

An Act

ENROLLED SENATE
BILL NO. 1522

By: Pemberton, Haste, Stephens,
and Boren of the Senate

and

Tedford of the House

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

SUBJECT: State Board of Education

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:

Section 1-118. The building fund of any school district shall consist of all monies derived from the proceeds of a building fund levy of not to exceed five (5) mills in any year, voted by the people of a school district pursuant to the provisions of Article X, Section 10 of the Oklahoma Constitution, monies appropriated by the state for the purpose of capital expenditures or projects, monies allocated to a school district by the State Board of Education from

the State Public Common School Building Equalization Fund and monies donated to a school district for the purpose of capital projects or improvements and may be used for erecting, remodeling, repairing or maintaining school buildings, for purchasing furniture, equipment and computer software to be used on or for school district property, for repairing and maintaining computer systems and equipment, for paying energy and utility costs, for purchasing telecommunications utilities and services, for paying fire and casualty insurance premiums for school facilities, for purchasing security systems, for paying salaries of security personnel, for purchasing school buses, or for one or more, or all, of such purposes. Proceeds of such levies shall not be required to be used during the year for which a levy is made but may accumulate from year to year until adequate for the purposes intended. The building fund may also consist of monies allocated to a school district via the federal Coronavirus Response and Relief Supplemental Appropriation Act of 2021 (CRRSA) and the federal American Rescue Plan Act of 2021 (ARP). The building fund hereinabove defined is hereby declared to be a current expense fund, but shall not be considered a part of the general operating fund. No monies derived from the proceeds of the school levies made pursuant to the provisions of Article X, Section 9 of the Oklahoma Constitution may be placed in the building fund provided by this section.

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

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

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

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

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

- a. State Aid to schools,
- b. the supervision of all other functions of general and special education including general control, free textbooks, school lunch, Indian education, and all other functions of the Board and an amount sufficient to adequately staff and administer these services, and
- c. the Board shall determine the details by which the budget and the appropriations are administered. Annually, the Board shall make preparations to consolidate all of the functions of the Department in such a way that the budget can be based on two items, administration and aid to schools. A maximum amount for administration shall be designated as a part of the total appropriation;

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

- a. detailed statistics and other information concerning enrollment, attendance, expenditures including State Aid, and other pertinent data for all public schools in this state,
- b. reports from each and every division within the State Department of Education as submitted by the Superintendent of Public Instruction and any other division, department, institution, or other agency under the supervision of the Board,

- c. recommendations for the improvement of the public school system of the state,
- d. a statement of the receipts and expenditures of the State Board of Education for the past year, and
- e. a statement of plans and recommendations for the management and improvement of public schools and such other information relating to the educational interests of the state as may be deemed necessary and desirable;

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

6. Have authority in matters pertaining to the licensure and certification of persons for instructional, supervisory, and administrative positions and services in the public schools of the state subject to the provisions of Section 6-184 of this title, and shall formulate rules governing the issuance and revocation of certificates for superintendents of schools, principals, supervisors, librarians, clerical employees, school nurses, school bus drivers, visiting teachers, classroom teachers, and for other personnel performing instructional, administrative, and supervisory services, but not including members of boards of education and other employees who do not work directly with pupils, and may charge and collect reasonable fees for the issuance of such certificates:

- a. the State Department of Education shall not issue a certificate to and shall revoke the certificate of any person who has been convicted, whether upon a verdict or plea of guilty or upon a plea of nolo contendere, or received a suspended sentence or any probationary term for a crime or an attempt to commit a crime provided for in Section 843.5 of Title 21 of the Oklahoma Statutes if the offense involved sexual abuse or sexual exploitation as those terms are defined in Section 1-1-105 of Title 10A of the Oklahoma Statutes, Section 741, 843.1, if the offense included sexual abuse or sexual exploitation, 865 et seq., 885, 888, 891, 1021, 1021.2, 1021.3, 1040.13a, 1087, 1088,

1111.1, 1114, or 1123 of Title 21 of the Oklahoma Statutes or who enters this state and who has been convicted, received a suspended sentence, or received a deferred judgment for a crime or attempted crime which, if committed or attempted in this state, would be a crime or an attempt to commit a crime provided for in any of the laws, and

- b. all funds collected by the State Department of Education for the issuance of certificates to instructional, supervisory, and administrative personnel in the public schools of the state shall be deposited in the "Teachers' Certification Fund" in the State Treasury and may be expended by the State Board of Education to finance the activities of the State Department of Education necessary to administer the program, for consultative services, publication costs, actual and necessary travel expenses as provided in the State Travel Reimbursement Act incurred by persons performing research work, and other expenses found necessary by the State Board of Education for the improvement of the preparation and certification of teachers in this state. Provided, any unobligated balance in the Teachers' Certification Fund in excess of Ten Thousand Dollars (\$10,000.00) on June 30 of any fiscal year shall be transferred to the General Revenue Fund of this state. Until July 1, 1997, the State Board of Education shall have authority for approval of teacher education programs. The State Board of Education shall also have authority for the administration of teacher residency and professional development, subject to the provisions of the Oklahoma Teacher Preparation Act;

7. Promulgate rules governing the classification, inspection, supervision, and accrediting of all public nursery, kindergarten, elementary and secondary schools, and on-site educational services provided by public school districts or state-accredited private schools in partial hospitalization programs, day treatment programs, and day hospital programs as defined in this ~~act~~ section, Section 3-104.7 of this title, and Section 603.4 of Title 10 of the Oklahoma Statutes for persons between the ages of three (3) and twenty-one

(21) years of age in the state. However, no school shall be denied accreditation solely on the basis of average daily attendance.

Any school district which maintains an elementary school and faces the necessity of relocating its school facilities because of construction of a lake, either by state or federal authority, which will inundate the school facilities, shall be entitled to receive probationary accreditation from the State Board of Education for a period of five (5) years after June 12, 1975, and any school district, otherwise qualified, shall be entitled to receive probationary accreditation from the State Board of Education for a period of two (2) consecutive years to attain the minimum average daily attendance. The Head Start and public nurseries or kindergartens operated from ~~Community Action Agency~~ community action agency funds shall not be subjected to the accrediting rules of the State Board of Education. Neither will the State Board of Education make rules affecting the operation of the public nurseries and kindergartens operated from federal funds secured through ~~Community Action Agencies~~ community action agencies even though they may be operating in the public schools of the state. However, any of the Head Start or public nurseries or kindergartens operated under federal regulations may make application for accrediting from the State Board of Education but will be accredited only if application for the approval of the programs is made. The status of no school district shall be changed which will reduce it to a lower classification until due notice has been given to the proper authorities thereof and an opportunity given to correct the conditions which otherwise would be the cause of such reduction.

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

8. Be the legal agent of this state to accept, in its discretion, the provisions of any Act of Congress appropriating or apportioning funds which are now, or may hereafter be, provided for use in connection with any phase of the system of public education in Oklahoma. It shall prescribe such rules as it finds necessary to

provide for the proper distribution of such funds in accordance with the state and federal laws;

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

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

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

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

13. Have authority to require persons having administrative control of all school districts in Oklahoma to make such regular and special reports regarding the activities of the schools in the districts as the Board may deem needful for the proper exercise of its duties and functions. Such authority shall include the right of the State Board of Education to withhold all state funds under its control, to withhold official recognition including accrediting,

until such required reports have been filed and accepted in the office of the Board and to revoke the certificates of persons failing or refusing to make such reports;

14. Have general supervision of the school lunch program. The State Board of Education may sponsor workshops for personnel and participants in the school lunch program and may develop, print, and distribute free of charge or sell any materials, books, and bulletins to be used in the school lunch programs. There is hereby created in the State Treasury a revolving fund for the Board, to be designated the ~~School Lunch Workshop Revolving Fund~~ "School Lunch Workshop Revolving Fund". The fund shall consist of all fees derived from or on behalf of any participant in any such workshop sponsored by the State Board of Education, or from the sale of any materials, books, and bulletins, and funds shall be disbursed for expenses of such workshops and for developing, printing, and distributing of the materials, books, and bulletins relating to the school lunch program. The fund shall be administered in accordance with Section 155 of Title 62 of the Oklahoma Statutes;

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

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

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

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

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

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

21. Administer the State Public Common School Building Equalization Fund established by Section 32 of Article X of the Oklahoma Constitution. Any monies as may be appropriated or designated by the Legislature, other than ad valorem taxes, any other funds identified by the State Department of Education, which may include, but not be limited to, grants-in-aid from the federal government for building purposes, the proceeds of all property that shall fall to the state by escheat, penalties for unlawful holding of real estate by corporations, and capital gains on assets of the permanent school funds, shall be deposited in the State Public Common School Building Equalization Fund. The fund shall be used to aid school districts and charter schools in acquiring buildings, subject to the limitations fixed by Section 32 of Article X of the Oklahoma Constitution. It is hereby declared that ~~the term "acquiring buildings" as used in Section 32 of Article X of the Oklahoma Constitution shall mean acquiring or improving school sites, constructing, repairing, remodeling, or equipping buildings, or acquiring school furniture, fixtures, or equipment~~ redbud school grants disbursed from the State Public Common School Building Equalization Fund shall be used for the same purposes as a building fund, as provided for in Section 1-118 of this title. It is hereby declared that the term "school districts" as used in Section 32 of Article X of the Oklahoma Constitution shall mean school districts and eligible charter schools as defined in subsection B of this section. The State Board of Education shall disburse redbud school grants annually from the State Public Common School Building Equalization Fund to public schools and eligible charter schools pursuant to subsection B of this section. The Board shall promulgate rules for the implementation of disbursing redbud school grants pursuant to this section. The State Board of Education shall prescribe rules for making grants of aid from, and for otherwise administering, the fund pursuant to the provisions of this paragraph, and may employ and fix the duties and compensation of technicians, aides, clerks, stenographers, attorneys, and other personnel deemed necessary to carry out the provisions of this paragraph. The cost of administering the fund shall be paid from

monies appropriated to the State Board of Education for the operation of the State Department of Education. From monies apportioned to the fund, the State Department of Education may reserve not more than one-half of one percent (1/2 of 1%) for purposes of administering the fund;

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

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

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

- a. divide the county four-mill levy revenue by four to determine the nonchargeable county four-mill revenue for each school district,
- b. determine the amount of new revenue generated by the five-mill building fund levy as authorized by Section 10 of Article X of the Oklahoma Constitution for each school district as reported in the Oklahoma Cost Accounting System for the preceding fiscal year,

- c. add the amounts calculated in subparagraphs a and b of this paragraph to determine the nonchargeable millage for each school district,
- d. add the nonchargeable millage in each district statewide as calculated in subparagraph c of this paragraph and divide the total by the average daily membership in public schools statewide based on the preceding school year's average daily membership, according to the provisions of Section 18-107 of this title. This amount is the statewide nonchargeable millage per student, known as the baseline local funding per student,
- e. all eligible charter schools shall be included in these calculations as unique school districts, separate from the school district that may sponsor the eligible charter school, and the total number of districts shall be used to determine the statewide average baseline local funding per student,
- f. for each school district or eligible charter school which is below the baseline local funding per student, the Department shall subtract the baseline local funding per student from the average nonchargeable millage per student of the school district or eligible charter school to determine the nonchargeable millage per student shortfall for each district, and
- g. the nonchargeable millage per student shortfall for a school district or eligible charter school shall be multiplied by the average daily membership of the preceding school year of the eligible school district or eligible charter school. This amount shall be the redbud school grant amount for the school district or eligible charter school.

2. For fiscal year 2022, monies for the redbud school grants shall be expended from the funds apportioned pursuant to Section 426 of Title 63 of the Oklahoma Statutes. For fiscal year 2023 and each subsequent fiscal year, monies for the redbud school grants shall be appropriated pursuant to Section 426 of Title 63 of the Oklahoma

Statutes, not to exceed three-fourths (3/4) of the tax collected in the preceding fiscal year pursuant to Section 426 of Title 63 of the Oklahoma Statutes as determined by the Oklahoma Tax Commission. For fiscal year 2023 and each subsequent fiscal year, if such appropriated funds are insufficient to fund the redbud school grants, then an additional apportionment of funds shall be made from sales tax collections as provided by subsection D of Section 1353 of Title 68 of the Oklahoma Statutes. If both funds are insufficient, the Department shall promulgate rules to permit a decrease to the baseline local funding per student to the highest amount allowed with the funding available.

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

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

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

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

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

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

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

Passed the Senate the 30th day of May, 2024.

Presiding Officer of the Senate

Passed the House of Representatives the 24th day of April, 2024.

Presiding Officer of the House
of Representatives

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____

Approved by the Governor of the State of Oklahoma this _____

day of _____, 20_____, at _____ o'clock _____ M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____