

1 STATE OF OKLAHOMA

2 2nd Session of the 53rd Legislature (2012)

3 SUBCOMMITTEE RECOMMENDATION  
4 FOR

5 HOUSE BILL NO. 2644

6 By: Brumbaugh

7 SUBCOMMITTEE RECOMMENDATION

8 An Act relating to schools; amending 70 O.S. 2011,  
9 Section 5-135.2, which relates to reporting financial  
10 transactions; modifying certain penalty; requiring  
11 the State Department of Education to certify  
12 compliance with certain laws; amending 70 O.S. 2011,  
13 Section 5-135.4, which relates to the School District  
14 Transparency Act; providing a penalty to the  
15 Department for failing to make certain data available  
16 on its website; providing an effective date; and  
17 declaring an emergency.

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

19 SECTION 1. AMENDATORY 70 O.S. 2011, Section 5-135.2, is  
20 amended to read as follows:

21 Section 5-135.2 A. For the 1991-92 school year, school  
22 districts shall report financial transactions for all funds, except  
23 for the school activity fund, using the Oklahoma Cost Accounting  
24 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 districts shall report financial

1 transactions for all funds using the Oklahoma Cost Accounting  
2 System. Costs shall be reported by curricular subject area where  
3 applicable.

4 B. Beginning July 1, 1991, and in each subsequent school year,  
5 the State Department of Education shall reduce the monthly payment  
6 of a district's State Aid funds if, at the time of ~~such~~ the payment,  
7 the district is not operating pursuant to the Oklahoma Cost  
8 Accounting System. The amount of the reduction shall be one percent  
9 (1%) for the first payment, two percent (2%) for the second payment,  
10 three percent (3%) for the third payment, four percent (4%) for the  
11 fourth payment, ~~and~~ five percent (5%) for the fifth payment, and  
12 eight percent (8%) for each subsequent payment. The reduction may  
13 be waived by the State Board of Education if the district can  
14 demonstrate that failure to operate pursuant to ~~such~~ the system was  
15 due to circumstances beyond the control of the district and that  
16 every effort is being made by the district to operate pursuant to  
17 ~~such~~ the system as quickly as possible.

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

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

7 E. By December 1, 2012, and by each December 1 thereafter,  
8 prior to distributing the next monthly payment of State Aid funds to  
9 school districts, the State Department of Education shall certify  
10 that:

11 1. Each school district has complied with the requirements of  
12 the School District Transparency Act;

13 2. Each school district has provided information required for  
14 the Department to comply with the provisions of the School District  
15 Transparency Act; and

16 3. All requirements related to school districts in the Taxpayer  
17 Transparency Act and Section 34.11.1.1 of Title 62 of the Oklahoma  
18 Statutes have been met.

19 SECTION 2. AMENDATORY 70 O.S. 2011, Section 5-135.4, is  
20 amended to read as follows:

21 Section 5-135.4 A. This section shall be known and may be  
22 cited as the "School District Transparency Act".

23 B. By January 30, 2011, the State Department of Education shall  
24 make school district expenditure data available on its website.

1 Data shall be made available in an open-structured data format that  
2 may be downloaded by the public and that allows the user to  
3 systematically sort, search, and access all data without any fee or  
4 charge for access.

5 C. The database shall provide information on school district  
6 expenditures of state, federal, and local funds, whether  
7 appropriated or nonappropriated, excluding payments of voluntary  
8 payroll deductions for employees to receiving parties. The database  
9 shall further provide information, including, but not limited to,  
10 the following:

- 11 1. Identification of the school district;
- 12 2. The Oklahoma Cost Accounting System (OCAS) code designation  
13 for each expenditure;
- 14 3. The name and principal location of the entity or recipient  
15 of the funds, excluding release of information relating to an  
16 individual's place of residence and release of information  
17 prohibited by subsection D of Section 24A.7 of Title 51 of the  
18 Oklahoma Statutes or by federal law relating to privacy rights;
- 19 4. The amount of funds expended;
- 20 5. The type of transaction;
- 21 6. A descriptive purpose of the funding action or expenditure;
- 22 7. Copies of all credit card statements, identified by  
23 department responsible for each credit card;

24

1 8. The budgeted and audited actual expenditure figures for each  
2 fiscal year, ensuring each set of figures can be identified as  
3 budgeted or audited figures; and

4 9. The per-pupil spending figure, derived by dividing total  
5 expenditures by the total number of students enrolled for each  
6 school year.

7 D. The Department shall make the data available on its website  
8 within one hundred twenty (120) days of transmission of the  
9 expenditures to the Department by the school district. If the  
10 Department does not make the data available on its website as  
11 required in this subsection, the Office of State Finance shall  
12 withhold the transfer of funds to the Department which were  
13 appropriated for the purpose of the administrative and support  
14 functions of the Department. The amount withheld by the Office of  
15 State Finance shall be an amount equal to not less than one percent  
16 (1%) of the total amount appropriated for the administrative and  
17 support functions of the Department for the first month, two percent  
18 (2%) for the second month, three percent (3%) for the third month,  
19 four percent (4%) for the fourth month, five percent (5%) for the  
20 fifth month, and eight percent (8%) for each subsequent month.

21 E. School districts shall provide information requested by the  
22 Department to accomplish the purposes of this section.

23 F. If a school district maintains a website, the district shall  
24 provide the information required in subsection C of this section in

1 the manner prescribed in subsection B of this section on the  
2 district website.

3 G. Nothing in this section shall require the disclosure of  
4 information which is required to be kept confidential by state or  
5 federal law.

6 H. The disclosure of information required by this section shall  
7 create no liability whatsoever, civil or criminal, to the State of  
8 Oklahoma, the State Department of Education, school districts, or  
9 any employee thereof for disclosure of required information or for  
10 any error or omission in the disclosure.

11 SECTION 3. This act shall become effective July 1, 2012.

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

16

17 53-2-9526 KB 02/17/12

18

19

20

21

22

23

24