

1 STATE OF OKLAHOMA

2 1st Session of the 56th Legislature (2017)

3 SENATE BILL 395

By: Loveless

4
5
6 AS INTRODUCED

7 An Act relating to schools; creating the Oklahoma
8 Parental Empowerment Act of 2017; providing short
9 title; providing definitions; creating the Oklahoma
10 Parental Empowerment Account Program; directing the
11 Office of the State Treasurer to administer the
12 program; requiring the parent or legal guardian of an
13 eligible student to sign certain agreement;
14 establishing requirements for participation; allowing
15 early termination of agreement; providing end date
16 for participation; requiring annual renewal of
17 agreement; providing for an agreement to meet certain
18 compulsory attendance requirement; limiting
19 participation to certain percentage each year;
20 requiring verification of percentage eligible to
21 participate; providing for calculation of amount to
22 be deposited into parental empowerment account if an
23 eligible student receives a portion of education from
24 a resident district; providing for expenditure of
unused funds; requiring certain calculation of amount
to be transferred into a parental empowerment
account; requiring transfer of certain percentage of
funds; requiring certain percentage of funds to be
distributed to certain resident districts; allowing
the Office of the State Treasurer to retain certain
amount for administrative services; creating the
Oklahoma Parental Empowerment Account Revolving Fund;
providing for expenditure of fund; requiring parents
and legal guardians of eligible students to submit
certain receipts; prohibiting the recipient of
parental empowerment account funds from sharing,
refunding or rebating any such funds except under
certain circumstances; directing the Office of the
State Treasurer to conduct random audits; providing
procedures for a parent or legal guardian to be
removed from the program; providing for suspension of

1 account; providing for notification in writing;
2 providing for appeal of removal; providing for
3 notification of State Department of Education;
4 allowing referral of certain cases for investigation;
5 directing the State Board of Education and the Office
6 of the State Treasurer to promulgate rules; providing
7 for codification; providing an effective date; and
8 declaring an emergency.

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

10 SECTION 1. NEW LAW A new section of law to be codified
11 in the Oklahoma Statutes as Section 28-101 of Title 70, unless there
12 is created a duplication in numbering, reads as follows:

13 This act shall be known and may be cited as the "Oklahoma
14 Parental Empowerment Act of 2017".

15 SECTION 2. NEW LAW A new section of law to be codified
16 in the Oklahoma Statutes as Section 28-102 of Title 70, unless there
17 is created a duplication in numbering, reads as follows:

18 As used in the Oklahoma Parental Empowerment Act of 2017:

19 1. "Eligible student" means a resident of the state other than
20 a student who is being provided an education by other means and:

- 21 a. who otherwise is eligible to enroll in pre-
22 kindergarten in a public school district, or
- 23 b. who is eligible to enroll in grades kindergarten
24 through twelve in a public school district who
previously was enrolled the first one hundred (100)

1 days of the prior school year in an Oklahoma public
2 school district;

3 2. "Qualified expenditure" means an expenditure that serves an
4 educational purpose, including but not limited to:

- 5 a. online curriculum,
- 6 b. tuition at a private school accredited or in the
7 process of obtaining accreditation by the Oklahoma
8 Private School Accrediting Council,
- 9 c. educational services from a public school district,
10 including a charter school, that is not the resident
11 district for the student,
- 12 d. co-curricular and extracurricular activities such as
13 athletics, drama, music, student clubs and other such
14 activities,
- 15 e. textbooks,
- 16 f. tutoring,
- 17 g. testing for college entrance examinations,
- 18 h. college tuition and fees for concurrent enrollment,
- 19 i. technology center school fees and tuition for
20 concurrent enrollment, and
- 21 j. advanced placement test fees;

22 3. "Program" means the Oklahoma Parental Empowerment Account
23 Program; and
24

1 4. "Resident district" means the public school district in
2 which the student resides as defined in Section 1-113 of Title 70 of
3 the Oklahoma Statutes.

4 SECTION 3. 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. There is hereby created the Oklahoma Parental Empowerment
8 Account Program to be administered by the Office of the State
9 Treasurer to provide a parental empowerment account for qualified
10 expenditures to support the education of an eligible student in this
11 state.

12 B. To enroll in the Program, the parent or legal guardian of an
13 eligible student shall enter into a written agreement with the
14 Office of the State Treasurer in a manner and on a form provided by
15 the Office of the State Treasurer. The agreement shall provide
16 that:

17 1. The eligible student will receive an education in at least
18 the subjects of reading, English language arts, mathematics, social
19 studies and science for the school year for which the agreement
20 applies;

21 2. Parental empowerment account funds shall be used only on
22 qualified expenditures;

23 3. The parent or legal guardian of the eligible student shall
24 sign a document releasing the resident school district from all

1 obligations to educate the eligible student, except as otherwise
2 provided for in subsection G of this section; and

3 4. The parent or legal guardian shall not enroll the eligible
4 student in the Lindsey Nicole Henry Scholarships for Students with
5 Disabilities Program.

6 C. An agreement entered into pursuant to subsection B of this
7 section may be terminated early if:

8 1. The parent or legal guardian of an eligible student notifies
9 the State Board of Education of the date the eligible student
10 enrolls or re-enrolls on a full-time basis in a resident district;
11 or

12 2. The eligible student no longer resides in the state.

13 D. An eligible student shall no longer be eligible for a
14 parental empowerment account upon high school graduation or upon
15 reaching age twenty-one (21), whichever comes first.

16 E. An agreement entered into pursuant to subsection B of this
17 section may be renewed on an annual basis by submitting a renewal
18 request to the Office of the State Treasurer.

19 F. An agreement entered into pursuant to subsection B of this
20 section shall be deemed school attendance and shall constitute
21 compliance with the compulsory attendance requirements of Section
22 10-105 of Title 70 of the Oklahoma Statutes.

23 G. If an eligible student receives a portion of his or her
24 instruction from a resident district and a portion from another

1 entity that is a qualified expenditure, the amount of funds
2 deposited into the parental empowerment account of the eligible
3 student shall be based on the percentage of instruction provided by
4 an entity other than the resident district.

5 H. All parental empowerment account funds that are unused by
6 the end of the school year shall be carried forward to the next
7 school year if the agreement entered into pursuant to subsection B
8 of this section is renewed. If the agreement entered into pursuant
9 to subsection B of this section terminates or is not renewed or if
10 an eligible student graduates or reaches the age of twenty-one (21),
11 whichever comes first, any unused parental empowerment account funds
12 shall revert to the State Board of Education to be used for the
13 financial support of public schools.

14 I. The number of new students eligible to participate in the
15 Program shall be limited to not more than one percent (1%) of the
16 total number of students enrolled in public schools statewide each
17 year. The State Department of Education shall verify the total
18 number of students enrolled in public schools the preceding school
19 year by July 1 of each year to determine the number of eligible
20 students for the Program for that school year. Applicants shall be
21 granted on a first-come, first-serve basis.

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

1 A. 1. For each eligible student who is accepted into the
2 Oklahoma Parental Empowerment Account Program pursuant to Section 3
3 of this act, the State Department of Education shall calculate the
4 amount required to fund the parental empowerment account for the
5 following fiscal year. The calculated amount shall be equivalent to
6 the total State Aid factors multiplied by the grade level weight and
7 the student category weights that would be generated by the eligible
8 student for the applicable school year.

9 2. The State Department of Education shall calculate the total
10 cost of all parental empowerment accounts for all eligible students
11 in the state. The State Department of Education shall then reserve
12 or retain from the total amount appropriated to the State Board of
13 Education for State Aid purposes and any other revenue available for
14 allocation for State Aid purposes the total cost for all parental
15 empowerment accounts.

16 3. The State Department of Education shall transfer to the
17 Office of the State Treasurer an amount equal to ninety percent
18 (90%) of the amount calculated pursuant to paragraph 2 of this
19 subsection in equal allocations pursuant to a schedule established
20 by the Office of the State Treasurer. Of the funds transferred to
21 the Office of the State Treasurer for the Program, an amount not
22 exceeding three percent (3%) may be retained by the Office of the
23 State Treasurer for administration of the Program.

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1 4. The remaining ten percent (10%) of total state funding from
2 the State Department of Education shall be distributed by the State
3 Board of Education to the resident district which the eligible
4 student would otherwise attend to be expended in a manner decided by
5 the local school district board of education.

6 B. There is hereby created in the State Treasury a revolving
7 fund for the Office of the State Treasurer to be designated the
8 "Oklahoma Parental Empowerment Account Revolving Fund". The fund
9 shall be a continuing fund, not subject to fiscal year limitations,
10 and shall consist of all monies received by the Office of the State
11 Treasurer from the State Department of Education pursuant to
12 subsection A of this section. All monies accruing to the credit of
13 the fund are hereby appropriated and may be budgeted and expended by
14 the Office of the State Treasurer for the purpose of funding
15 parental empowerment accounts. Expenditures from the fund shall be
16 made upon warrants issued by the Office of the State Treasurer
17 against claims filed as prescribed by law with the Director of the
18 Office of Management and Enterprise Services for approval and
19 payment.

20 C. The parent or legal guardian of an eligible student shall
21 submit receipts for qualified expenditures to the Office of the
22 State Treasurer.

23 D. A recipient of parental empowerment account funds shall not
24 share, refund or rebate any amount expended from a parental

1 empowerment account with the parent or legal guardian of an eligible
2 student or the eligible student, unless the refund is for an item
3 that is being returned or an item or service that has not been
4 provided.

5 E. The Office of the State Treasurer shall audit parental
6 empowerment accounts randomly each year. The Office of the State
7 Treasurer may provide for additional audits of parental empowerment
8 accounts as it determines necessary.

9 F. 1. The Office of the State Treasurer may remove any parent
10 or legal guardian of an eligible student from eligibility for the
11 Program if the parent or legal guardian fails to comply with the
12 terms of the agreement executed pursuant to Section 3 of this act or
13 applicable laws, rules or orders or misuses monies or fails to
14 comply with the terms of the agreement with the intent to defraud.

15 2. The Office of the State Treasurer shall suspend the parental
16 empowerment account of the parent or legal guardian and shall notify
17 the parent or legal guardian in writing that the parental
18 empowerment account has been suspended and that no further
19 transactions shall be allowed. The notification shall specify the
20 reason for the suspension and state that the parent or legal
21 guardian has ten (10) days, not including weekends, to respond and
22 take corrective action. If the parent or legal guardian refuses or
23 fails to contact the Office of the State Treasurer, furnish any
24 information or make any report that may be required for

1 reinstatement within the ten-day period, the Office of the State
2 Treasurer may remove the parent or legal guardian of the eligible
3 student from participation in the Program.

4 3. The parent or legal guardian of an eligible student may
5 appeal the Office of the State Treasurer's decision pursuant to the
6 Administrative Procedures Act.

7 4. The Office of the State Treasurer shall notify the State
8 Department of Education of the removal of a parent or legal guardian
9 of an eligible student from participation in the Program.

10 5. The Office of the State Treasurer may refer cases of
11 substantial misuse of monies to the attorney general for
12 investigation if evidence of fraudulent use of a parental
13 empowerment account is obtained.

14 SECTION 5. NEW LAW A new section of law to be codified
15 in the Oklahoma Statutes as Section 28-105 of Title 70, unless there
16 is created a duplication in numbering, reads as follows:

17 The State Board of Education and the Office of the State
18 Treasurer shall promulgate rules necessary to implement the
19 provisions of this act.

20 SECTION 6. This act shall become effective July 1, 2017.

21 SECTION 7. It being immediately necessary for the preservation
22 of the public peace, health or safety, an emergency is hereby
23 declared to exist, by reason whereof this act shall take effect and
24 be in full force from and after its passage and approval.

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