Governor, the President Pro Tempore of the Senate, the Speaker of the House of Representatives and the chairs of the education committees of the Senate and the House of Representatives.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3-117.2 of Title 70, unless there is created a duplication in numbering, reads as follows:

A. There is hereby created the School Finance Review Commission consisting of:

1. A member appointed by and serving at the pleasure of the Governor whose term shall begin not later than March 1, 2021;

2. A member appointed by and serving at the pleasure of the Lieutenant Governor whose term shall begin not later than March 1, 2021;

3. A member appointed by and serving at the pleasure of the Speaker of the House of Representatives whose term shall begin not later than March 1, 2021;

4. A member appointed by and serving at the pleasure of the Minority Leader of the House of Representatives whose term shall begin not later than March 1, 2021;

5. A member appointed by and serving at the pleasure of the President Pro Tempore of the Senate whose term shall begin not later than March 1, 2021;

6. A member appointed by and serving at the pleasure of the Minority Leader of the Senate whose term shall begin not later than March 1, 2021;

7. The Executive Director of the Office of Educational Quality and Accountability or his or her designee who is an employee of the Office of Educational Quality and Accountability who shall be an ex officio and nonvoting member; and

8. The State Superintendent or his or her designee who is an employee of the State Department of Education who shall be an ex officio and nonvoting member.

B. Thereafter persons shall be appointed by the appointing authority for terms of four (4) years beginning on January 1, or until the Commission expires. Any vacancy shall be filled by the appointing authority for the remainder of the unexpired term.

C. No voting member shall be appointed to the Commission who at the time of his or her appointment is an elected official. Any person who is appointed to the Commission who subsequently becomes an elected official during his or her term on the Commission shall be required to vacate his or her position on the Commission.

D. The Educational Quality and Accountability Commission shall provide staff and administrative support to the School Finance Review Commission. The State Department of Education shall assist the Educational Quality and Accountability Commission as needed in providing staff and administrative support to the School Finance Review Commission.

E. The Commission shall hold its meetings in compliance with the Oklahoma Open Meeting Act.

F. No person appointed to the Commission shall be permitted to receive travel reimbursement or compensation.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3-117.3 of Title 70, unless there is created a duplication in numbering, reads as follows:

A. The School Finance Review Commission shall conduct a review of all matters related to school finance, including but not limited to teacher compensation, benefits and administration costs.

B. The Commission shall submit a report of its findings to the Governor, the President Pro Tempore of the Senate and the Speaker of the House of Representatives no later than December 31, 2023, and every subsequent four (4) years by December 31.

SECTION 5. This act shall become effective July 1, 2017.

SECTION 6. It being immediately necessary for the preservation of the public peace, health or safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

Passed the House of Representatives the 25th day of May, 2017.

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Presiding Officer of the House  
of Representatives

Passed the Senate the 26th day of May, 2017.

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Presiding Officer of the Senate

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this \_\_\_\_\_

day of \_\_\_\_\_, 20\_\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

By: \_\_\_\_\_

Approved by the Governor of the State of Oklahoma this \_\_\_\_\_

day of \_\_\_\_\_, 20\_\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this \_\_\_\_\_

day of \_\_\_\_\_, 20\_\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

By: \_\_\_\_\_