

1 STATE OF OKLAHOMA

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

3 COMMITTEE SUBSTITUTE
4 FOR

HOUSE BILL NO. 2644

By: Brumbaugh

5
6 COMMITTEE SUBSTITUTE

7 [schools - reporting financial transactions -

8 penalty - State Department of Education to certify

9 compliance - School District Transparency Act -

10 penalty - data available on its website - effective

11 date -

12 emergency]

13
14
15
16 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

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

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

1 each subsequent school year, school districts shall report financial
2 transactions for all funds using the Oklahoma Cost Accounting
3 System. Costs shall be reported by curricular subject area where
4 applicable.

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

19 C. No later than September 1 each year, every district board of
20 education shall prepare a statement of actual income and
21 expenditures of the district for the fiscal year that ended on the
22 preceding June 30. The statement of expenditures shall include
23 functional categories as defined in rules adopted by the State Board
24

1 of Education to implement the Oklahoma Cost Accounting System
2 pursuant to Section 5-135 of this title.

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

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

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

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

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

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

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

1 B. By January 30, 2011, the State Department of Education shall
2 make school district expenditure data available on its website.
3 Data shall be made available in an open-structured data format that
4 may be downloaded by the public and that allows the user to
5 systematically sort, search, and access all data without any fee or
6 charge for access.

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

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

1 7. Copies of all credit card statements, identified by
2 department responsible for each credit card;

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

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

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

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

1 F. If a school district maintains a website, the district shall
2 provide the information required in subsection C of this section in
3 the manner prescribed in subsection B of this section on the
4 district website.

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

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

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

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

18
19 53-2-9843 CJB 02/28/12
20
21
22
23
24