

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 2nd Session of the 59th Legislature (2024)

4 COMMITTEE SUBSTITUTE
5 FOR ENGROSSED
6 SENATE BILL NO. 1522

By: Pemberton and Haste of the
Senate

and

Tedford of the House

7
8
9
10 COMMITTEE SUBSTITUTE

11 An Act relating to the State Board of Education;
12 amending 70 O.S. 2021, Section 1-118, which relates
13 to school district building funds; including purchase
14 and maintenance of school buses as authorized
15 expenditure; amending 70 O.S. 2021, Section 3-104, as
16 last amended by Section 4, Chapter 323, O.S.L. 2023
17 (70 O.S. Supp. 2023, Section 3-104), which relates to
18 powers and duties of the State Board of Education;
19 removing certain definition; directing certain grants
20 to be used for certain purposes; updating statutory
21 language; repealing 70 O.S. 2021, Section 3-104, as
22 amended by Section 1, Chapter 290, O.S.L. 2023, which
23 relates to powers and duties of the State Board of
24 Education; providing an effective date; and declaring
 an emergency.

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

SECTION 1. AMENDATORY 70 O.S. 2021, Section 1-118, is
amended to read as follows:

1 Section 1-118. The building fund of any school district shall
2 consist of all monies derived from the proceeds of a building fund
3 levy of not to exceed five (5) mills in any year, voted by the
4 people of a school district pursuant to the provisions of Article X,
5 Section 10 of the Oklahoma Constitution, monies appropriated by the
6 state for the purpose of capital expenditures or projects, monies
7 allocated to a school district by the State Board of Education from
8 the State Public Common School Building Equalization Fund and monies
9 donated to a school district for the purpose of capital projects or
10 improvements and may be used for erecting, remodeling, repairing or
11 maintaining school buildings, for purchasing furniture, equipment
12 and computer software to be used on or for school district property,
13 for repairing and maintaining computer systems and equipment, for
14 paying energy and utility costs, for purchasing telecommunications
15 utilities and services, for paying fire and casualty insurance
16 premiums for school facilities, for purchasing security systems, for
17 paying salaries of security personnel, for purchasing school buses,
18 or for one or more, or all, of such purposes. Proceeds of such
19 levies shall not be required to be used during the year for which a
20 levy is made but may accumulate from year to year until adequate for
21 the purposes intended. The building fund may also consist of monies
22 allocated to a school district via the federal Coronavirus Response
23 and Relief Supplemental Appropriation Act of 2021 (CRRSA) and the
24 federal American Rescue Plan Act of 2021 (ARP). The building fund

1 hereinabove defined is hereby declared to be a current expense fund,
2 but shall not be considered a part of the general operating fund.
3 No monies derived from the proceeds of the school levies made
4 pursuant to the provisions of Article X, Section 9 of the Oklahoma
5 Constitution may be placed in the building fund provided by this
6 section.

7 SECTION 2. AMENDATORY 70 O.S. 2021, Section 3-104, as
8 last amended by Section 4, Chapter 323, O.S.L. 2023 (70 O.S. Supp.
9 2023, Section 3-104), is amended to read as follows:

10 Section 3-104. A. The supervision of the public school system
11 of Oklahoma shall be vested in the State Board of Education and,
12 subject to limitations otherwise provided by law, the State Board of
13 Education shall:

14 1. Adopt policies and make rules for the operation of the
15 public school system of the state;

16 2. Appoint, prescribe the duties, and fix the compensation of a
17 secretary, an attorney, and all other personnel necessary for the
18 proper performance of the functions of the State Board of Education.
19 The secretary shall not be a member of the Board;

20 3. Submit to the Governor a departmental budget based upon
21 major functions of the Department as prepared by the Superintendent
22 of Public Instruction and supported by detailed data on needs and
23 proposed operations as partially determined by the budgetary needs
24 of local school districts filed with the State Board of Education

1 for the ensuing fiscal year. Appropriations therefor shall be made
2 in lump-sum form for each major item in the budget as follows:

- 3 a. State Aid to schools,
- 4 b. the supervision of all other functions of general and
5 special education including general control, free
6 textbooks, school lunch, Indian education, and all
7 other functions of the Board and an amount sufficient
8 to adequately staff and administer these services, and
9 c. the Board shall determine the details by which the
10 budget and the appropriations are administered.

11 Annually, the Board shall make preparations to
12 consolidate all of the functions of the Department in
13 such a way that the budget can be based on two items,
14 administration and aid to schools. A maximum amount
15 for administration shall be designated as a part of
16 the total appropriation;

17 4. On the first day of December preceding each regular session
18 of the Legislature, prepare and deliver to the Governor and the
19 Legislature a report for the year ending June 30 immediately
20 preceding the regular session of the Legislature. The report shall
21 contain:

- 22 a. detailed statistics and other information concerning
23 enrollment, attendance, expenditures including State
24

1 Aid, and other pertinent data for all public schools
2 in this state,

3 b. reports from each and every division within the State
4 Department of Education as submitted by the
5 Superintendent of Public Instruction and any other
6 division, department, institution, or other agency
7 under the supervision of the Board,

8 c. recommendations for the improvement of the public
9 school system of the state,

10 d. a statement of the receipts and expenditures of the
11 State Board of Education for the past year, and

12 e. a statement of plans and recommendations for the
13 management and improvement of public schools and such
14 other information relating to the educational
15 interests of the state as may be deemed necessary and
16 desirable;

17 5. Provide for the formulation and adoption of curricula,
18 courses of study, and other instructional aids necessary for the
19 adequate instruction of pupils in the public schools;

20 6. Have authority in matters pertaining to the licensure and
21 certification of persons for instructional, supervisory, and
22 administrative positions and services in the public schools of the
23 state subject to the provisions of Section 6-184 of this title, and
24 shall formulate rules governing the issuance and revocation of

1 certificates for superintendents of schools, principals,
2 supervisors, librarians, clerical employees, school nurses, school
3 bus drivers, visiting teachers, classroom teachers, and for other
4 personnel performing instructional, administrative, and supervisory
5 services, but not including members of boards of education and other
6 employees who do not work directly with pupils, and may charge and
7 collect reasonable fees for the issuance of such certificates:

8 a. the State Department of Education shall not issue a
9 certificate to and shall revoke the certificate of any
10 person who has been convicted, whether upon a verdict
11 or plea of guilty or upon a plea of nolo contendere,
12 or received a suspended sentence or any probationary
13 term for a crime or an attempt to commit a crime
14 provided for in Section 843.5 of Title 21 of the
15 Oklahoma Statutes if the offense involved sexual abuse
16 or sexual exploitation as those terms are defined in
17 Section 1-1-105 of Title 10A of the Oklahoma Statutes,
18 Section 741, 843.1, if the offense included sexual
19 abuse or sexual exploitation, 865 et seq., 885, 888,
20 891, 1021, 1021.2, 1021.3, 1040.13a, 1087, 1088,
21 1111.1, 1114, or 1123 of Title 21 of the Oklahoma
22 Statutes or who enters this state and who has been
23 convicted, received a suspended sentence, or received
24 a deferred judgment for a crime or attempted crime

1 which, if committed or attempted in this state, would
2 be a crime or an attempt to commit a crime provided
3 for in any of the laws, and

4 b. all funds collected by the State Department of
5 Education for the issuance of certificates to
6 instructional, supervisory, and administrative
7 personnel in the public schools of the state shall be
8 deposited in the "Teachers' Certification Fund" in the
9 State Treasury and may be expended by the State Board
10 of Education to finance the activities of the State
11 Department of Education necessary to administer the
12 program, for consultative services, publication costs,
13 actual and necessary travel expenses as provided in
14 the State Travel Reimbursement Act incurred by persons
15 performing research work, and other expenses found
16 necessary by the State Board of Education for the
17 improvement of the preparation and certification of
18 teachers in this state. Provided, any unobligated
19 balance in the Teachers' Certification Fund in excess
20 of Ten Thousand Dollars (\$10,000.00) on June 30 of any
21 fiscal year shall be transferred to the General
22 Revenue Fund of this state. Until July 1, 1997, the
23 State Board of Education shall have authority for
24 approval of teacher education programs. The State

1 Board of Education shall also have authority for the
2 administration of teacher residency and professional
3 development, subject to the provisions of the Oklahoma
4 Teacher Preparation Act;

5 7. Promulgate rules governing the classification, inspection,
6 supervision, and accrediting of all public nursery, kindergarten,
7 elementary and secondary schools, and on-site educational services
8 provided by public school districts or state-accredited private
9 schools in partial hospitalization programs, day treatment programs,
10 and day hospital programs as defined in this ~~act~~ section, Section 3-
11 104.7 of this title, and Section 603.4 of Title 10 of the Oklahoma
12 Statutes for persons between the ages of three (3) and twenty-one
13 (21) years of age in the state. However, no school shall be denied
14 accreditation solely on the basis of average daily attendance.

15 Any school district which maintains an elementary school and
16 faces the necessity of relocating its school facilities because of
17 construction of a lake, either by state or federal authority, which
18 will inundate the school facilities, shall be entitled to receive
19 probationary accreditation from the State Board of Education for a
20 period of five (5) years after June 12, 1975, and any school
21 district, otherwise qualified, shall be entitled to receive
22 probationary accreditation from the State Board of Education for a
23 period of two (2) consecutive years to attain the minimum average
24 daily attendance. The Head Start and public nurseries or

1 kindergartens operated from ~~Community Action Agency~~ community action
2 agency funds shall not be subjected to the accrediting rules of the
3 State Board of Education. Neither will the State Board of Education
4 make rules affecting the operation of the public nurseries and
5 kindergartens operated from federal funds secured through ~~Community~~
6 ~~Action Agencies~~ community action agencies even though they may be
7 operating in the public schools of the state. However, any of the
8 Head Start or public nurseries or kindergartens operated under
9 federal regulations may make application for accrediting from the
10 State Board of Education but will be accredited only if application
11 for the approval of the programs is made. The status of no school
12 district shall be changed which will reduce it to a lower
13 classification until due notice has been given to the proper
14 authorities thereof and an opportunity given to correct the
15 conditions which otherwise would be the cause of such reduction.

16 Private and parochial schools may be accredited and classified
17 in like manner as public schools or, if an accrediting association
18 is approved by the State Board of Education, by procedures
19 established by the State Board of Education to accept accreditation
20 by such accrediting association, if application is made to the State
21 Board of Education for such accrediting;

22 8. Be the legal agent of this state to accept, in its
23 discretion, the provisions of any Act of Congress appropriating or
24 apportioning funds which are now, or may hereafter be, provided for

1 use in connection with any phase of the system of public education
2 in Oklahoma. It shall prescribe such rules as it finds necessary to
3 provide for the proper distribution of such funds in accordance with
4 the state and federal laws;

5 9. Be and is specifically hereby designated as the agency of
6 this state to cooperate and deal with any officer, board, or
7 authority of the United States Government under any law of the
8 United States which may require or recommend cooperation with any
9 state board having charge of the administration of public schools
10 unless otherwise provided by law;

11 10. Be and is hereby designated as the "State Educational
12 Agency" referred to in Public Law 396 of the 79th Congress of the
13 United States, which law states that the act may be cited as the
14 "National School Lunch Act", and the State Board of Education is
15 hereby authorized and directed to accept the terms and provisions of
16 the act and to enter into such agreements, not in conflict with the
17 Constitution of Oklahoma or the Constitution and Statutes of the
18 United States, as may be necessary or appropriate to secure for this
19 state the benefits of the school lunch program established and
20 referred to in the act;

21 11. Have authority to secure and administer the benefits of the
22 National School Lunch Act, Public Law 396 of the 79th Congress of
23 the United States, in this state and is hereby authorized to employ
24 or appoint and fix the compensation of such additional officers or

1 employees and to incur such expenses as may be necessary for the
2 accomplishment of the above purpose, administer the distribution of
3 any state funds appropriated by the Legislature required as federal
4 matching to reimburse on children's meals;

5 12. Accept and provide for the administration of any land,
6 money, buildings, gifts, donation, or other things of value which
7 may be offered or bequeathed to the schools under the supervision or
8 control of the Board;

9 13. Have authority to require persons having administrative
10 control of all school districts in Oklahoma to make such regular and
11 special reports regarding the activities of the schools in the
12 districts as the Board may deem needful for the proper exercise of
13 its duties and functions. Such authority shall include the right of
14 the State Board of Education to withhold all state funds under its
15 control, to withhold official recognition including accrediting,
16 until such required reports have been filed and accepted in the
17 office of the Board and to revoke the certificates of persons
18 failing or refusing to make such reports;

19 14. Have general supervision of the school lunch program. The
20 State Board of Education may sponsor workshops for personnel and
21 participants in the school lunch program and may develop, print, and
22 distribute free of charge or sell any materials, books, and
23 bulletins to be used in the school lunch programs. There is hereby
24 created in the State Treasury a revolving fund for the Board, to be

1 designated the ~~School Lunch Workshop Revolving Fund~~ "School Lunch
2 Workshop Revolving Fund". The fund shall consist of all fees
3 derived from or on behalf of any participant in any such workshop
4 sponsored by the State Board of Education, or from the sale of any
5 materials, books, and bulletins, and funds shall be disbursed for
6 expenses of such workshops and for developing, printing, and
7 distributing of the materials, books, and bulletins relating to the
8 school lunch program. The fund shall be administered in accordance
9 with Section 155 of Title 62 of the Oklahoma Statutes;

10 15. Prescribe all forms for school district and county officers
11 to report to the State Board of Education where required. The State
12 Board of Education shall also prescribe a list of appropriation
13 accounts by which the funds of school districts shall be budgeted,
14 accounted for, and expended; and it shall be the duty of the State
15 Auditor and Inspector in prescribing all budgeting, accounting, and
16 reporting forms for school funds to conform to such lists;

17 16. Provide for the establishment of a uniform system of pupil
18 and personnel accounting, records, and reports;

19 17. Have authority to provide for the health and safety of
20 school children and school personnel while under the jurisdiction of
21 school authorities;

22 18. Provide for the supervision of the transportation of
23 pupils;

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1 19. Have authority, upon request of the local school board, to
2 act in behalf of the public schools of the state in the purchase of
3 transportation equipment;

4 20. Have authority and is hereby required to perform all duties
5 necessary to the administration of the public school system in
6 Oklahoma as specified in the Oklahoma School Code; and, in addition
7 thereto, those duties not specifically mentioned herein if not
8 delegated by law to any other agency or official;

9 21. Administer the State Public Common School Building
10 Equalization Fund established by Section 32 of Article X of the
11 Oklahoma Constitution. Any monies as may be appropriated or
12 designated by the Legislature, other than ad valorem taxes, any
13 other funds identified by the State Department of Education, which
14 may include, but not be limited to, grants-in-aid from the federal
15 government for building purposes, the proceeds of all property that
16 shall fall to the state by escheat, penalties for unlawful holding
17 of real estate by corporations, and capital gains on assets of the
18 permanent school funds, shall be deposited in the State Public
19 Common School Building Equalization Fund. The fund shall be used to
20 aid school districts and charter schools in acquiring buildings,
21 subject to the limitations fixed by Section 32 of Article X of the
22 Oklahoma Constitution. It is hereby declared that ~~the term~~
23 ~~"acquiring buildings" as used in Section 32 of Article X of the~~
24 ~~Oklahoma Constitution shall mean acquiring or improving school~~

1 ~~sites, constructing, repairing, remodeling, or equipping buildings,~~
2 ~~or acquiring school furniture, fixtures, or equipment~~ redbud school
3 grants disbursed from the State Public Common School Building
4 Equalization Fund shall be used for the same purposes as a building
5 fund, as provided for in Section 1-118 of this title. It is hereby
6 declared that the term "school districts" as used in Section 32 of
7 Article X of the Oklahoma Constitution shall mean school districts
8 and eligible charter schools as defined in subsection B of this
9 section. The State Board of Education shall disburse redbud school
10 grants annually from the State Public Common School Building
11 Equalization Fund to public schools and eligible charter schools
12 pursuant to subsection B of this section. The Board shall
13 promulgate rules for the implementation of disbursing redbud school
14 grants pursuant to this section. The State Board of Education shall
15 prescribe rules for making grants of aid from, and for otherwise
16 administering, the fund pursuant to the provisions of this
17 paragraph, and may employ and fix the duties and compensation of
18 technicians, aides, clerks, stenographers, attorneys, and other
19 personnel deemed necessary to carry out the provisions of this
20 paragraph. The cost of administering the fund shall be paid from
21 monies appropriated to the State Board of Education for the
22 operation of the State Department of Education. From monies
23 apportioned to the fund, the State Department of Education may

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1 reserve not more than one-half of one percent (1/2 of 1%) for
2 purposes of administering the fund;

3 22. Recognize that the Director of the Department of
4 Corrections shall be the administrative authority for the schools
5 which are maintained in the state reformatories and shall appoint
6 the principals and teachers in such schools. Provided, that rules
7 of the State Board of Education for the classification, inspection,
8 and accreditation of public schools shall be applicable to such
9 schools; and such schools shall comply with standards set by the
10 State Board of Education; and

11 23. Have authority to administer a revolving fund which is
12 hereby created in the State Treasury, to be designated the
13 ~~Statistical Services Revolving Fund~~ "Statistical Services Revolving
14 Fund". The fund shall consist of all monies received from the
15 various school districts of the state, the United States Government,
16 and other sources for the purpose of furnishing or financing
17 statistical services and for any other purpose as designated by the
18 Legislature. The State Board of Education is hereby authorized to
19 enter into agreements with school districts, municipalities, the
20 United States Government, foundations, and other agencies or
21 individuals for services, programs, or research projects. The
22 Statistical Services Revolving Fund shall be administered in
23 accordance with Section 155 of Title 62 of the Oklahoma Statutes.

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1 B. 1. The redbud school grants shall be determined by the
2 State Department of Education as follows:

3 a. divide the county four-mill levy revenue by four to
4 determine the nonchargeable county four-mill revenue
5 for each school district,

6 b. determine the amount of new revenue generated by the
7 five-mill building fund levy as authorized by Section
8 10 of Article X of the Oklahoma Constitution for each
9 school district as reported in the Oklahoma Cost
10 Accounting System for the preceding fiscal year,

11 c. add the amounts calculated in subparagraphs a and b of
12 this paragraph to determine the nonchargeable millage
13 for each school district,

14 d. add the nonchargeable millage in each district
15 statewide as calculated in subparagraph c of this
16 paragraph and divide the total by the average daily
17 membership in public schools statewide based on the
18 preceding school year's average daily membership,
19 according to the provisions of Section 18-107 of this
20 title. This amount is the statewide nonchargeable
21 millage per student, known as the baseline local
22 funding per student,

23 e. all eligible charter schools shall be included in
24 these calculations as unique school districts,

1 separate from the school district that may sponsor the
2 eligible charter school, and the total number of
3 districts shall be used to determine the statewide
4 average baseline local funding per student,

5 f. for each school district or eligible charter school
6 which is below the baseline local funding per student,
7 the Department shall subtract the baseline local
8 funding per student from the average nonchargeable
9 millage per student of the school district or eligible
10 charter school to determine the nonchargeable millage
11 per student shortfall for each district, and

12 g. the nonchargeable millage per student shortfall for a
13 school district or eligible charter school shall be
14 multiplied by the average daily membership of the
15 preceding school year of the eligible school district
16 or eligible charter school. This amount shall be the
17 redbud school grant amount for the school district or
18 eligible charter school.

19 2. For fiscal year 2022, monies for the redbud school grants
20 shall be expended from the funds apportioned pursuant to Section 426
21 of Title 63 of the Oklahoma Statutes. For fiscal year 2023 and each
22 subsequent fiscal year, monies for the redbud school grants shall be
23 appropriated pursuant to Section 426 of Title 63 of the Oklahoma
24 Statutes, not to exceed three-fourths (3/4) of the tax collected in

1 the preceding fiscal year pursuant to Section 426 of Title 63 of the
2 Oklahoma Statutes as determined by the Oklahoma Tax Commission. For
3 fiscal year 2023 and each subsequent fiscal year, if such
4 appropriated funds are insufficient to fund the redbud school
5 grants, then an additional apportionment of funds shall be made from
6 sales tax collections as provided by subsection D of Section 1353 of
7 Title 68 of the Oklahoma Statutes. If both funds are insufficient,
8 the Department shall promulgate rules to permit a decrease to the
9 baseline local funding per student to the highest amount allowed
10 with the funding available.

11 3. As used in this section, "eligible charter school" shall
12 mean a charter school which is sponsored pursuant to the provisions
13 of the Oklahoma Charter Schools Act. Provided, however, ~~"eligible~~
14 ~~charter school"~~ eligible charter school shall not include a
15 statewide virtual charter school sponsored by the Statewide Charter
16 School Board but shall only include those which provide in-person or
17 blended instruction, as provided by Section 1-111 of this title, to
18 not less than two-thirds (2/3) of students as the primary means of
19 instructional service delivery.

20 4. The Department shall develop a program to acknowledge the
21 redbud school grant recipients and shall include elected members of
22 the House of Representatives and Senate who represent the school
23 districts and eligible charter schools.

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1 5. The Department shall create a dedicated page on its website
2 listing annual redbud school grant recipients, amount awarded to
3 each recipient, and other pertinent information about the Redbud
4 School Funding Act.

5 6. The Department shall provide the chair of the House
6 Appropriations and Budget Committee and the chair of the Senate
7 Appropriations Committee no later than February 1 of each year with
8 an estimate of the upcoming year's redbud school grant allocation as
9 prescribed by this section.

10 SECTION 3. REPEALER 70 O.S. 2021, Section 3-104, as
11 amended by Section 1, Chapter 290, O.S.L. 2023, is hereby repealed.

12 SECTION 4. This act shall become effective July 1, 2024.

13 SECTION 5. It being immediately necessary for the preservation
14 of the public peace, health, or safety, an emergency is hereby
15 declared to exist, by reason whereof this act shall take effect and
16 be in full force from and after its passage and approval.

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18 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET, dated
19 04/18/2024 - DO PASS, As Amended.
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