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THE STATE SENATE
Thursday, February 14, 2008

Committee Substitute for
Senate Bill No. 1503

COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 1503 - By: MYERS of the Senate and DeWITT of the House.

An Act relating to schools; amending 70 O.S. 2001, Section 5-135.2, as amended by Section 11, Chapter 472, O.S.L. 2005 (70 O.S. Supp. 2007, Section 5-135.2), which relates to the Oklahoma Cost Accounting System; deleting obsolete language; limiting State Department of Education changes to certain codes and procedures to no more than once per year; requiring certain notification; setting certain deadlines; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY 70 O.S. 2001, Section 5-135.2, as amended by Section 11, Chapter 472, O.S.L. 2005 (70 O.S. Supp. 2007, Section 5-135.2), is amended to read as follows:

Section 5-135.2 A. ~~For the 1991-92 school year, school districts shall report financial transactions for all funds, except for the school activity fund, using the Oklahoma Cost Accounting System, as adopted by the State Board of Education pursuant to Section 5-135 of this title. Costs shall be reported by curricular subject area where applicable. For the 1992-93 school year and in each subsequent school year, school~~ School districts shall report financial transactions for all funds using the Oklahoma Cost Accounting System as adopted by the State Board of Education. Costs

1 shall be reported by curricular subject area where applicable. On
2 an annual basis, by April 1, the State Department of Education shall
3 notify school districts of any changes to the Oklahoma Cost
4 Accounting System reporting codes and procedures for code usage that
5 will be in effect for the following fiscal year. School districts
6 may provide input on the proposed changes to the Department through
7 April 30. The Department shall finalize the reporting codes and the
8 procedures for code usage and distribute to school districts by May
9 1 for implementation beginning July 1. Reporting codes and
10 procedures for code usage shall not be changed more than once per
11 year.

12 B. Beginning July 1, 1991, and in each subsequent school year,
13 the State Department of Education shall reduce the monthly payment
14 of a district's State Aid funds if, at the time of such payment, the
15 district is not operating pursuant to the Oklahoma Cost Accounting
16 System. The amount of the reduction shall be one percent (1%) for
17 the first payment, two percent (2%) for the second payment, three
18 percent (3%) for the third payment, four percent (4%) for the fourth
19 payment, and five percent (5%) for each subsequent payment. The
20 reduction may be waived by the State Board of Education if the
21 district can demonstrate that failure to operate pursuant to such
22 system was due to circumstances beyond the control of the district

1 and that every effort is being made by the district to operate
2 pursuant to such system as quickly as possible.

3 C. No later than September 1 each year, every district board of
4 education shall prepare a statement of actual income and
5 expenditures of the district for the fiscal year that ended on the
6 preceding June 30. The statement of expenditures shall include
7 functional categories as defined in rules adopted by the State Board
8 of Education to implement the Oklahoma Cost Accounting System
9 pursuant to Section 5-135 of this title.

10 D. No later than September 1 each year, every school district
11 shall transmit a copy of the income and expenditures data required
12 pursuant to subsection C of this section to the State Department of
13 Education. The Department shall post the income and expenditure
14 data on the Internet web site for the Department in a form that is
15 accessible to the public.

16 SECTION 2. This act shall become effective July 1, 2008.

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

21 COMMITTEE REPORT BY: COMMITTEE ON EDUCATION, dated 2-11-08 - DO
22 PASS, As Amended and Coauthored.