

CS for SB 235

THE STATE SENATE
Monday, February 24, 2003

Committee Substitute for
Senate Bill No. 235

COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 235 - By: WILLIAMS and
PRUITT of the Senate and McINTYRE of the House.

[schools - funding shortfall - exemption from laws -
transfer item of appropriation - emergency]

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 3-111 of Title 70, unless there
is created a duplication in numbering, reads as follows:

For the purpose of allowing school districts more flexibility in
addressing the funding shortfall in ways most appropriate to their
needs for the 2003-2004 school year, the State Board of Education is
authorized to exempt school districts from all state laws and rules
that do not affect academic or safety standards, retirement
contributions, or state-funded teacher salary increases.

SECTION 2. AMENDATORY 70 O.S. 2001, Section 18-104, is
amended to read as follows:

Section 18-104. A. The funds apportioned and disbursed to the
several school districts of the state shall be for the purpose of
aiding each school district receiving the same to finance its school
budget for each fiscal year. The State Board of Education shall

1 notify the county clerk, the board of education, superintendent of
2 each school district and the school district treasurer of the
3 tentative amount said district is to receive from the funds
4 apportioned under the provisions of this article and disbursed
5 according to the provisions hereof. After such allocation of State
6 Aid has been made by the State Board of Education and certified to
7 the county clerk, treasurer of the school district and district
8 superintendent of schools, such aid may be included as probable
9 income by the board of education in its Estimate of Needs and
10 Financial Statement as submitted to the county excise board, and
11 said excise board shall include such amount in the approved
12 appropriations, and in addition thereto any federal aid certified or
13 allocated by the State Board of Education shall be included in the
14 appropriation made by the excise board if requested by the board of
15 education; provided, no such federal aid estimate shall be used in
16 any way to reduce the State Foundation Aid or Incentive Aid for such
17 school district or sustain a protest for the reduction of a tax
18 levy. If such allocation of aid is not included in the board of
19 education's estimate of needs, it shall be added by the county clerk
20 to the items of appropriation designated by the board of education
21 of the school district. Funds received under the provisions of this
22 article shall be deposited in the general fund of such school
23 district. Provided, funds received from the federal government for

1 current expense purposes shall likewise be added to the
2 appropriation of the general fund if so designated by the board of
3 education of such school district. Provided, further, that the
4 board of education of a school district may enter into agreements
5 with federal agencies for educational projects and programs to be
6 maintained in such districts; and federal funds received by the
7 district in pursuance thereof shall, consistent with the agreement
8 and requirements of the federal agency, be kept, administered and
9 disbursed in such manner as may be prescribed by rules and
10 regulations of the board of education.

11 B. If the State Board of Education should ascertain that any of
12 the factors on which the apportionment or allocation of State Aid to
13 any school district has so changed as to disqualify such district or
14 to reduce its State Aid, then the State Board of Education shall
15 forthwith notify the district superintendent, the clerk of the board
16 of education, and the treasurer thereof, as to the amount of
17 reduction in the allocation of State Aid, and ~~the~~:

18 1. The board of education of such district ~~shall~~ may
19 immediately request the county clerk to adjust the items of
20 appropriation in accordance with such reduction as to effect a total
21 reduction in the appropriation by the amount which the State Aid
22 allocation was reduced; ~~and if~~ or

1 2. The board of education of such district may transfer, upon
2 notifying the county clerk, any current item of appropriation or
3 appropriation allotment to any other program category, except any
4 funds for employee compensation and benefits, subject to the
5 following limits:

6 a. the amount to be transferred, together with all
7 previous transfers, shall not exceed twenty-five
8 percent (25%) of the total appropriation of the least
9 of the items of appropriation or appropriation
10 allotment, and

11 b. if the amount to be transferred, and all previous
12 transfers, is greater than twenty-five percent (25%)
13 of the least items of appropriation or appropriation
14 allotment involved in the transfer, an additional
15 fifteen percent (15%) may be transferred upon approval
16 of the State Board of Education; and

17 3. If there has been an overpayment the same shall be returned
18 to the State Treasurer and credited to a refund account which shall
19 be available for further payment of State Aid. Whenever it becomes
20 necessary for a school district to refund any overpayment of monies
21 previously received, the school district shall issue such warrant
22 against a properly approved encumbrance in the manner provided by
23 law. Such claim or encumbrance shall be coded as a refund of prior

1 revenue and paid from the current expense appropriation of the
2 general fund or such other fund or account from which such refund
3 may properly be paid by the school district.

4 SECTION 3. It being immediately necessary for the preservation
5 of the public peace, health and safety, an emergency is hereby
6 declared to exist, by reason whereof this act shall take effect and
7 be in full force from and after its passage and approval.

8 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS, dated 2-19-03 - DO
9 PASS, As Amended and Coauthored.