

1 STATE OF OKLAHOMA

2 2nd Session of the 58th Legislature (2022)

3 SENATE BILL 1622

By: Pugh

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5  
6 AS INTRODUCED

7 An Act relating to school district boards of  
8 education; amending 70 O.S. 2021, Section 5-117,  
9 which relates to powers and duties of a school  
10 district board of education; authorizing a board of  
11 education to lease certain property to a charter  
12 school or charter school applicant; directing school  
13 district boards of education to publish a list of  
14 certain buildings or portions of buildings; providing  
15 for notification of first refusal to lease certain  
16 buildings or portions of buildings; providing for  
17 negotiation of lease terms; providing for  
18 codification; providing an effective date; and  
19 declaring an emergency .

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

21 SECTION 1. AMENDATORY 70 O.S. 2021, Section 5-117, is  
22 amended to read as follows:

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

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

28 2. Make rules, not inconsistent with the law or rules of the  
29 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

13 damage 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.

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

1 or public bid. Any conveyance of real property by  
2 private sale to a nonprofit organization, association,  
3 or corporation to be used for public purposes, unless  
4 for exchange, shall contain a reversionary clause  
5 which returns the real property to the board of  
6 education upon the cessation of the use without profit  
7 or for public purposes by the purchaser or the assigns  
8 of the purchaser,

9 b. If a board of education makes the decision to dispose  
10 of real or personal property that is leased at the  
11 time the decision is made, whether such disposal is by  
12 public sale, public bid, or private sale, the lessee  
13 shall have a right of first refusal to purchase the  
14 property on the following terms and conditions:

15 (1) if a board of education receives a bid or offer  
16 in a public sale, public bid, or private sale for  
17 any real or personal property that it desires to  
18 accept, then it shall provide notice to the  
19 lessee of the property. The notice shall include  
20 the identity of the prospective purchaser of the  
21 property, the terms and conditions of the  
22 proposed sale, and the purchase price to be paid  
23 by the prospective purchaser, and  
24

1 (2) the lessee shall have thirty (30) days after  
2 receipt of the notice to inform the board of  
3 education that it elects to purchase the property  
4 on the same terms and conditions set forth in the  
5 notice, in which event the board of education  
6 shall convey the property to the lessee on all  
7 the same terms and conditions set forth in the  
8 notice; provided, however, that if any portion of  
9 the consideration included in the purchase price  
10 set forth in the notice is not in cash, then the  
11 lessee shall be entitled to pay the fair market  
12 value in cash of such noncash consideration;

13 12. Lease real or personal property that is not being used by  
14 the district and is deemed vacant to a charter school established  
15 pursuant to the Oklahoma Charter Schools Act as provided for in  
16 Section 2 of this act;

17 13. Purchase necessary property, equipment, furniture, and  
18 supplies necessary to maintain and operate an adequate school  
19 system;

20 ~~13.~~ 14. Incur all expenses, within the limitations provided for  
21 by law, necessary to perform all powers granted by the provisions of  
22 this section;

23 ~~14.~~ 15. Contract with and fix the duties and compensation of  
24 physicians, dentists, optometrists, nurses, attorneys,



1 superintendents, principals, teachers, bus drivers, janitors, and  
2 other necessary employees of the district;

3 ~~15.~~ 16. Establish a written policy for reimbursement of  
4 necessary travel expenses of employees and members of the board.  
5 The policy may include in-district travel from the site of  
6 employment assignment which is necessary in the performance of  
7 employment duties. The written policy shall specify procedures,  
8 contain documentation requirements, and may include payment of meal  
9 expenses during authorized travel on a per diem allowance basis  
10 rather than itemized documentation;

11 ~~16.~~ 17. Pay necessary travel expenses and other related  
12 expenses of prospective employees for sponsored visits to the school  
13 district pursuant to a written policy specifying procedures  
14 containing documentation requirements equal to or greater than the  
15 requirements specified by law for state employees in the State  
16 Travel Reimbursement Act;

17 ~~17.~~ 18. Provide for employees' leaves of absence without pay;

18 ~~18.~~ 19. Exercise sole control over all the schools and property  
19 of the district, subject to other provisions of the Oklahoma School  
20 Code;

21 ~~19.~~ 20. Allow district-owned school buses to be used for  
22 transportation of students from other districts or educational  
23 institutions while within the district on educational tours. This  
24 shall not restrict the authority of the board to authorize any other  
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1 use of such buses which may now be permitted by law or rule of the  
2 State Board of Education;

3 ~~20.~~ 21. Enter into contractual agreements with the board of  
4 trustees of a multicounty library system, as defined in Section 4-  
5 103 of Title 65 of the Oklahoma Statutes, a city-county library  
6 commission, as defined in Section 152 of Title 65 of the Oklahoma  
7 Statutes, or a rural single county library system, as defined in  
8 Section 1-104 of Title 65 of the Oklahoma Statutes, on such terms as  
9 may be mutually agreed, except no district board of education may  
10 enter into any agreement under which the library services for the  
11 school would be provided at any site other than the school site or  
12 which would result in library services that do not meet  
13 accreditation standards as required by law or rule;

14 ~~21.~~ 22. Perform all functions necessary to the administration  
15 of a school district in Oklahoma as specified in the Oklahoma School  
16 Code, and in addition thereto, those powers necessarily implied but  
17 not delegated by law to any other agency or official;

18 ~~22.~~ 23. Prepare and distribute at the expense of the school  
19 district any and all material which has the purpose of informing the  
20 public about district activities;

21 ~~23.~~ 24. Solicit and accept any gift, grant, or donation of  
22 money or property for the use of the school district. Any gift,  
23 grant, or donation of money may be deposited in the general fund or  
24 building fund of the school district; and

1       ~~24.~~ 25. Pay necessary meal and lodging expenses of school  
2 district students and sponsors involved in authorized school-  
3 sponsored cocurricular activities. The board of education shall  
4 establish a written policy for reimbursement of necessary meal and  
5 lodging expenses of school district students and sponsors. The  
6 written policy shall specify procedures, contain documentation  
7 requirements, and designate the funds from which reimbursement may  
8 be made. Reimbursement may be made from the General Fund.

9       B. The board of education of any school district may rent real  
10 and personal property, if such items are necessary for the operation  
11 of the school, and pay the rental charges for the usage during any  
12 fiscal year, or portion thereof, out of appropriations made and  
13 approved for current expense purposes during the fiscal year. Any  
14 rental contract extending beyond June 30 of the fiscal year shall be  
15 void unless it contains provisions for mutual ratification of  
16 renewal pursuant to the conditions provided for in this subsection.  
17 It is the intent of this subsection to authorize boards of education  
18 to enter into lease contracts but not to incur any obligation  
19 against the school district in excess of the income and revenue  
20 provided for such purposes for the fiscal year in which the lease  
21 contract is operative. Any lease or lease-purchase agreement  
22 entered into by any board of education shall state the purchase  
23 price of real or personal property so leased. The lease or lease-  
24 purchase shall not be extended so as to cause payment of more than

1 the original purchase price of the real or personal property, plus  
2 interest not to exceed the legal rate. When the purchase price plus  
3 interest has been paid, the property shall belong to the lessee and  
4 the lessor shall deliver a deed or bill of sale to the property to  
5 the lessee. When any real or personal property has been leased or  
6 rented during any fiscal year pursuant to the provisions of any  
7 contract which permits continuance of the rental for the remainder  
8 of the fiscal year, the renting or leasing of the property shall be  
9 continued for the remainder of the fiscal year unless the board of  
10 education renting or leasing the same certifies by proper resolution  
11 entered in the minutes of the board of education that the  
12 continuance of the rental is unnecessary and contrary to the public  
13 interest. Any lease-purchase agreement entered into shall include  
14 the right of a school district to acquire buildings, equipment or  
15 other facilities or discrete components thereof or improve school  
16 sites through a lease-purchase agreement. A school district may use  
17 proceeds derived from the sale of bonds as authorized by Section 26  
18 of Article X of the Oklahoma Constitution to make lease-purchase  
19 payments, including interest, under a lease-purchase agreement. For  
20 purposes of this subsection, the term "acquired" as used in Section  
21 26 of Article X of the Oklahoma Constitution shall mean the  
22 possession, control, or power to dispose of personal or real  
23 property.

1 C. The boards of education of two or more school districts may  
2 enter into cooperative agreements and maintain joint programs  
3 including, but not limited to, courses of instruction for  
4 handicapped children, courses of instruction in music and other  
5 subjects, practical instruction for trades and vocations, practical  
6 instruction in driver training courses, and health programs  
7 including visual care by persons legally licensed for such purpose,  
8 without favoritism as to either profession. The revenues necessary  
9 to operate a joint program approved in cooperative agreements,  
10 whether from federal, state, or local sources, including the  
11 individual contributions of participating school districts, shall be  
12 deposited into a fund separate from all other appropriated funds.  
13 The beginning fund balance each year, combined with all actual  
14 revenues, including collected and estimated revenues, ~~must~~ shall be  
15 appropriated before being expended. Purchase orders shall be issued  
16 against available appropriations and, once goods or services have  
17 been received, either payable or nonpayable warrants shall be issued  
18 in payment of all purchase orders. The fund shall be reported as a  
19 separate appropriated fund in all the financial reports of the  
20 school district which is chosen by the other school districts to  
21 keep the accounting records of the joint program.

22 D. The boards of education of two or more school districts may  
23 enter into a mutual contract or separate contracts with a  
24 superintendent, administrator, or teacher or with a person to

1 provide support services, to serve as superintendent, administrator,  
2 or teacher, as appropriately qualified, or to provide support  
3 services, for each contracting district upon such terms and  
4 conditions as the parties may agree. Nothing in this section shall  
5 be construed to authorize or require annexation or consolidation of  
6 any school districts or the closing of any school site except  
7 pursuant to law as set forth in Section 7-101 et seq. of this title.

8 E. Any school district may operate or maintain a school or  
9 schools on any military reservation which is within the boundaries  
10 of the school district or which is adjacent to the school district,  
11 and provide the instruction in the school or schools to children of  
12 personnel on the military reservation and, in doing so, shall  
13 conform to all federal laws and requirements.

14 F. The board of education of each school district shall adopt  
15 and maintain on file in the office of the superintendent of schools  
16 appropriate personnel policy and sick leave guide. The guide shall  
17 be made available to the public.

18 G. The board of education of any school district with an  
19 average daily membership of thirty thousand (30,000) or more and all  
20 or part of which school district is located in a county having more  
21 than five hundred thousand (500,000) population according to the  
22 latest Federal Decennial Census may contract with a public or  
23 private nonsectarian entity for that entity to provide educational  
24 and administrative services for the school district. The

1 educational services provided by a contracting entity may include  
2 but are not limited to the delivery of instructional service in core  
3 and noncore academic subjects to the students enrolled in the school  
4 district at one or more school sites or parts of sites within the  
5 district pursuant to the terms of an educational services contract.  
6 All educational service providers and their employees and  
7 representatives and all educational and administrative services  
8 provided under an educational services contract shall be exempt from  
9 all statutes and rules relating to schools, boards of education, and  
10 school districts to the same extent that a charter school is exempt  
11 under the Oklahoma Charter Schools Act. For all purposes including  
12 but not limited to attendance, funding from all sources, and  
13 accountability, all students who are provided services by a  
14 contracting entity pursuant to an educational services contract  
15 shall at all times be and remain students of the school district.

16 SECTION 2. NEW LAW A new section of law to be codified  
17 in the Oklahoma Statutes as Section 5-117.7 of Title 70, unless  
18 there is created a duplication in numbering, reads as follows:

19 A. A school district board of education shall annually publish  
20 a list of buildings and portions of buildings owned by the district  
21 that are not being used by the district and have been deemed vacant  
22 by the board of education. The board of education shall make the  
23 list available to charter school applicants and charter schools  
24 established pursuant to the Oklahoma Charter Schools Act that are

1 located within the district. The list shall include the address of  
2 each building and a short description of the building.

3 B. A school district board of education shall notify charter  
4 school applicants and charter schools established pursuant to the  
5 Oklahoma Charter Schools Act that are located within the district of  
6 their right of first refusal to lease a building or portion of a  
7 building included on the list published pursuant to subsection A of  
8 this section.

9 C. A school district board of education may enter into a lease  
10 contract with a charter school for the use of a school building or a  
11 portion of a building included on the list published pursuant to  
12 subsection A of this section. All costs for the operation and  
13 maintenance of the building or portion of a building leased by the  
14 charter school shall be subject to negotiation between the charter  
15 school and the school district; provided, however, that the school  
16 district shall charge rent below fair market value.

17 SECTION 3. This act shall become effective July 1, 2022.

18 SECTION 4. It being immediately necessary for the preservation  
19 of the public peace, health or safety, an emergency is hereby  
20 declared to exist, by reason whereof this act shall take effect and  
21 be in full force from and after its passage and approval.

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