

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 58th Legislature (2021)

4 COMMITTEE SUBSTITUTE
5 FOR ENGROSSED
6 SENATE BILL NO. 229

By: Montgomery of the Senate

and

Hilbert of the House

8
9
10 COMMITTEE SUBSTITUTE

11 [school funding - directing apportionment to State
12 Public Common School Building Equalization Fund -
13 State Board of Education - school accreditation
14 standards - charter school funding - State Aid for
15 a charter school - legal average daily attendance
16 calculation -

emergency]

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

21 SECTION 1. AMENDATORY 68 O.S. 2011, Section 2352, as
22 last amended by Section 3, Chapter 15, O.S.L. 2020 (68 O.S. Supp.
23 2020, Section 2352), is amended to read as follows:
24

1 Section 2352. It is hereby declared to be the purpose of
2 Section 2351 et seq. of this title to provide revenue for general
3 governmental functions of state government; and, for that purpose
4 and to that end, it is expressly declared that the revenue derived
5 herefrom and penalties and interest thereon, subject to the
6 apportionment requirements for the Rebuilding Oklahoma Access and
7 Driver Safety Fund, the Oklahoma Tourism and Passenger Rail
8 Revolving Fund, the Public Transit Revolving Fund, and the Education
9 Reform Revolving Fund to be derived from income tax revenue that
10 would otherwise be apportioned to the General Revenue Fund as
11 provided by Section 1521 of Title 69 of the Oklahoma Statutes,
12 subject to the apportionment requirements for the Oklahoma Tax
13 Commission and Office of Management and Enterprise Services Joint
14 Computer Enhancement Fund provided by Section 265 of this title, and
15 subject to the apportionment requirements for the Oklahoma State
16 Capitol Building Repair and Restoration Fund provided by Section 19
17 of Title 73 of the Oklahoma Statutes, shall be distributed as
18 follows:

19 1. For the fiscal year beginning July 1, 2002, the first Five
20 Million Eight Hundred Thousand Dollars (\$5,800,000.00) of revenue
21 derived pursuant to the provisions of subsections A, B and E of
22 Section 2355 of this title shall be apportioned to the Education
23 Reform Revolving Fund. The Except as otherwise provided by
24 paragraph 4 of this section, the remainder of such revenue for the

1 fiscal year beginning July 1, 2002, and all such revenue for each
2 fiscal year thereafter shall be apportioned monthly as follows:

3 a. the following amounts shall be paid to the State
4 Treasurer to be placed to the credit of the General
5 Revenue Fund of the state for such fiscal year for the
6 support of the state government to be paid out only
7 pursuant to appropriation by the Legislature:

8 Fiscal Year	Amount
9 FY 2003 and FY 2004	87.12%
10 FY 2005	86.91%
11 FY 2006	86.66%
12 FY 2007	86.16%
13 FY 2008 through FY 2022	85.66%
14 FY 2023 through FY 2027	85.16%
15 FY 2028 and each fiscal year thereafter	85.66%,

16 b. the following amounts shall be paid to the State
17 Treasurer to be placed to the credit of the Education
18 Reform Revolving Fund of the State Department of
19 Education:

- 20 (1) for FY 2003 through FY 2020, eight and thirty-
21 four one-hundredths percent (8.34%),
- 22 (2) for FY 2021:
 - 23 (a) for the month beginning July 1, 2020,
24 through the month ending August 31, 2020,

1 eight and thirty-four one-hundredths percent
2 (8.34%), and

3 (b) for the month beginning September 1, 2020,
4 through the month ending June 30, 2021, nine
5 and eighty-four one-hundredths percent
6 (9.84%),

7 (3) for FY 2022, nine and fifty-nine one-hundredths
8 percent (9.59%), and

9 (4) for FY 2023 and each fiscal year thereafter,
10 eight and thirty-four one-hundredths percent
11 (8.34%) shall be paid to the State Treasurer to
12 be placed to the credit of the Education Reform
13 Revolving Fund,

14 c. the following amounts shall be paid to the State
15 Treasurer to be placed to the credit of the Teachers'
16 Retirement System Dedicated Revenue Revolving Fund:

17 Fiscal Year	Amount
18 FY 2003 and FY 2004	3.54%
19 FY 2005	3.75%
20 FY 2006	4.0%
21 FY 2007	4.5%
22 FY 2008 through FY 2020	5.0%
23 FY 2021:	

24

1	(1)	for the month beginning	
2		July 1, 2020, through	
3		the month ending August	
4		31, 2020	5.0%
5	(2)	for the month beginning	
6		September 1, 2020,	
7		through the month ending	
8		June 30, 2021	3.5%
9		FY 2022	3.75%
10		FY 2023 through FY 2027	5.5%
11		FY 2028 and each fiscal	
12		year thereafter	5.0%

13 d. for FY 2003 and each fiscal year thereafter, one
14 percent (1%) shall be placed to the credit of the Ad
15 Valorem Reimbursement Fund;

16 2. Beginning July 1, 2003, for any period of time as certified
17 by the Oklahoma Development Finance Authority and the Oklahoma
18 Department of Commerce to be necessary for the repayment of
19 obligations issued by the Oklahoma Development Finance Authority
20 pursuant to Section 3654 of this title if the other sources of
21 revenue paid to or apportioned to the Quality Jobs Program Incentive
22 Leverage Fund are not adequate, including the proceeds from payment
23 pursuant to the guaranty required by subsection M of Section 3654 of
24 this title, an amount certified by the Oklahoma Development Finance

1 Authority to the Oklahoma Tax Commission shall be apportioned to the
2 Quality Jobs Program Incentive Leverage Fund before any other
3 apportionments are made as otherwise authorized by this paragraph.
4 The Oklahoma Development Finance Authority shall certify to the
5 Oklahoma Tax Commission the time as of which the revenue authorized
6 for apportionment pursuant to this paragraph is no longer required.
7 After the certification, the revenue derived from the income tax
8 shall be apportioned in the manner otherwise provided by this
9 section. Except as otherwise provided by this paragraph, for the
10 fiscal year beginning July 1, 2002, the first Forty-one Million One
11 Hundred Ninety Thousand Eight Hundred Dollars (\$41,190,800.00) of
12 revenue derived pursuant to the provisions of subsections D and E of
13 Section 2355 of this title shall be apportioned to the Education
14 Reform Revolving Fund. The remainder of such revenue for the fiscal
15 year beginning July 1, 2002, and all such revenue for each fiscal
16 year thereafter, subject to the apportionment requirements for the
17 Oklahoma Tax Commission and Office of Management and Enterprise
18 Services Joint Computer Enhancement Fund provided by Section 265 of
19 this title, shall be apportioned monthly as follows:

- 20 a. the following amounts shall be paid to the State
21 Treasurer to be placed to the credit of the General
22 Revenue Fund of the state for such fiscal year for the
23 support of the state government to be paid out only
24 pursuant to appropriation by the Legislature:

1	Fiscal Year	Amount
2	FY 2003 and FY 2004	78.96%
3	FY 2005	78.75%
4	FY 2006	78.50%
5	FY 2007	78.0%
6	(1) (a) FY 2018 through FY 2022	
7	until the apportionment to	
8	the General Revenue Fund	
9	equals the moving five-	
10	year average amount for	
11	corporate income tax as	
12	prescribed by paragraph 3	
13	of this section	77.50%
14	(b) FY 2023 through FY 2027	
15	until the apportionment to	
16	the General Revenue Fund	
17	equals the moving five-	
18	year average amount for	
19	corporate income tax as	
20	prescribed by paragraph 3	
21	of this section	77.00%
22	(c) FY 2028 and each fiscal	
23	year thereafter until the	
24	apportionment to the	

1 General Revenue Fund
2 equals the moving five-
3 year average amount for
4 corporate income tax as
5 prescribed by paragraph 3
6 of this section 77.50%

7 (2) there shall be apportioned from the tax levy
8 imposed on corporate income tax to the Revenue
9 Stabilization Fund created by Section 34.102 of
10 Title 62 of the Oklahoma Statutes, or to the
11 Constitutional Reserve Fund, as provided by
12 Section ~~34.102~~ 34.103 of Title 62 of the Oklahoma
13 Statutes, the amount of revenue, if any, which
14 exceeds the moving five-year average amount as
15 defined pursuant to paragraph 3 of this section,

16 b. the following amounts shall be paid to the State
17 Treasurer to be placed to the credit of the Education
18 Reform Revolving Fund of the State Department of
19 Education:

20 (1) for FY 2003 through FY 2020, sixteen and five-
21 tenths percent (16.5%),

22 (2) for FY 2021:
23
24

- 1 (a) for the month beginning July 1, 2020,
 2 through the month ending August 31, 2020,
 3 sixteen and five-tenths percent (16.5%), and
 4 (b) for the month beginning September 1, 2020,
 5 through the month ending June 30, 2021,
 6 eighteen percent (18%),
 7 (3) for FY 2022, seventeen and seventy-five one-
 8 hundredths percent (17.75%), and
 9 (4) for FY 2023 and each fiscal year thereafter,
 10 sixteen and five-tenths percent (16.5%),

11 c. the following amounts shall be paid to the State
 12 Treasurer to be placed to the credit of the Teachers'
 13 Retirement System Dedicated Revenue Revolving Fund:

Fiscal Year	Amount
FY 2003 and FY 2004	3.54%
FY 2005	3.75%
FY 2006	4.0%
FY 2007	4.5%
FY 2008 through FY 2020	5.0%
FY 2021:	
(1) for the month beginning July 1, 2020, through the month ending August 31, 2020	5.0%

1	(2) for the month beginning	
2	September 1, 2020,	
3	through the month ending	
4	June 30, 2021	3.5%
5	FY 2022	3.75%
6	FY 2023 through FY 2027	5.5%
7	FY 2028 and each fiscal	
8	year thereafter	5.0%

9 d. for FY 2003 and each fiscal year thereafter, one
10 percent (1%) shall be placed to the credit of the Ad
11 Valorem Reimbursement Fund; ~~and~~

12 3. "Moving five-year average for corporate income tax" means,
13 for purposes of the apportionments prescribed by this section, the
14 amount of income tax on corporations, as determined by the State
15 Board of Equalization in the manner prescribed by Section 34.103 of
16 Title 62 of the Oklahoma Statutes; and

17 4. For the fiscal year beginning July 1, 2021, and for each
18 fiscal year thereafter, before any other apportionment otherwise
19 required by this section is made to the General Revenue Fund, there
20 shall be apportioned to the State Public Common School Building
21 Equalization Fund an amount, if any, as required pursuant to the
22 provisions of Section 3-104 of Title 70 of the Oklahoma Statutes.

1 SECTION 2. AMENDATORY 70 O.S. 2011, Section 3-104, as
2 last amended by Section 1, Chapter 271, O.S.L. 2013 (70 O.S. Supp.
3 2020, Section 3-104), is amended to read as follows:

4 Section 3-104. A. The supervision of the public school system
5 of Oklahoma shall be vested in the State Board of Education and,
6 subject to limitations otherwise provided by law, the State Board of
7 Education shall:

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

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

14 3. Submit to the Governor a departmental budget based upon
15 major functions of the Department as prepared by the State
16 Superintendent of Public Instruction and supported by detailed data
17 on needs and proposed operations as partially determined by the
18 budgetary needs of local school districts filed with the State Board
19 of Education for the ensuing fiscal year. Appropriations therefor
20 shall be made in lump-sum form for each major item in the budget as
21 follows:

22 a. State Aid to schools,

23 b. the supervision of all other functions of general and
24 special education including general control, free

1 textbooks, school lunch, Indian education and all
2 other functions of the Board and an amount sufficient
3 to adequately staff and administer these services, and
4 c. the Board shall determine the details by which the
5 budget and the appropriations are administered.
6 Annually, the Board shall make preparations to
7 consolidate all of the functions of the Department in
8 such a way that the budget can be based on two items,
9 administration and aid to schools. A maximum amount
10 for administration shall be designated as a part of
11 the total appropriation;

12 4. On the first day of December preceding each regular session
13 of the Legislature, prepare and deliver to the Governor and the
14 Legislature a report for the year ending June 30 immediately
15 preceding the regular session of the Legislature. The report shall
16 contain:

- 17 a. detailed statistics and other information concerning
18 enrollment, attendance, expenditures including State
19 Aid, and other pertinent data for all public schools
20 in this state,
21 b. reports from each and every division within the State
22 Department of Education as submitted by the State
23 Superintendent of Public Instruction and any other
24

1 division, department, institution or other agency
2 under the supervision of the Board,

3 c. recommendations for the improvement of the public
4 school system of the state,

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

7 e. a statement of plans and recommendations for the
8 management and improvement of public schools and such
9 other information relating to the educational
10 interests of the state as may be deemed necessary and
11 desirable;

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

15 6. Have authority in matters pertaining to the licensure and
16 certification of persons for instructional, supervisory and
17 administrative positions and services in the public schools of the
18 state subject to the provisions of Section 6-184 of this title, and
19 shall formulate rules governing the issuance and revocation of
20 certificates for superintendents of schools, principals,
21 supervisors, librarians, clerical employees, school nurses, school
22 bus drivers, visiting teachers, classroom teachers and for other
23 personnel performing instructional, administrative and supervisory
24 services, but not including members of boards of education and other

1 employees who do not work directly with pupils, and may charge and
2 collect reasonable fees for the issuance of such certificates:

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

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

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

10 Any school district which maintains an elementary school and
11 faces the necessity of relocating its school facilities because of
12 construction of a lake, either by state or federal authority, which
13 will inundate the school facilities, shall be entitled to receive
14 probationary accreditation from the State Board of Education for a
15 period of five (5) years after the effective date of this act and
16 any school district, otherwise qualified, shall be entitled to
17 receive probationary accreditation from the State Board of Education
18 for a period of two (2) consecutive years to attain the minimum
19 average daily attendance. The Head Start and public nurseries or
20 kindergartens operated from Community Action Program funds shall not
21 be subjected to the accrediting rules of the State Board of
22 Education. Neither will the State Board of Education make rules
23 affecting the operation of the public nurseries and kindergartens
24 operated from federal funds secured through Community Action

1 Programs even though they may be operating in the public schools of
2 the state. However, any of the Head Start or public nurseries or
3 kindergartens operated under federal regulations may make
4 application for accrediting from the State Board of Education but
5 will be accredited only if application for the approval of the
6 programs is made. The status of no school district shall be changed
7 which will reduce it to a lower classification until due notice has
8 been given to the proper authorities thereof and an opportunity
9 given to correct the conditions which otherwise would be the cause
10 of such reduction.

11 Private and parochial schools may be accredited and classified
12 in like manner as public schools or, if an accrediting association
13 is approved by the State Board of Education, by procedures
14 established by the State Board of Education to accept accreditation
15 by such accrediting association, if application is made to the State
16 Board of Education for such accrediting;

17 8. Be the legal agent of the State of Oklahoma to accept, in
18 its discretion, the provisions of any Act of Congress appropriating
19 or apportioning funds which are now, or may hereafter be, provided
20 for use in connection with any phase of the system of public
21 education in Oklahoma. It shall prescribe such rules as it finds
22 necessary to provide for the proper distribution of such funds in
23 accordance with the state and federal laws;

24

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

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

17 11. Have authority to secure and administer the benefits of the
18 National School Lunch Act, Public Law 396 of the 79th Congress of
19 the United States, in the State of Oklahoma and is hereby authorized
20 to employ or appoint and fix the compensation of such additional
21 officers or employees and to incur such expenses as may be necessary
22 for the accomplishment of the above purpose, administer the
23 distribution of any state funds appropriated by the Legislature
24 required as federal matching to reimburse on children's meals;

1 12. Accept and provide for the administration of any land,
2 money, buildings, gifts, donation or other things of value which may
3 be offered or bequeathed to the schools under the supervision or
4 control of said Board;

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

15 14. Have general supervision of the school lunch program. The
16 State Board of Education may sponsor workshops for personnel and
17 participants in the school lunch program and may develop, print and
18 distribute free of charge or sell any materials, books and bulletins
19 to be used in such school lunch programs. There is hereby created
20 in the State Treasury a revolving fund for the Board, to be
21 designated the School Lunch Workshop Revolving Fund. The fund shall
22 consist of all fees derived from or on behalf of any participant in
23 any such workshop sponsored by the State Board of Education, or from
24 the sale of any materials, books and bulletins, and such funds shall

1 be disbursed for expenses of such workshops and for developing,
2 printing and distributing of such materials, books and bulletins
3 relating to the school lunch program. The fund shall be
4 administered in accordance with Section 155 of Title 62 of the
5 Oklahoma Statutes;

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

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

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

18 18. Provide for the supervision of the transportation of
19 pupils;

20 19. Have authority, upon request of the local school board, to
21 act in behalf of the public schools of the state in the purchase of
22 transportation equipment;

23 20. Have authority and is hereby required to perform all duties
24 necessary to the administration of the public school system in

1 Oklahoma as specified in the Oklahoma School Code; and, in addition
2 thereto, those duties not specifically mentioned herein if not
3 delegated by law to any other agency or official;

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

1 32 of Article X of the Oklahoma Constitution shall mean school
2 districts and ~~charter schools created pursuant to the provisions of~~
3 ~~the Oklahoma Charter Schools Act~~ Eligible Charter Schools as defined
4 in this section. ~~If sufficient monies are available in the fund,~~
5 ~~the Board shall solicit proposals for grants from school districts~~
6 ~~and charter schools and shall determine the process for~~
7 ~~consideration of proposals.~~ Grants With the exception of Eligible
8 Charter Schools, grants shall be awarded only to school districts
9 which have a total assessed property valuation per average daily
10 membership that is less than the state average total assessed
11 property valuation per average daily membership and, at the time of
12 application, the district has voted the five-mill building fund levy
13 authorized in Section 10 of Article X of the Oklahoma Constitution,
14 and has voted indebtedness through the issuance of new bonds for at
15 least fifty percent (50%) within the last three (3) years of the
16 maximum allowable pursuant to the provisions of Section 26 of
17 Article X of the Oklahoma Constitution as shown on the school
18 district budget filed with the State Board of Equalization for the
19 current school year and certifications by the Attorney General prior
20 to April 1 of the school year. ~~Grants shall be awarded only to~~
21 ~~charter schools which have secured matching funds for the specific~~
22 ~~purpose of acquiring buildings in an amount of not less than ten~~
23 ~~percent (10%) of the total grant amount.~~ The State Board of
24 Education shall disburse funds annually from the charter portion of

1 the State Public Common School Building Equalization Fund to
2 Eligible Charter Schools on a per-student basis. Charter schools
3 and charter schools sponsored by the Statewide Virtual Charter
4 School Board shall not be eligible for any grants from the State
5 Public Common School Building Equalization Fund outside of the
6 charter portion. The Board shall promulgate rules for the
7 implementation of disbursing funds pursuant to this section. The
8 amount of each grant awarded by the Board each year shall not exceed
9 Four Million Dollars (\$4,000,000.00). ~~From the total amount~~
10 ~~available to provide grants to public schools and charter schools,~~
11 ~~charter schools shall be allocated the greater of ten percent (10%)~~
12 ~~of the total amount or the percent of students enrolled in charter~~
13 ~~schools that are not sponsored by the Statewide Virtual Charter~~
14 ~~School Board as compared to the student enrollment in school~~
15 ~~districts which have a total assessed property valuation per average~~
16 ~~daily membership that is equal to or less than twenty-five percent~~
17 ~~(25%) of the state total assessed property valuation per average~~
18 ~~daily membership.~~ The Board shall give priority consideration to
19 school districts which have a total assessed property valuation per
20 average daily membership that is equal to or less than twenty-five
21 percent (25%) of the state average total assessed property valuation
22 per average daily membership. The Board is authorized to prorate
23 grants awarded if monies are not sufficient in the fund to award
24 grants to qualified districts ~~and charter schools.~~ ~~The State Board~~

1 ~~of Education shall make available to eligible charter schools any~~
2 ~~unused grant funds that remain after the initial allocation to all~~
3 ~~eligible public school districts and charter schools of this state.~~
4 The State Board of Education shall allocate the charter portion and
5 grants annually so that on June 30 of each year there is an amount
6 not greater than One Million Dollars (\$1,000,000.00) that is
7 unencumbered remaining in the fund. The State Board of Education
8 shall prescribe rules for making grants of aid from, and for
9 otherwise administering, the fund pursuant to the provisions of this
10 paragraph, and may employ and fix the duties and compensation of
11 technicians, aides, clerks, stenographers, attorneys and other
12 personnel deemed necessary to carry out the provisions of this
13 paragraph. The cost of administering the fund shall be paid from
14 monies appropriated to the State Board of Education for the
15 operation of the State Department of Education. From monies
16 apportioned to the fund, the Oklahoma State Department of Education
17 may reserve not more than one-half of one percent (1/2 of 1%) for
18 purposes of administering the fund;

19 22. Recognize that the Director of the Oklahoma Department of
20 Corrections shall be the administrative authority for the schools
21 which are maintained in the state reformatories and shall appoint
22 the principals and teachers in such schools. Provided, that rules
23 of the State Board of Education for the classification, inspection
24 and accreditation of public schools shall be applicable to such

1 schools; and such schools shall comply with standards set by the
2 State Board of Education; and

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

16 B. As used in this section:

17 1. "Charter percentage" means the amount equal to the
18 percentage of average daily membership in Eligible Charter Schools
19 based on the first nine (9) weeks of the current school year,
20 according to the provisions of Section 18-107 of this title,
21 compared to the total average daily membership in public schools
22 statewide based on the first nine (9) weeks of the current school
23 year, according to the provisions of Section 18-107 of this title;
24

1 2. "Charter portion" means the amount equal to the charter
2 percentage multiplied by the nonchargeable statewide local revenue
3 which shall be apportioned annually to the State Public Common
4 School Building Equalization Fund from the funds collected pursuant
5 to Section 426 of Title 63 of the Oklahoma Statutes. If such
6 apportioned funds are insufficient to fund the charter portion, then
7 an additional apportionment of funds shall be made from income tax
8 collections as provided by paragraph 4 of Section 2352 of Title 68
9 of the Oklahoma Statutes;

10 3. "Eligible Charter School" means a charter school created
11 pursuant to the provisions of the Oklahoma Charter Schools Act and
12 not sponsored by the Statewide Virtual Charter School Board and that
13 provide in-person instruction as the primary means of instructional
14 service delivery; and

15 4. "Nonchargeable statewide local revenue" means the total
16 amount of building funds received by all school districts in the
17 state in the immediately preceding school year in addition to one-
18 fourth (1/4) of the total number of county four-mill levy funds
19 received statewide in the immediately preceding school year.

20 SECTION 3. AMENDATORY 70 O.S. 2011, Section 3-104.4, as
21 last amended by Section 64, Chapter 161, O.S.L. 2020 (70 O.S. Supp.
22 2020, Section 3-104.4), is amended to read as follows:

23 Section 3-104.4 A. The State Board of Education shall adopt
24 standards for the accreditation of the public schools in this state

1 according to the requirements of Section 3-104.3 et seq. of this
2 title, to be effective as set forth in Section 3-104.3 et seq. of
3 this title. The accreditation standards shall incorporate the
4 curricular standards established pursuant to Section 11-103.6 of
5 this title. The accreditation standards shall equal or exceed
6 nationally recognized accreditation standards to the extent that the
7 standards are consistent with an academic results oriented approach
8 to accreditation. The accreditation adopted by the State Board
9 shall encompass accreditation for elementary schools, middle
10 schools, junior high schools, and high schools. The accreditation
11 standards shall be made available for public inspection at the
12 offices of the State Department of Education.

13 B. Standards for accreditation adopted by the State Board of
14 Education shall include standards relating to the provision of
15 school counselors to the public school children of this state. The
16 State Board of Education shall require each local school district to
17 provide information regarding the number of counselors serving each
18 school site, the duties of all such counselors including all
19 administrative duties, the number of students served by each
20 counselor, and information regarding the number of counselors
21 employed per elementary school, middle school, junior high school
22 and high school.

23 C. Except as otherwise provided, schools shall meet the
24 accreditation standards as a condition of continued accreditation.

1 Nothing herein shall be construed as preventing changes to the
2 adopted standards by the State Board of Education pursuant to the
3 Administrative Procedures Act. The accreditation standards shall
4 provide for warnings, probation or nonaccredited status for schools
5 that fail to meet the standards. The Department shall investigate a
6 complaint of failure to provide educational services or failure to
7 comply with accreditation standards within thirty (30) days of
8 receiving the complaint. If the Department determines that a school
9 has failed to comply with the accreditation standards, the
10 Department shall report the recommended warning, probation or
11 nonaccredited accreditation status to the State Board of Education
12 within ninety (90) days. If a school does not take action to comply
13 with the accreditation standards within ninety (90) days after a
14 report is filed by the Department, the Board shall withdraw
15 accreditation for the school. The State Board accreditation
16 regulations shall provide for warnings and for assistance to schools
17 and school districts whenever there is reason to believe a school is
18 in danger of losing its state accreditation.

19 D. If one or more school sites fail to receive accreditation as
20 required pursuant to this section or subsequently lose
21 accreditation, the State Board of Education shall close the school
22 and reassign the students to accredited schools within the district
23 or shall annex the district to one or more other districts in which
24 the students can be educated in accredited schools.

1 E. Standards for accreditation adopted by the State Board of
2 Education shall include standards relating to the provision of
3 educational services provided in partial hospitalization programs,
4 day treatment programs, day hospital programs, residential treatment
5 programs and emergency shelter programs for persons between the ages
6 of three (3) and twenty-one (21) years of age. The accreditation
7 standards shall apply to on-site and off-site educational services
8 provided by public school districts or state-accredited private
9 schools. Each school which is providing or is required to provide
10 educational services for students placed in a program as described
11 in this subsection shall be actively monitored by the State
12 Department of Education. The Department shall determine on an
13 ongoing basis if the educational program and services are in
14 compliance with the accreditation standards.

15 F. The State Board shall provide assistance to districts in
16 considering the possibility of meeting accreditation requirements
17 through the use of nontraditional means of instruction. The State
18 Board shall also assist districts in forming cooperatives and making
19 arrangements for the use of satellite instruction or other
20 instructional technologies to the extent that use of such
21 instructional means meets accreditation standards.

22 G. 1. Accreditation shall not be withdrawn from or denied nor
23 shall a penalty be assessed against a school or school district for
24 failing to meet the media materials and equipment standards, media

1 program expenditure standards and media personnel standards as set
2 forth in the accreditation standards adopted by the Board.

3 2. The provisions of paragraph 1 of this subsection shall cease
4 to be effective during the fiscal year which begins on the July 1
5 immediately succeeding the legislative session during which the
6 measure appropriating monies to the State Board of Education for the
7 financial support of public schools is enacted as law and such
8 appropriation amount is at least Fifty Million Dollars
9 (\$50,000,000.00) greater than the amount of money appropriated to
10 the State Board of Education for the financial support of public
11 schools for the fiscal year ending June 30, 2019, pursuant to
12 Chapter 146, O.S.L. 2018. Provided, the Fifty Million Dollars
13 (\$50,000,000.00) shall not include any amount of appropriations
14 dedicated for support or certified employee salary increases.
15 Accreditation shall not be withdrawn from or denied nor shall a
16 penalty be assessed against a school or school district for failing
17 to meet the media personnel standards as set forth in accreditation
18 standards adopted by the Board.

19 H. 1. The State Board shall not assess a financial penalty
20 against any school district which is given a deficiency in
21 accreditation status during any fiscal year as provided for in this
22 subsection.

23 2. Beginning with the fiscal year which begins July 1, 2021, if
24 the amount of money appropriated to the State Board of Education for

1 the financial support of public schools, including money apportioned
2 pursuant to Section 5 of this act, is at least One Hundred Million
3 Dollars (\$100,000,000.00) greater than the amount of money
4 appropriated to the State Board of Education for the financial
5 support of public schools for the fiscal year ending June 30, 2019,
6 pursuant to Chapter 146, O.S.L. 2018, a financial penalty shall be
7 assessed against any school districts that do not comply with the
8 class size limitations for kindergarten as provided for in Section
9 18-113.2 of this title and class size limitations for grade one as
10 provided for in subsection A of Section 18-113.1 of this title.
11 Provided, the One Hundred Million Dollars (\$100,000,000.00) shall
12 not include any amount of appropriations dedicated for support or
13 certified employee salary increases.

14 3. The State Department of Education shall submit a report on
15 statewide classroom sizes to the President Pro Tempore of the
16 Oklahoma State Senate and the Speaker of the Oklahoma House of
17 Representatives no later than January 1, 2022.

18 I. Except as provided for in subsection J of this section,
19 beginning with the 2019-2020 school year, evaluations of schools to
20 determine whether they meet the accreditation standards set forth in
21 accordance with this section shall occur once every four (4) years
22 on a schedule adopted by the State Board of Education. The Board
23 may interrupt the evaluation schedule provided in this subsection
24 for reasons including a change in the superintendent of the school

1 district; determination that one or more school district board
2 members have not met the continuing education requirements as
3 defined by this title; determination that the school district
4 falsified information submitted to any public city, county, state or
5 federal official or agency; initiation of an investigation by the
6 Board or a law enforcement agency; or other determination by the
7 Board that standards for accreditation are not being met by the
8 school district. The schedule adopted by the Board shall allow for
9 school districts receiving no deficiencies for two (2) consecutive
10 years to be reviewed for accreditation less than annually.

11 Provided, however, that schools shall be evaluated annually for the
12 purposes of:

- 13 1. Local, state and federal funding;
- 14 2. Health and safety;
- 15 3. Certification requirements for teachers, principals and
16 superintendents;
- 17 4. School board governance, including instructional and
18 continuing education requirements for school board members; and
- 19 5. Any other requirements under state or federal law.

20 J. Beginning with the 2019-2020 school year, if a public school
21 receives a deficiency on its accreditation report, the public school
22 shall be evaluated annually to determine if it meets the
23 accreditation standards set forth in accordance with this section.

24 If the public school receives no deficiencies for two (2)

1 consecutive years, the public school shall be subject to the
2 evaluation timeline established in subsection I of this section.

3 SECTION 4. AMENDATORY 70 O.S. 2011, Section 3-142, as
4 last amended by Section 1, Chapter 122, O.S.L. 2020 (70 O.S. Supp.
5 2020, Section 3-142), is amended to read as follows:

6 Section 3-142. A. ~~For purposes of funding, a charter school~~
7 ~~sponsored by a board of education of a school district shall be~~
8 ~~considered a site within the school district in which the charter~~
9 ~~school is located.~~ The student membership and attendance of the
10 charter school shall be considered separate from the student
11 membership and attendance of the ~~district in which the charter~~
12 ~~school is located~~ sponsor for the purpose of calculating enrollment
13 and funding, including weighted average daily membership pursuant to
14 Section 18-201.1 of this title and State Aid pursuant to Section 18-
15 200.1 of this title. ~~For charter schools sponsored by a board of~~
16 ~~education of a school district, the sum of the separate calculations~~
17 ~~for the charter school and the school district shall be used to~~
18 ~~determine the total State Aid allocation for the district in which~~
19 ~~the charter school is located.~~ A charter school shall receive from
20 ~~the sponsoring school district,~~ the State Aid allocation, federal
21 funds to which it is eligible and qualifies for and any other state-
22 appropriated revenue generated by its students for the applicable
23 year, ~~less up to~~. Not more than three percent (3%) of the State Aid
24 allocation, ~~which~~ may be ~~retained~~ charged by the ~~school district~~

1 sponsor as a fee for administrative services rendered. ~~For charter~~
2 ~~schools sponsored by the board of education of a technology center~~
3 ~~school district, a higher education institution, the State Board of~~
4 ~~Education, or a federally recognized Indian tribe and for statewide~~
5 ~~virtual charter schools sponsored by the Statewide Virtual Charter~~
6 ~~School Board, the State Aid allocation for the charter school shall~~
7 ~~be distributed by the State Board of Education and not more than~~
8 ~~three percent (3%) of the State Aid allocation may be charged by the~~
9 ~~sponsor as a fee for administrative services rendered.~~ The State
10 Board of Education shall determine the policy and procedure for
11 making payments to a charter school. The fee for administrative
12 services as authorized in this subsection shall only be assessed on
13 the State Aid allocation amount and shall not be assessed on any
14 other appropriated amounts. A sponsor of a charter school shall not
15 retain any additional State Aid allocation or charge the charter
16 school any additional fee above the amounts allowed by this
17 subsection unless the additional fees are for additional services
18 rendered. The charter school sponsor shall provide to the State
19 Department of Education financial records documenting any state
20 funds retained by the sponsor for administrative services rendered
21 for the previous year.

22 B. 1. The weighted average daily membership for the first year
23 of operation of a charter school shall be determined initially by
24 multiplying the actual enrollment of students as of August 1 by

1 1.333. The charter school shall receive revenue equal to that which
2 would be generated by the estimated weighted average daily
3 membership calculated pursuant to this paragraph. At midyear, the
4 allocation for the charter school shall be adjusted using the first
5 quarter weighted average daily membership for the charter school
6 calculated pursuant to subsection A of this section.

7 2. For the purpose of calculating weighted average daily
8 membership pursuant to Section 18-201.1 of this title and State Aid
9 pursuant to Section 18-200.1 of this title, the weighted average
10 daily membership for the first year of operation and each year
11 thereafter of a full-time virtual charter school shall be determined
12 by multiplying the actual enrollment of students as of August 1 by

13 1.333. The full-time virtual charter school shall receive revenue
14 equal to that which would be generated by the estimated weighted
15 average daily membership calculated pursuant to this paragraph. At
16 midyear, the allocation for the full-time virtual charter school
17 shall be adjusted using the first quarter weighted average daily
18 membership for the virtual charter school calculated pursuant to
19 subsection A of this section.

20 C. A Except for state-dedicated and local and county revenue, a
21 charter school shall be eligible to receive any other aid, grants or
22 revenues allowed to other schools. A charter school ~~sponsored by~~
23 ~~the board of education of a technology center school district, a~~
24 ~~higher education institution, the State Board of Education, or a~~

1 ~~federally recognized Indian tribe~~ shall be considered a local
2 education agency for purposes of funding. ~~A charter school~~
3 ~~sponsored by a board of education of a school district shall be~~
4 ~~considered a local education agency for purposes of federal funding.~~

5 D. ~~A charter school, in addition to the money received from the~~
6 ~~state, may receive money from any other source.~~ Any unexpended
7 funds received by a charter school may be reserved and used for
8 future purposes. The governing body of a charter school shall not
9 levy taxes or issue bonds. If otherwise allowed by law, the
10 governing body of a charter school may enter into private contracts
11 for the purposes of borrowing money from lenders. If the governing
12 body of the charter school borrows money, the charter school shall
13 be solely responsible for repaying the debt, and the state or the
14 sponsor shall not in any way be responsible or obligated to repay
15 the debt.

16 E. Any charter school which chooses to lease property shall be
17 eligible to receive current government lease rates.

18 F. Except as otherwise provided in this subsection, each
19 charter school shall pay to the Charter School Closure Reimbursement
20 Revolving Fund created in subsection G of this section an amount
21 equal to Five Dollars (\$5.00) per student based on average daily
22 membership, as defined by paragraph 2 of Section 18-107 of this
23 title, during the first nine (9) weeks of the school year. Each
24 charter school shall complete the payment every school year within

1 thirty (30) days after the first nine (9) weeks of the school year.
2 If the Charter School Closure Reimbursement Revolving Fund has a
3 balance of One Million Dollars (\$1,000,000.00) or more on July 1, no
4 payment shall be required the following school year.

5 G. There is hereby created in the State Treasury a revolving
6 fund for the State Department of Education to be designated the
7 "Charter School Closure Reimbursement Revolving Fund". The fund
8 shall be a continuing fund, not subject to fiscal year limitations,
9 and shall consist of all monies received by the State Department of
10 Education from charter schools as provided in subsection F of this
11 section. All monies accruing to the credit of said fund are hereby
12 appropriated and may be budgeted and expended by the State
13 Department of Education for the purpose of reimbursing charter
14 school sponsors for costs incurred due to the closure of a charter
15 school. Expenditures from said fund shall be made upon warrants
16 issued by the State Treasurer against claims filed as prescribed by
17 law with the Director of the Office of Management and Enterprise
18 Services for approval and payment. The State Department of
19 Education may promulgate rules regarding sponsor eligibility for
20 reimbursement.

21 SECTION 5. AMENDATORY 70 O.S. 2011, Section 10-103.1, is
22 amended to read as follows:

23 Section 10-103.1 A. The school population, scholastic
24 population, scholastic enumeration, and enumeration of a district

1 shall be the legal average daily attendance. The legal average
2 daily attendance shall be the average number of pupils present in a
3 school district during a year or other specified period of time.
4 The State Board of Education shall determine the legal average daily
5 attendance for each school district by dividing the aggregate days
6 of pupils present in each school district by the number of days
7 taught in each school district.

8 B. The legal average daily attendance for purposes of the
9 distributions contained in subsection (b) of Section 9 of Article X
10 of the Oklahoma Constitution, Section 1004 of Title 68 of the
11 Oklahoma Statutes, Section 1104 of Title 47 of the Oklahoma Statutes
12 and Sections 10-104 and 615 of this title shall not include the
13 average daily attendance for students enrolled in a charter school.

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

18
19 COMMITTEE REPORT BY: COMMITTEE ON COMMON EDUCATION, dated 04/06/2021
20 - DO PASS, As Amended.
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