

1 STATE OF OKLAHOMA

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

3 HOUSE BILL 2644

By: Brumbaugh

6 AS INTRODUCED

7 An Act relating to schools; amending 70 O.S. 2011,
8 Section 5-135.2, which relates to reporting financial
9 transactions; requiring the State Department of
10 Education to certify compliance with certain laws;
11 prohibiting allocation of monthly State Aid payments
12 until certain requirements are met; and providing an
13 effective date.

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

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

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

1 System. Costs shall be reported by curricular subject area where
2 applicable.

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

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

23 D. No later than September 1 each year, every school district
24 shall transmit a copy of the income and expenditures data required

1 pursuant to subsection C of this section to the State Department of
2 Education. The Department shall post the income and expenditure
3 data on the Internet web site for the Department in a form that is
4 accessible to the public.

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

- 9 a. each school district has complied with the
10 requirements of the School District Transparency Act,
- 11 b. each school district has provided information required
12 for the Department to comply with the provisions of
13 the School District Transparency Act, and
- 14 c. all requirements related to school districts in the
15 Taxpayer Transparency Act and Section 34.11.1.1 of
16 Title 62 of the Oklahoma Statutes have been met.

17 2. The Department shall not allocate any monthly payments of
18 State Aid to a school district until the Department has certified
19 that all the requirements as set forth in paragraph 1 of this
20 subsection have been met.

21 SECTION 2. This act shall become effective November 1, 2012.

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