

COMMITTEE AMENDMENT
HOUSE OF REPRESENTATIVES
State of Oklahoma

SPEAKER:

CHAIR:

I move to amend HB2775 _____
Of the printed Bill
Page _____ Section _____ Lines _____
Of the Engrossed Bill

By striking the Title, the Enacting Clause, the entire bill, and by inserting in lieu thereof the following language:

AMEND TITLE TO CONFORM TO AMENDMENTS

Adopted: _____

Amendment submitted by: Charles McCall _____

Reading Clerk

1 STATE OF OKLAHOMA

2 1st Session of the 59th Legislature (2023)

3 PROPOSED COMMITTEE
4 SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 2775

By: McCall and McBride

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8 PROPOSED COMMITTEE SUBSTITUTE

9 An Act relating to students; making appropriations to
10 the State Board of Education; specifying
11 appropriation amounts; providing a pay increase for
12 active classroom teachers; directing certain
13 appropriation to be distributed on a per-pupil basis;
14 establishing maximum distribution amount; providing
15 allowable expenditures for appropriated funds;
16 including certain schools in funding eligibility;
17 including appropriations in per-pupil expenditure
18 calculations; creating the Oklahoma Parental Choice
19 Tax Credit Act; providing short title; providing
20 legislative intent; defining terms; establishing the
21 Oklahoma Parental Choice Tax Credit Program;
22 providing for purpose of program; creating income tax
23 credit for certain taxpayers; prescribing maximum
24 credit amount; directing taxpayer to retain certain
receipts; authorizing Tax Commission to prescribe
forms; permitting advancement of certain credit;
listing procedures for taxpayers claiming credit;
authorizing dual participation in certain programs;
authorizing prorated recapture of credits; suspending
credits if certain funding levels are not met;
reducing credit amount if certain event occurs;
requiring Department to provide notice to certain
taxpayers; directing Department to implement certain
system; mandating coordination of a process to verify
student enrollment status; providing for promulgation
of rules; providing immunity from liability for
certain actions; allowing certain parents to
intervene in certain legal proceeding; prohibiting
severability of act provisions; creating the Oklahoma

1 Student Fund; making the fund a continuing fund;
2 stating source of funds; providing for budgeting and
3 expenditure of monies; stating purpose; requiring
4 expenditures to be made upon warrants; providing for
5 noncodification; providing for codification;
6 providing an effective date; and declaring an
7 emergency.

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

9 SECTION 1. There is hereby appropriated to the State Board of
10 Education from any monies not otherwise appropriated from the
11 General Revenue Fund of the State Treasury for the fiscal year
12 ending June 30, 2024, the sum of One Hundred Fifty Million Dollars
13 (\$150,000,000.00) for the financial support of public schools. A
14 portion of these monies shall be used to increase salaries of public
15 school district active classroom teachers, as defined in Section 17-
16 101 of Title 70 of the Oklahoma Statutes, in the amount of Two
17 Thousand Five Hundred Dollars (\$2,500.00) per active classroom
18 teacher for the 2023-2024 school year. If a person employed as an
19 active classroom teacher by a school district during the 2022-2023
20 school year was receiving a salary greater than the step level
21 indicated by the state or local Minimum Salary Schedule for the
22 2022-2023 school year, the person shall receive a salary increase in
23 the amount of Two Thousand Five Hundred Dollars (\$2,500.00) greater
24 than his or her salary for the 2022-2023 school year, provided the
person remains employed by the same district and the hours or duties
of the person are not reduced.

1 SECTION 2. There is hereby appropriated to the State Board of
2 Education from any monies not otherwise appropriated from the
3 Oklahoma Student Fund of the State Treasury created in Section 9 of
4 this act for the fiscal year ending June 30, 2024, the sum of Fifty
5 Million Dollars (\$50,000,000.00) to be distributed in a proportional
6 manner the same as redbud school grants provided for in subsection B
7 of Section 3-104 of Title 70 of the Oklahoma Statutes.

8 SECTION 3. There is hereby appropriated to the State Board of
9 Education from any monies not otherwise appropriated from the
10 Oklahoma Student Fund of the State Treasury created in Section 9 of
11 this act for the fiscal year ending June 30, 2024, the sum of Three
12 Hundred Million Dollars (\$300,000,000.00) to be distributed to
13 public school districts in the state on a per-pupil basis to be
14 utilized as provided in this section, but in no event shall any
15 district receive more than Two Million Dollars (\$2,000,000.00). The
16 appropriated monies may only be used for the following expenditures:

17 1. Teacher and support staff salaries, not including salaries
18 of administrators;

19 2. Programs and facilities related to instruction in science,
20 technology, engineering, and mathematics;

21 3. Textbooks, curriculum, or other instructional materials
22 including, but not limited to, supplemental materials or associated
23 online instruction applications or materials;

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1 4. Computer hardware or other technological devices,
2 educational software, and applications that are used to meet
3 curriculum needs and bolster academic outcomes of students;

4 5. Increasing classroom capacity and additional institutional
5 space for academic instruction if the school is at full academic
6 capacity;

7 6. Instruments, supplies, accessories, and materials that
8 provide instruction in drama, music, speech and debate, agriculture,
9 or other similar activities;

10 7. Fees for nationally standardized assessments including, but
11 not limited to, assessments used to determine college admission and
12 advanced placement examinations as well as tuition and fees for
13 tutoring, remediation, or preparatory courses for the assessments;

14 8. Summer education programs and specialized after-school
15 education programs; provided, however, that such expense shall not
16 include before-school or after-school child care;

17 9. Student support services, including only health,
18 psychological, guidance, therapy, and attendance services; and

19 10. Tuition and fees for concurrent enrollment at an
20 institution within The Oklahoma State System of Higher Education.

21 SECTION 4. NEW LAW A new section of law not to be
22 codified in the Oklahoma Statutes reads as follows:

23 A. For the purposes of funds appropriated pursuant to Sections
24 1, 2, and 3 of this act, the Oklahoma School for the Blind and the

1 Oklahoma School for the Deaf shall be considered public schools and
2 public school districts that are eligible to receive the funds
3 appropriated in Sections 1, 2, and 3 of this act.

4 B. The funds appropriated pursuant to Sections 1, 2, and 3 of
5 this act shall be included in any calculation of per-pupil
6 expenditure as defined in Section 1-124 of Title 70 of the Oklahoma
7 Statutes.

8 SECTION 5. NEW LAW A new section of law to be codified
9 in the Oklahoma Statutes as Section 28-100 of Title 70, unless there
10 is created a duplication in numbering, reads as follows:

11 A. This act shall be known and may be cited as the "Oklahoma
12 Parental Choice Tax Credit Act".

13 B. It is the intent of the Legislature that parents, legal
14 guardians, custodians, and others with legal authority over children
15 in this state be able to choose educational services that meet the
16 needs of their individual children. The Legislature affirms that
17 parents and legal guardians are best suited to make choices to help
18 children in this state reach their full potential and achieve a
19 brighter future.

20 SECTION 6. NEW LAW A new section of law to be codified
21 in the Oklahoma Statutes as Section 28-101 of Title 70, unless there
22 is created a duplication in numbering, reads as follows:

23 A. As used in the Oklahoma Parental Choice Tax Credit Act:

24 1. "Commission" means the Oklahoma Tax Commission;

1 2. "Curriculum" means a complete course of study for a
2 particular content area or grade level;

3 3. "Department" means the State Department of Education;

4 4. "Education service provider" means a person, business,
5 public school district, public charter school, magnet school,
6 institution within The Oklahoma State System of Higher Education, or
7 organization that provides educational goods and/or services to
8 eligible students;

9 5. "Eligible student" means a resident of this state who is
10 eligible to enroll in a public school in this state. Eligible
11 student shall include a student who is enrolled in and attends a
12 private school in the state or a student who is educated pursuant to
13 the other means of education exception provided for in subsection A
14 of Section 10-105 of Title 70 of the Oklahoma Statutes;

15 6. "Qualified expense" means the following services:

16 a. tuition and fees at a private school accredited by the
17 State Board of Education or another accrediting
18 association,

19 b. tuition and fees for nonpublic online learning
20 programs,

21 c. tutoring services provided by an individual or a
22 private tutoring facility,

23 d. services contracted for and provided by a public
24 school district, public charter school, or magnet

1 school including, but not limited to, classes and
2 extracurricular activities and programs,

3 e. textbooks, curriculum, or other instructional
4 materials including, but not limited to, supplemental
5 materials or associated online instruction required by
6 an education service provider,

7 f. fees for nationally standardized assessments
8 including, but not limited to, assessments used to
9 determine college admission and advanced placement
10 examinations as well as tuition and fees for tutoring
11 or preparatory courses for the assessments, and

12 g. tuition and fees for concurrent enrollment at an
13 institution within The Oklahoma State System of Higher
14 Education; and

15 7. "Taxpayer" means a biological or adoptive parent,
16 grandparent, aunt, uncle, legal guardian, custodian, or other person
17 with legal authority to act on behalf of an eligible student.

18 B. There is hereby created the Oklahoma Parental Choice Tax
19 Credit Program to provide an income tax credit to a taxpayer for
20 qualified expenses to support the education of eligible students in
21 this state.

22 C. For tax years beginning after January 1, 2023, there shall
23 be allowed against the tax imposed by Section 2355 of Title 68 of
24 the Oklahoma Statutes a credit for any Oklahoma taxpayer who incurs

1 a qualified expense on behalf of an eligible student. The credit
2 shall be administered subject to the following:

3 1. The maximum credit amount shall be:

4 a. Five Thousand Dollars (\$5,000.00) in qualified expenses
5 per eligible student in each tax year if the eligible
6 student attends a private school accredited by the
7 State Board of Education or another accrediting
8 association, and

9 b. Two Thousand Five Hundred Dollars (\$2,500.00) in
10 qualified expenses per eligible student in each tax
11 year if the eligible student is educated pursuant to
12 the other means of education exception provided for in
13 subsection A of Section 10-105 of Title 70 of the
14 Oklahoma Statutes;

15 2. The taxpayer shall retain all receipts of qualified expenses
16 as proof of the amounts paid each tax year the credit is claimed;
17 and

18 3. If the credit exceeds the tax imposed by Section 2355 of
19 Title 68 of the Oklahoma Statutes, the excess amount shall be
20 refunded to the taxpayer.

21 D. The Commission may prescribe forms for purposes of claiming
22 the credits authorized by the Oklahoma Parental Choice Tax Credit
23 Act. The Commission shall create a form for the purpose of allowing
24 taxpayers to request that the credit amount provided in subparagraph

1 a of paragraph 1 of subsection C of this section be advanced to the
2 taxpayer in two installments of not more than Two Thousand Five
3 Hundred Dollars (\$2,500.00) per semester for a maximum credit of
4 Five Thousand Dollars (\$5,000.00) per tax year. Eligible taxpayers
5 who submit the form and qualify for an advance shall be approved and
6 paid within sixty (60) days of submitting the prescribed form.

7 E. Taxpayers claiming the credit shall:

8 1. Only claim the credit for qualified expenses as defined in
9 paragraph 6 of subsection A of this section to provide an education
10 for an eligible student;

11 2. Ensure no other person is claiming a credit for the eligible
12 student;

13 3. Not claim the credit for an eligible student who enrolls as
14 a full-time student in a public school district, public charter
15 school, public virtual charter school, or magnet school; and

16 4. Comply with rules and requirements established by the
17 Commission for administration of the Oklahoma Parental Choice Tax
18 Credit Program.

19 F. Eligible students may accept a scholarship from the Lindsey
20 Nicole Henry Scholarships for Students with Disabilities Program
21 created by Section 13-101.2 of Title 70 of the Oklahoma Statutes
22 while participating in the Oklahoma Parental Choice Tax Credit
23 Program.

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1 G. The Commission shall be authorized to recapture the credits
2 otherwise authorized by the provisions of this act on a prorated
3 basis if it finds that the taxpayer has claimed an eligible student
4 who no longer attends a private school or has enrolled in a public
5 school in the state or that the credit does not meet the
6 requirements of the Oklahoma Parental Choice Tax Credit Act.

7 H. Beginning July 1, 2024, and beginning on each succeeding
8 July 1 if the amount of money appropriated to the State Board of
9 Education for the financial support of public schools for the fiscal
10 year which begins July 1, 2024, is less than the amount of money
11 appropriated to the State Board of Education for the financial
12 support of public schools for the fiscal year ending June 30, 2024,
13 including funds appropriated pursuant to Sections 1, 2, and 3 of
14 this act, the tax credits otherwise authorized in subsection C of
15 this section shall be suspended until the amount of money
16 appropriated to the State Board of Education for the financial
17 support of public schools is greater than or equal to the amount
18 appropriated for the fiscal year ending June 30, 2024.

19 I. In the event of a failure of revenue pursuant to the
20 Oklahoma State Finance Act, the tax credits otherwise authorized in
21 subsection C of this section shall be reduced proportionately to the
22 reduction in the amount of money appropriated to the State Board of
23 Education for the financial support of public schools for the fiscal
24 year in which the failure of revenue occurs.

1 J. The Tax Commission shall keep all records relating to the
2 Oklahoma Parental Choice Tax Credit Act confidential including, but
3 not limited to, the Social Security numbers of eligible students.

4 SECTION 7. NEW LAW A new section of law to be codified
5 in the Oklahoma Statutes as Section 28-102 of Title 70, unless there
6 is created a duplication in numbering, reads as follows:

7 A. The State Department of Education shall provide parents,
8 legal guardians, custodians, or other persons with legal authority
9 of eligible students with disabilities notice that participation in
10 the Oklahoma Parental Choice Tax Credit Program shall have the same
11 effect as a parental revocation of consent pursuant to 20 U.S.C.,
12 Sections 1414(a)(1)(D) and 1414(C) of the Individuals with
13 Disabilities Education Act (IDEA) and an explanation of the rights
14 parents, legal guardians, custodians, or other persons with legal
15 authority of eligible students with disabilities have under IDEA and
16 any applicable state laws and regulations.

17 B. The Department shall implement a commercially viable, cost-
18 effective, and user-friendly system for users to publicly rate,
19 review, and share information about education service providers.

20 C. The Oklahoma Tax Commission shall coordinate with the State
21 Department of Education to develop a process to review student
22 enrollment information in order to verify that an eligible student
23 who is claimed by a taxpayer receiving a tax credit is not enrolled
24 in a public school in the state.

1 D. The Commission and Department may promulgate rules to
2 implement the provisions of the Oklahoma Parental Choice Tax Credit
3 Act.

4 SECTION 8. NEW LAW A new section of law to be codified
5 in the Oklahoma Statutes as Section 28-103 of Title 70, unless there
6 is created a duplication in numbering, reads as follows:

7 A. No liability shall arise on the part of the Oklahoma Tax
8 Commission, State Department of Education, State Board of Education,
9 the state, a public school district, a public charter school, a
10 public virtual charter school, or a magnet school based on the award
11 of or use of a tax credit pursuant to the Oklahoma Parental Choice
12 Tax Credit Act.

13 B. If any part of the Oklahoma Parental Choice Tax Credit Act
14 is challenged in a state court as violating either the Oklahoma
15 Constitution or United States Constitution, taxpayers shall be
16 permitted to intervene for the purposes of defending the Oklahoma
17 Parental Choice Tax Credit Program's constitutionality. However,
18 for the purposes of judicial administration, a court may require
19 that all taxpayers file a joint brief so long as they are not
20 required to join any brief filed on behalf of any named state
21 defendant.

22 C. The provisions of the Oklahoma Parental Choice Tax Credit
23 Act shall not be severable, and if any provision of the Oklahoma
24 Parental Choice Tax Credit Act or the application thereof to any

1 person or circumstances is held invalid, such invalidity shall
2 invalidate the other provisions or applications of this act.

3 SECTION 9. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 28-104 of Title 70, unless there
5 is created a duplication in numbering, reads as follows:

6 There is hereby created in the State Treasury a revolving fund
7 for the State Board of Education to be designated the "Oklahoma
8 Student Fund". The fund shall be a continuing fund, not subject to
9 fiscal year limitations, and shall consist of all monies designated
10 for deposit to the fund by law. All monies accruing to the credit
11 of the fund are hereby appropriated and may be budgeted and expended
12 by the State Board of Education for the purpose of funding public
13 school districts as provided in Sections 2 and 3 of this act.
14 Expenditures from the fund shall be made upon warrants issued by the
15 State Treasurer against claims filed as prescribed by law with the
16 Director of the Office of Management and Enterprise Services for
17 approval and payment.

18 SECTION 10. This act shall become effective July 1, 2023.

19 SECTION 11. It being immediately necessary for the preservation
20 of the public peace, health or safety, an emergency is hereby
21 declared to exist, by reason whereof this act shall take effect and
22 be in full force from and after its passage and approval.

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