

HOUSE OF REPRESENTATIVES - FLOOR VERSION

STATE OF OKLAHOMA

2nd Session of the 53rd Legislature (2012)

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 2644

By: Brumbaugh and Blackwell of
the House

and

Jolley of the Senate

COMMITTEE SUBSTITUTE

[schools - reporting financial transactions -
penalty - State Department of Education to certify
compliance - School District Transparency Act -
penalty - data available on its website - effective
date -
emergency]

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

SECTION 1. AMENDATORY 70 O.S. 2011, 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

1 for the school activity fund, using the Oklahoma Cost Accounting
2 System, as adopted by the State Board of Education pursuant to
3 Section 5-135 of this title. Costs shall be reported by curricular
4 subject area where applicable. For the 1992-93 school year and in
5 each subsequent school year, school districts shall report financial
6 transactions for all funds using the Oklahoma Cost Accounting
7 System. Costs shall be reported by curricular subject area where
8 applicable.

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

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

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

14 E. By December 1, 2012, and by each December 1 thereafter,
15 prior to distributing the next monthly payment of State Aid funds to
16 school districts, the State Department of Education shall certify
17 that:

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

20 2. Each school district has provided information required for
21 the Department to comply with the provisions of the School District
22 Transparency Act; and
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1 3. All requirements related to school districts in the Taxpayer
2 Transparency Act and Section 34.11.1.1 of Title 62 of the Oklahoma
3 Statutes have been met.

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

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

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

14 C. The database shall provide information on school district
15 expenditures of state, federal, and local funds, whether
16 appropriated or nonappropriated, excluding payments of voluntary
17 payroll deductions for employees to receiving parties. The database
18 shall further provide information, including, but not limited to,
19 the following:

- 20 1. Identification of the school district;
21 2. The Oklahoma Cost Accounting System (OCAS) code designation
22 for each expenditure;

1 3. The name and principal location of the entity or recipient
2 of the funds, excluding release of information relating to an
3 individual's place of residence and release of information
4 prohibited by subsection D of Section 24A.7 of Title 51 of the
5 Oklahoma Statutes or by federal law relating to privacy rights;

6 4. The amount of funds expended;

7 5. The type of transaction;

8 6. A descriptive purpose of the funding action or expenditure;

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

11 8. The budgeted and audited actual expenditure figures for each
12 fiscal year, ensuring each set of figures can be identified as
13 budgeted or audited figures; and

14 9. The per-pupil spending figure, derived by dividing total
15 expenditures by the total number of students enrolled for each
16 school year.

17 D. The Department shall make the data available on its website
18 within one hundred twenty (120) days of transmission of the
19 expenditures to the Department by the school district. If the
20 Department does not make the data available on its website as
21 required in this subsection, the Office of State Finance shall
22 withhold the transfer of funds to the Department which were
23 appropriated for the purpose of the administrative and support

1 functions of the Department. The amount withheld by the Office of
2 State Finance shall be an amount equal to not less than one percent
3 (1%) of the total amount appropriated for the administrative and
4 support functions of the Department for the first month, two percent
5 (2%) for the second month, three percent (3%) for the third month,
6 four percent (4%) for the fourth month, five percent (5%) for the
7 fifth month, and eight percent (8%) for each subsequent month.

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

10 F. If a school district maintains a website, the district shall
11 provide the information required in subsection C of this section in
12 the manner prescribed in subsection B of this section on the
13 district website.

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

17 H. The disclosure of information required by this section shall
18 create no liability whatsoever, civil or criminal, to the State of
19 Oklahoma, the State Department of Education, school districts, or
20 any employee thereof for disclosure of required information or for
21 any error or omission in the disclosure.

22 SECTION 3. This act shall become effective July 1, 2012.
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SECTION 4. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET, dated 02/29/2012 - DO PASS, As Amended and Coauthored.