

1 ENGROSSED HOUSE  
2 BILL NO. 1334

By: Hoskin of the House

3 and

4 Sparks of the Senate

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6  
7 An Act relating to schools; amending 70 O.S. 2011,  
8 Section 5-117, as last amended by Section 2, Chapter  
9 27, O.S.L. 2016 (70 O.S. Supp. 2016, Section 5-117),  
10 which relates to powers of common school district  
boards; authorizing transfer of real property to  
certain housing authorities; and providing an  
effective date.

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

14 SECTION 1. AMENDATORY 70 O.S. 2011, Section 5-117, as  
15 last amended by Section 2, Chapter 27, O.S.L. 2016 (70 O.S. Supp.  
16 2016, Section 5-117), is amended to read as follows:

17 Section 5-117. A. The board of education of each school  
18 district shall have power to:

19 1. Elect its own officers; provided that the chair of the board  
20 authorized in Section 5-107B of this title shall be elected by the  
21 electors of the school district;

22 2. Make rules, not inconsistent with the law or rules of the  
23 State Board of Education, governing the board and the school system

1 of the district, including converting all or part of a traditional  
2 public school to a conversion school;

3 3. Maintain and operate a complete public school system of such  
4 character as the board of education shall deem best suited to the  
5 needs of the school district;

6 4. Designate the schools to be attended by the children of the  
7 district;

8 5. Provide and operate, when deemed advisable, cafeterias or  
9 other eating accommodations, thrift banks or other facilities for  
10 the teaching and practice of thrift and economy, bookstores, print  
11 shops, and vocational and other shops;

12 6. Provide informational material concerning school bond  
13 elections and millage elections, including but not limited to all  
14 pertinent financial information relative to the bond issue, a  
15 statement of revenue sources necessary to retire proposed bonds, a  
16 statement of current bonded indebtedness of the school district, and  
17 a statement of proposed use of funds to be generated by the proposed  
18 bond issue. The informational material shall not contain the words  
19 "vote yes" or "vote no" or any similar words or statement any place  
20 on such informational material;

21 7. Purchase, construct or rent, and operate and maintain,  
22 classrooms, libraries, auditoriums, gymnasiums, stadiums, recreation  
23 places and playgrounds, teacherages, school bus garages,  
24 laboratories, administration buildings, and other schoolhouses and

1 school buildings, and acquire sites and equipment for the operation  
2 of public schools or conversion schools;

3 8. a. Insure the school district or its employees against  
4 any loss, damage or liability as defined by Sections  
5 702 through 708 of Title 36 of the Oklahoma Statutes,  
6 or other forms of insurance provided for in Title 36  
7 of the Oklahoma Statutes.

8 b. Subject to the restrictions of liability in the  
9 Governmental Tort Claims Act:

10 (1) insure the school district against all or any  
11 part of any liability it may incur for death,  
12 injury or disability of any person, or for damage  
13 to property, either real or personal,

14 (2) insure any employee of the school district  
15 against all or any part of the employee's  
16 liability for injury or damage resulting from an  
17 act or omission in the scope of employment, or

18 (3) insure against the expense of defending a claim  
19 against the school district or its employee,  
20 whether or not liability exists on such claim.

21 c. As used in this subsection, "employee" means any  
22 person who has acted in behalf of a school district,  
23 whether that person is acting on a permanent or  
24 temporary basis with or without being compensated or

1 on a full-time or part-time basis. Employee also  
2 includes all elected or appointed officers, members of  
3 governing bodies of a school district, and persons  
4 appointed, and other persons designated by a school  
5 district to act in its behalf.

6 d. The cost or premium of any such insurance is a proper  
7 expenditure of the school district.

8 e. Any insurance authorized by law to be purchased,  
9 obtained or provided by a school district may be  
10 provided by:

11 (1) self-insurance, which may be, but is not required  
12 to be, funded by appropriations to establish or  
13 maintain reserves for self-insurance purposes.

14 Any self-insurance reserve fund shall be  
15 nonfiscal and shall not be considered in  
16 computing any levy when the school district makes  
17 its annual estimate for needed appropriations,

18 (2) insurance in any insurer authorized to transact  
19 insurance in this state,

20 (3) insurance secured in accordance with any other  
21 method provided by law, or

22 (4) any combination of insurance authorized by this  
23 section.

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1 f. Two or more school districts or public agencies, by  
2 interlocal agreement made pursuant to the Interlocal  
3 Cooperation Act, may provide insurance for any purpose  
4 by any one or more of the methods specified in this  
5 section. The pooling of self-insured reserves, claims  
6 or losses among governments as authorized in this  
7 section shall not be construed to be transacting  
8 insurance nor otherwise subject to the provisions of  
9 the laws of this state regulating insurance or  
10 insurance companies, except as to the provisions of  
11 Section 607.1 of Title 36 of the Oklahoma Statutes.  
12 Two or more school districts may also be insured under  
13 a master policy or contract of insurance. Premium  
14 costs may be set individually for each school district  
15 or apportioned among participating school districts as  
16 provided by the master policy or contract;

17 9. Acquire property by condemnation proceedings in the same  
18 manner as land is condemned for railroad purposes. School district  
19 funds may be used to erect buildings on leased land on which other  
20 buildings have been erected prior to April 3, 1969, or on land which  
21 is leased from a governmental entity;

22 10. Lease real or personal property to the state or any  
23 political subdivision thereof or a not-for-profit entity operating  
24 pursuant to Section 868 of Title 18 of the Oklahoma Statutes for

1 nominal cash consideration for so long as the use of the property by  
2 the lessee substantially benefits, in whole or in part, the same  
3 public served by the school district;

4 11. Dispose of personal or real property no longer needed by  
5 the district by sale, exchange, lease, lease-purchase, sale and  
6 partial lease back, or otherwise. Real property shall be conveyed  
7 pursuant to a public sale, public bid, or private sale; provided  
8 however, unless otherwise prohibited by law, the board of education  
9 of a consolidated or annexed school district or any other school  
10 district may convey real property to a local political subdivision  
11 or to an educational institution within The Oklahoma State System of  
12 Higher Education or to a housing authority formed pursuant to the  
13 provisions of Section 1057 of Title 63 of the Oklahoma Statutes  
14 without consideration. Prior to the sale of any real property, the  
15 board of education shall have the real property appraised. The  
16 appraisal shall be confidential until the real property is sold.  
17 When the real property is sold, the board of education shall make  
18 the appraisal available for public inspection. Prior to the  
19 conveyance of any real property by private sale, the board of  
20 education shall have offered the real property for sale by public  
21 sale or public bid. Any conveyance of real property by private sale  
22 to a nonprofit organization, association, or corporation to be used  
23 for public purposes, unless for exchange, shall contain a  
24 reversionary clause which returns the real property to the board of

1 education upon the cessation of the use without profit or for public  
2 purposes by the purchaser or the assigns of the purchaser;

3 12. Purchase necessary property, equipment, furniture, and  
4 supplies necessary to maintain and operate an adequate school  
5 system;

6 13. Incur all expenses, within the limitations provided for by  
7 law, necessary to perform all powers granted by the provisions of  
8 this section;

9 14. Contract with and fix the duties and compensation of  
10 physicians, dentists, optometrists, nurses, attorneys,  
11 superintendents, principals, teachers, bus drivers, janitors, and  
12 other necessary employees of the district;

13 15. Establish a written policy for reimbursement of necessary  
14 travel expenses of employees and members of the board. The policy  
15 may include in-district travel from the site of employment  
16 assignment which is necessary in the performance of employment  
17 duties. The written policy shall specify procedures, contain  
18 documentation requirements, and may include payment of meal expenses  
19 during authorized travel on a per diem allowance basis rather than  
20 itemized documentation;

21 16. Pay necessary travel expenses and other related expenses of  
22 prospective employees for sponsored visits to the school district  
23 pursuant to a written policy specifying procedures containing  
24 documentation requirements equal to or greater than the requirements

1 specified by law for state employees in the State Travel  
2 Reimbursement Act;

3 17. Provide for employees' leaves of absence without pay;

4 18. Exercise sole control over all the schools and property of  
5 the district, subject to other provisions of the Oklahoma School  
6 Code;

7 19. Allow district-owned school buses to be used for  
8 transportation of students from other districts or educational  
9 institutions while within the district on educational tours. This  
10 shall not restrict the authority of the board to authorize any other  
11 use of such buses which may now be permitted by law or rule of the  
12 State Board of Education;

13 20. Enter into contractual agreements with the board of  
14 trustees of a multicounty library system, as defined in Section 4-  
15 103 of Title 65 of the Oklahoma Statutes, a city-county library  
16 commission, as defined in Section 152 of Title 65 of the Oklahoma  
17 Statutes, or a rural single county library system, as defined in  
18 Section 1-104 of Title 65 of the Oklahoma Statutes, on such terms as  
19 may be mutually agreed, except no district board of education may  
20 enter into any agreement under which the library services for the  
21 school would be provided at any site other than the school site or  
22 which would result in library services that do not meet  
23 accreditation standards as required by law or rule;

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1       21. Perform all functions necessary to the administration of a  
2 school district in Oklahoma as specified in the Oklahoma School  
3 Code, and in addition thereto, those powers necessarily implied but  
4 not delegated by law to any other agency or official;

5       22. Prepare and distribute at the expense of the school  
6 district any and all material which has the purpose of informing the  
7 public about district activities;

8       23. Solicit and accept any gift, grant, or donation of money or  
9 property for the use of the school district. Any gift, grant, or  
10 donation of money may be deposited in the general fund or building  
11 fund of the school district; and

12       24. Pay necessary meal and lodging expenses of school district  
13 students and sponsors involved in authorized school-sponsored  
14 cocurricular activities. The board of education shall establish a  
15 written policy for reimbursement of necessary meal and lodging  
16 expenses of school district students and sponsors. The written  
17 policy shall specify procedures, contain documentation requirements,  
18 and designate the funds from which reimbursement may be made.  
19 Reimbursement may be made from the General Fund.

20       B. The board of education of any school district may rent real  
21 and personal property, if such items are necessary for the operation  
22 of the school, and pay the rental charges for the usage during any  
23 fiscal year, or portion thereof, out of appropriations made and  
24 approved for current expense purposes during the fiscal year. Any

1 rental contract extending beyond June 30 of the fiscal year shall be  
2 void unless it contains provisions for mutual ratification of  
3 renewal pursuant to the conditions provided for in this subsection.  
4 It is the intent of this subsection to authorize boards of education  
5 to enter into lease contracts but not to incur any obligation  
6 against the school district in excess of the income and revenue  
7 provided for such purposes for the fiscal year in which the lease  
8 contract is operative. Any lease or lease-purchase agreement  
9 entered into by any board of education shall state the purchase  
10 price of real or personal property so leased. The lease or lease-  
11 purchase shall not be extended so as to cause payment of more than  
12 the original purchase price of the real or personal property, plus  
13 interest not to exceed the legal rate. When the purchase price plus  
14 interest has been paid, the property shall belong to the lessee and  
15 the lessor shall deliver a deed or bill of sale to the property to  
16 the lessee. When any real or personal property has been leased or  
17 rented during any fiscal year pursuant to the provisions of any  
18 contract which permits continuance of the rental for the remainder  
19 of the fiscal year, the renting or leasing of the property shall be  
20 continued for the remainder of the fiscal year unless the board of  
21 education renting or leasing the same certifies by proper resolution  
22 entered in the minutes of the board of education that the  
23 continuance of the rental is unnecessary and contrary to the public  
24 interest. Any lease-purchase agreement entered into shall include

1 the right of a school district to acquire buildings, equipment or  
2 other facilities or discrete components thereof or improve school  
3 sites through a lease-purchase agreement. A school district may use  
4 proceeds derived from the sale of bonds as authorized by Section 26  
5 of Article X of the Oklahoma Constitution to make lease-purchase  
6 payments, including interest, under a lease-purchase agreement. For  
7 purposes of this subsection, the term "acquired" as used in Section  
8 26 of Article X of the Oklahoma Constitution shall mean the  
9 possession, control, or power to dispose of personal or real  
10 property.

11 C. The boards of education of two or more school districts may  
12 enter into cooperative agreements and maintain joint programs  
13 including, but not limited to, courses of instruction for  
14 handicapped children, courses of instruction in music and other  
15 subjects, practical instruction for trades and vocations, practical  
16 instruction in driver training courses, and health programs  
17 including visual care by persons legally licensed for such purpose,  
18 without favoritism as to either profession. The revenues necessary  
19 to operate a joint program approved in cooperative agreements,  
20 whether from federal, state or local sources, including the  
21 individual contributions of participating school districts, shall be  
22 deposited into a fund separate from all other appropriated funds.  
23 The beginning fund balance each year, combined with all actual  
24 revenues, including collected and estimated revenues, must be

1 appropriated before being expended. Purchase orders shall be issued  
2 against available appropriations and, once goods or services have  
3 been received, either payable or nonpayable warrants shall be issued  
4 in payment of all purchase orders. The fund shall be reported as a  
5 separate appropriated fund in all the financial reports of the  
6 school district which is chosen by the other school districts to  
7 keep the accounting records of the joint program.

8 D. The boards of education of two or more school districts may  
9 enter into a mutual contract or separate contracts with a  
10 superintendent, administrator, or teacher or with a person to  
11 provide support services, to serve as superintendent, administrator,  
12 or teacher, as appropriately qualified, or to provide support  
13 services, for each contracting district upon such terms and  
14 conditions as the parties may agree. Nothing in this act shall be  
15 construed to authorize or require annexation or consolidation of any  
16 school districts or the closing of any school site except pursuant  
17 to law as set forth in Section 7-101 et seq. of this title.

18 E. Any school district may operate or maintain a school or  
19 schools on any military reservation which is within the boundaries  
20 of the school district or which is adjacent to the school district,  
21 and provide the instruction in the school or schools to children of  
22 personnel on the military reservation and, in doing so, shall  
23 conform to all federal laws and requirements.

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1 F. The board of education of each school district shall adopt  
2 and maintain on file in the office of the superintendent of schools  
3 appropriate personnel policy and sick leave guide. The guide shall  
4 be made available to the public.

5 G. The board of education of any school district with an  
6 average daily membership of thirty thousand (30,000) or more and all  
7 or part of which school district is located in a county having more  
8 than five hundred thousand (500,000) population according to the  
9 latest Federal Decennial Census may contract with a public or  
10 private nonsectarian entity for that entity to provide educational  
11 and administrative services for the school district. The  
12 educational services provided by a contracting entity may include  
13 but are not limited to the delivery of instructional service in core  
14 and noncore academic subjects to the students enrolled in the school  
15 district at one or more school sites or parts of sites within the  
16 district pursuant to the terms of an educational services contract.  
17 All educational service providers and their employees and  
18 representatives and all educational and administrative services  
19 provided under an educational services contract shall be exempt from  
20 all statutes and rules relating to schools, boards of education and  
21 school districts to the same extent that a charter school is exempt  
22 under the Oklahoma Charter Schools Act. For all purposes, including  
23 but not limited to attendance, funding from all sources and  
24 accountability, all students who are provided services by a

1 contracting entity pursuant to an educational services contract  
2 shall at all times be and remain students of the school district.

3 SECTION 2. This act shall become effective November 1, 2017.

4 Passed the House of Representatives the 20th day of March, 2017.

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Presiding Officer of the House  
of Representatives

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Passed the Senate the \_\_\_ day of \_\_\_\_\_, 2017.

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Presiding Officer of the Senate

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