

1 STATE OF OKLAHOMA

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

3 SENATE BILL 625

By: Dahm

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5  
6 AS INTRODUCED

7 An Act relating to schools; creating the Oklahoma  
8 Education Empowerment Scholarship Act; providing  
9 short title; providing purpose of act; providing for  
10 education empowerment scholarship accounts to be  
11 established during certain school year; providing  
12 definitions; directing the Office of the State  
13 Treasurer to administer the program; providing  
14 application deadline for the first year of  
15 implementation; requiring the parent or legal  
16 guardian of an eligible student to sign certain  
17 agreement; establishing requirements for  
18 participation; directing provision of certain forms;  
19 providing for renewal of agreement; providing for an  
20 agreement to meet certain compulsory attendance  
21 requirement; requiring certain notification upon  
22 participation in the program; allowing students to  
23 participate until certain events occur; providing  
24 limitation on participation; directing priority  
status be given to certain students; establishing  
sunset for limitation; providing for calculation of  
amount to be deposited into education empowerment  
scholarship accounts; clarifying that certain funding  
shall not be transferred into an account; directing  
the State Department of Education to transfer certain  
amount to the Office of the State Treasurer;  
directing the State Department of Education to set  
aside certain amount; allowing the State Department  
of Education to retain certain amount for  
administrative services; directing the Office of the  
State Treasurer to transfer certain amount into  
certain fund; creating the Education Empowerment  
Scholarship Administrative Revolving Fund; providing  
for expenditures from fund; creating the Treasurer's  
Education Empowerment Scholarship Administrative  
Revolving Fund; providing for expenditures from fund;

1 requiring publication of certain list of tests;  
2 prohibiting certain private schools or educational  
3 providers from sharing, refunding or rebating certain  
4 funds; prohibiting parents and legal guardians from  
5 receiving or accepting certain rebates or payments;  
6 providing for closure of accounts upon certain event;  
7 providing for deposit of certain funds; directing the  
8 State Department of Education to provide certain  
9 information; stating that monies received pursuant to  
10 the program do not constitute taxable income;  
11 providing for deposit of funds upon certain  
12 verification; requiring submission of receipts for  
13 certain expenditures; directing remaining amount to  
14 be transferred into an Oklahoma College Savings Plan  
15 account created in the name of the eligible student;  
16 requiring reimbursement of certain funds for failure  
17 to comply with the requirements of the program;  
18 stating that acceptance of certain students does not  
19 expand certain regulatory authority; directing the  
20 State Board of Education to set aside certain amount;  
21 directing the Office of the State Treasurer to remit  
22 certain funds; providing certain construction;  
23 exempting from liability certain entities based on  
24 certain participation; providing for codification;  
and providing an effective date.

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

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

This act shall be known and may be cited as the "Oklahoma  
Education Empowerment Scholarship Act".

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

1           A. The purpose of the Oklahoma Education Empowerment  
2 Scholarship Act is to provide additional quality educational options  
3 to parents for the education of students in this state by creating  
4 the Oklahoma Education Empowerment Scholarship Program for  
5 individual students, empowering parents to make educational  
6 decisions for their children.

7           B. Education empowerment scholarship accounts shall be  
8 established for individual eligible students beginning with the  
9 2017-2018 school year.

10           SECTION 3.           NEW LAW           A new section of law to be codified  
11 in the Oklahoma Statutes as Section 28-103 of Title 70, unless there  
12 is created a duplication in numbering, reads as follows:

13           As used in the Oklahoma Education Empowerment Scholarship Act:

14           1. "Account" means an education empowerment scholarship account  
15 established for an eligible student pursuant to this act;

16           2. "Board" means the State Board of Education;

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

18           4. "Eligible postsecondary institution" means an accredited  
19 Oklahoma public or private postsecondary institution;

20           5. "Eligible private school" means any school recognized by the  
21 Oklahoma Private School Accreditation Commission or that meets the  
22 accreditation requirements set by the State Board of Education;

23           6. "Eligible student" means a public school student who is a  
24 resident of Oklahoma and has attended an Oklahoma public school for

1 at least one hundred (100) days of the current or previous school  
2 year, who is not being provided an education by other means and:

- 3 a. is enrolled in a public school where the student is  
4 being counted for funding purposes or was enrolled and  
5 counted for funding purposes during the most recently  
6 concluded school year if the public school is not yet  
7 enrolling students for the next school year,
- 8 b. is currently participating in the Oklahoma Education  
9 Empowerment Scholarship Program,
- 10 c. is participating in or was participating in the  
11 Lindsey Nicole Henry Scholarships for Students with  
12 Disabilities Program during the current or a previous  
13 school year. A student shall not be eligible to  
14 participate in both the Oklahoma Education Empowerment  
15 Scholarship Program and the Lindsey Nicole Henry  
16 Scholarships for Students with Disabilities Program  
17 concurrently, or
- 18 d. is a child in the household of a member of the United  
19 States Armed Forces transferred from out of state or  
20 from a foreign country pursuant to a permanent change-  
21 of-station order of the parent;

22 7. "Parent" means a resident of the state who is a parent,  
23 legal guardian or other person with the authority to act on behalf  
24 of an eligible student;

1 8. "Program" means the Oklahoma Education Empowerment  
2 Scholarship Program;

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

6 10. "Treasurer" means the Office of the State Treasurer.

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

10 A. The Office of the State Treasurer shall determine a period  
11 of each year during which it will accept applications for the  
12 Oklahoma Education Empowerment Scholarship Program for the following  
13 school fiscal year, provided that for the first year of  
14 implementation, the deadline shall be no later than May 1, 2017.  
15 The Office of the State Treasurer shall provide the State Department  
16 of Education the names of eligible students who shall receive  
17 education empowerment scholarship accounts each fiscal year.

18 B. To enroll an eligible student in the Oklahoma Education  
19 Empowerment Scholarship Program, the parent of the eligible student  
20 shall sign an agreement to do all the following:

21 1. Provide an education for the eligible student in at least  
22 the subjects of English language arts, mathematics, social studies  
23 and science or provide eligible students with special needs an  
24

1 organized appropriate educational program with measurable annual  
2 goals;

3 2. Notify the Treasurer of the date the eligible student  
4 withdraws from the public school to participate in the Program, the  
5 date the eligible student stops participating in the Program and the  
6 date the eligible student enrolls or reenrolls in a public school or  
7 graduates;

8 3. Not enroll the eligible student in a public school or  
9 charter school full time without first notifying the Treasurer of  
10 the decision to discontinue participation in the Program;

11 4. Sign a document releasing the resident school district from  
12 all obligations to educate the eligible student;

13 5. Use the money deposited in the account established for the  
14 eligible student only for the following expenses of the student:

15 a. tuition and fees to an eligible private school,  
16 virtual school or virtual coursework provider or  
17 eligible postsecondary institution,

18 b. purchasing, renting or subscribing to a service that  
19 provides textbooks, other learning materials or  
20 programs or curriculum for a complete course of study  
21 for a particular content area or grade level,  
22 including any supplementary materials recommended by  
23 the curriculum,

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1 c. educational therapies or services for the eligible  
2 student from a licensed or accredited practitioner or  
3 provider, including licensed or accredited  
4 paraprofessionals or educational aides. The Board  
5 shall promulgate rules defining which therapies and  
6 services are eligible under the Program and setting  
7 the required qualifications for paraprofessionals and  
8 aides,

9 d. tutoring services. The Board shall promulgate rules  
10 setting the required qualifications for tutors.  
11 Tutors shall be required to notify the Board of their  
12 intention to provide tutoring services to students in  
13 the Program,

14 e. services provided by a public school, including  
15 individual classes and extracurricular programs,

16 f. fees for a nationally standardized norm-referenced  
17 achievement test, advanced placement examinations or  
18 any exams related to college or university admissions,

19 g. contributions to a Coverdell Savings Account  
20 established pursuant to 26 U.S.C., Section 530 for the  
21 benefit of the eligible student, except that money  
22 used for elementary or secondary education expenses  
23 shall be for expenses otherwise allowed by this act,  
24

- 1           h. fees for management of the account by firms or  
2           institutions selected by the Treasurer, and  
3           i. insurance or surety bond payments as required by the  
4           Treasurer; and

5           6. Not use monies deposited in the account of an eligible  
6 student for any of the following:

- 7           a. purchasing computer hardware, electronic equipment,  
8           assistive technological devices or educational  
9           equipment or instruments. Nothing shall prohibit the  
10          renting of such items,  
11          b. regular or routine transportation of the student.  
12          Regular and routine transportation shall not include  
13          transporting the student for education-related field  
14          trips and other extracurricular activities, and  
15          c. consumable educational supplies, including but not  
16          limited to paper, pens or markers.

17          C. Agreements shall be executed on forms provided by the  
18 Treasurer, who shall verify compliance with the agreements.

19          D. A parent shall renew the account of an eligible student on  
20 an annual basis by submitting a renewal request to the Treasurer.  
21 The renewal request for grades one (1) through twelve (12) shall  
22 also include documentation showing the results of the student on a  
23 nationally standardized norm-referenced achievement test taken  
24 during that school year.



1 E. A signed agreement under this section shall be deemed school  
2 attendance and shall constitute compliance with the compulsory  
3 attendance law as set forth in Section 10-105 of Title 70 of the  
4 Oklahoma Statutes.

5 F. The parent of an eligible student shall submit a request to  
6 participate in the Program no later than December 1 of the school  
7 year during which an account is requested, in order to receive  
8 funding for the same school year. If a request is made after  
9 December 1, the account will not begin receiving funds until the  
10 following school year.

11 G. Students may continue in the Program once they are  
12 determined to be eligible pursuant to this act until they graduate,  
13 until they return to public school or it has been found by the  
14 Treasurer that the agreement required in this section has been  
15 violated.

16 H. The number of new students eligible to participate in the  
17 Program shall be limited to not more than one percent (1%) of the  
18 total number of students enrolled in public schools statewide each  
19 school year. The Treasurer shall verify with the Department the  
20 total number of students enrolled in public schools statewide by  
21 July 15 of each year to determine the number of eligible students  
22 for the Program for that school year. Applicants shall be granted  
23 on a first-come, first-serve basis. If more students apply than  
24 what is available under the provisions of this subsection, the

1 Treasurer shall utilize a waiting list for enrollment in the  
2 Program.

3 1. Priority under the provisions of this subsection shall be  
4 given to eligible students who:

5 a. reside in a household whose annual household income is  
6 equal to or less than two times the amount required to  
7 qualify for the federal free or reduced-price lunch  
8 program,

9 b. have been identified as a student with a disability by  
10 a school district in accordance with the Individuals  
11 with Disabilities Education Act,

12 c. have been adopted through the Oklahoma Foster Care  
13 System, or

14 d. have been placed on the waiting list in previous years  
15 in the order of application.

16 2. Students enrolled in the Program the prior school year shall  
17 not be subject to the limitations set forth in this subsection.

18 3. The limitations set forth in this subsection shall sunset  
19 ten (10) years from the effective date of this act.

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

23 A. The annual amount to be deposited to the education  
24 empowerment scholarship account for the student shall be equal to

1 ninety percent (90%) of the total State Aid factors multiplied by  
2 the grade level weight and the student category weights that would  
3 be generated by the eligible student for the applicable school year.

4 B. Additionally, nothing herein shall be construed to require  
5 the local ad valorem funding which is paid by the eligible student's  
6 parent and/or federal funding received for the benefit of the  
7 student to be utilized in the funding of the account and shall  
8 continue to be utilized by the local school district as provided by  
9 applicable law.

10 SECTION 6. NEW LAW A new section of law to be codified  
11 in the Oklahoma Statutes as Section 28-106 of Title 70, unless there  
12 is created a duplication in numbering, reads as follows:

13 A. Upon submission of the signed agreement by the parent as  
14 required pursuant to Section 4 of this act, the State Department of  
15 Education shall transfer the amount of funds calculated pursuant to  
16 Section 5 of this act to the Treasurer for deposit into the  
17 education empowerment scholarship account for each eligible student  
18 pursuant to a schedule established by the Board. The total  
19 calculated amount shall be transferred in equal allocations  
20 according to the schedule established by the Board for such  
21 transfers and deposits, but such transfers shall not be made less  
22 often than quarterly. Monies for deposit into the accounts shall be  
23 from the funds set aside by the Board as provided for in Section 11

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1 of this act for purposes of the Program and as directed by the  
2 Oklahoma Education Empowerment Scholarship Act.

3 B. The Department shall deposit five percent (5%) of the total  
4 amount set aside for the Program for administrative services. The  
5 Department may retain an amount equal to two percent (2%) of the  
6 total amount set aside for the Program for administrative services.  
7 The retained funds shall be deposited in the Education Empowerment  
8 Scholarship Administrative Revolving Fund established in subsection  
9 C of this section. The Treasurer shall transfer the remaining  
10 monies, equaling three percent (3%) of the total amount set aside  
11 for administrative services, to the Treasurer's Education  
12 Empowerment Scholarship Administrative Revolving Fund established in  
13 subsection D of this section.

14 C. There is hereby created in the State Treasury a revolving  
15 fund for the Department to be designated the "Education Empowerment  
16 Scholarship Administrative Revolving Fund". The fund shall be a  
17 continuing fund, not subject to fiscal year limitations, and shall  
18 consist of all monies retained by the Department pursuant to  
19 subsection B of this section. All monies accruing to the credit of  
20 the fund are hereby appropriated and may be budgeted and expended by  
21 the Department for the purpose of administering the Program.  
22 Expenditures from the fund shall be made upon warrants issued by the  
23 Treasurer against claims filed as prescribed by law with the  
24 Director of the Office of Management and Enterprise Services for

1 approval and payment. If the number of accounts significantly  
2 increases after the fiscal year ending June 30, 2017, the Department  
3 may request that the Legislature increase the amount allowed to be  
4 retained as set forth in subsection B of this section to cover  
5 administrative costs for the additional accounts.

6 D. There is hereby created in the State Treasury a revolving  
7 fund for the Treasurer to be designated the "Treasurer's Education  
8 Empowerment Scholarship Administrative 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 Treasurer  
11 transferred by the Department pursuant to subsection B of this  
12 section. All monies accruing to the credit of the fund are hereby  
13 appropriated and may be budgeted and expended by the Treasurer for  
14 the purpose of administering the Program. Expenditures from the  
15 fund shall be made upon warrants issued by the Treasurer against  
16 claims filed as prescribed by law with the Director of the Office of  
17 Management and Enterprise Services for approval and payment. If the  
18 number of participants significantly increases after the fiscal year  
19 ending June 30, 2017, the Treasurer may request that the Legislature  
20 increase the amount allowed to be retained as set forth in  
21 subsection B of this section to cover administrative costs for the  
22 additional accounts.

23 E. The Department shall maintain and publish a list of  
24 nationally norm-referenced tests identified for the purposes of

1 satisfying the testing requirements of subsection D of Section 4 of  
2 this act. The tests shall meet industry standards of quality in  
3 accordance with rules promulgated by the Board.

4 SECTION 7. NEW LAW A new section of law to be codified  
5 in the Oklahoma Statutes as Section 28-107 of Title 70, unless there  
6 is created a duplication in numbering, reads as follows:

7 A. An eligible private school or a provider of educational  
8 services receiving funds from an education empowerment scholarship  
9 account shall not share with, or refund or rebate to, the parent or  
10 eligible student, in any manner, any of the funds from an account.

11 B. Parents shall not receive or accept rebates or payments from  
12 an eligible private school or a provider of educational services  
13 using funds from an account.

14 SECTION 8. NEW LAW A new section of law to be codified  
15 in the Oklahoma Statutes as Section 28-108 of Title 70, unless there  
16 is created a duplication in numbering, reads as follows:

17 A. Upon graduation from a postsecondary institution by an  
18 eligible student or after a period of four (4) consecutive years  
19 after high school graduation, if the eligible student is not  
20 enrolled in a postsecondary institution, the account of the student  
21 shall be closed and any remaining funds shall be returned to the  
22 Board to be allocated to school districts through the State Aid  
23 funding formula.

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1 B. If an eligible student begins or ends participation in the  
2 Program after the start of a full school year, the amount of the  
3 funds deposited into an account for the student shall be prorated to  
4 reflect the actual amount of time the student participated in the  
5 Program during the current school year.

6 C. The Department shall:

7 1. Upon request, provide to the parent of an eligible student  
8 the calculated amount of funds the student would be eligible to  
9 receive in an account within ten (10) days after receiving the  
10 request or within ten (10) days after the total State Aid factors  
11 have been determined for the current fiscal year. Upon request of a  
12 parent prior to submission of an application, the Department shall  
13 provide to the parent an estimate of the approximate amount of funds  
14 the student may receive in an account; and

15 2. Not be responsible for any additional costs associated with  
16 the education of eligible students incurred by the parents.

17 D. Monies received and used by the parent of an eligible  
18 student in compliance with the provisions of this act shall not  
19 constitute taxable income to the parent.

20 E. The Treasurer shall make deposits into the accounts upon  
21 verification by the Department that the student is still  
22 participating in the Program.

23 F. The Treasurer may contract with private financial management  
24 firms to manage the accounts with the supervision of the Treasurer.

1 SECTION 9. NEW LAW A new section of law to be codified  
2 in the Oklahoma Statutes as Section 28-109 of Title 70, unless there  
3 is created a duplication in numbering, reads as follows:

4 A. The parent of an eligible student shall submit receipts for  
5 qualified expenditures to the Treasurer upon request. All funds  
6 that are unused shall accrue to the following year to be provided  
7 for qualified expenses for that eligible student. Any funds  
8 remaining to the credit of an education empowerment scholarship  
9 account by July 31 following graduation of the student shall be  
10 transferred into an Oklahoma College Savings Plan account created in  
11 the name of the eligible student to be used for qualified higher  
12 education expenses as defined by Section 3970.3 of Title 70 of the  
13 Oklahoma Statutes.

14 B. The parent of a Program participant who fails to comply with  
15 the requirements of the Program shall reimburse the Treasurer an  
16 amount equivalent to the funds deposited to the credit of an  
17 account. No interest or penalties shall be applicable to the  
18 reimbursement amount, subject to adherence to a repayment schedule  
19 established by the Treasurer.

20 SECTION 10. NEW LAW A new section of law to be codified  
21 in the Oklahoma Statutes as Section 28-110 of Title 70, unless there  
22 is created a duplication in numbering, reads as follows:

23 Acceptance by private schools of students participating in the  
24 Program shall not expand the regulatory authority of the state or



1 any school district to impose any additional regulation on private  
2 schools.

3 SECTION 11. NEW LAW A new section of law to be codified  
4 in the Oklahoma Statutes as Section 28-111 of Title 70, unless there  
5 is created a duplication in numbering, reads as follows:

6 A. For the 2017-2018 school year, the Board shall set aside an  
7 amount of money from the total amount appropriated to the Board for  
8 State Aid purposes and any other revenue available for allocation  
9 for State Aid purposes to cover expected demand for accounts during  
10 the 2017-2018 school year. At the beginning of each subsequent  
11 school year, the Board shall set aside one hundred twenty percent  
12 (120%) of the total amount deposited into accounts during the  
13 previous school year and of the total amount for which applications  
14 were received but for which no funds were available, to allow for  
15 potential growth in participation.

16 B. At the conclusion of each fiscal year, the Treasurer shall  
17 determine the amount of funding that was set aside during that  
18 fiscal year for deposit into the accounts but was not deposited into  
19 individual student accounts and shall remit those funds to the  
20 Department, who shall allocate that amount to school districts  
21 through the State Aid funding formula.

22 SECTION 12. NEW LAW A new section of law to be codified  
23 in the Oklahoma Statutes as Section 28-112 of Title 70, unless there  
24 is created a duplication in numbering, reads as follows:

1 A. The Program shall not be construed to authorize or permit  
2 any state agency to exercise control or supervision over any  
3 nonpublic school or students being educated by other means.  
4 Students who are being provided an education by other means shall  
5 not be eligible to participate in the Program.

6 B. Educational service providers which accept payment from an  
7 account shall not be considered agents of the state or federal  
8 government.

9 C. No liability shall arise on the part of the state, the  
10 Treasurer, the Board, the Department or a school district based on  
11 participation in the Program by an eligible student.

12 SECTION 13. This act shall become effective November 1, 2017.

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