

SENATE CHAMBER

STATE OF OKLAHOMA

DISPOSITION BY SENATE

FLOOR AMENDMENT

No. _____

(Date)

Mr./Madame President:

I move to amend House Bill No. 2642, by striking the title, enacting clause and entire body of the bill and substituting the attached floor substitute.

Submitted by:

Senator Halligan

Halligan-EB-FS-Req#3629
4/21/2014 5:07 PM

STATE OF OKLAHOMA

2nd Session of the 54th Legislature (2014)

FLOOR SUBSTITUTE
FOR ENGROSSED

HOUSE BILL NO. 2642

By: Denney, Coody, Condit,
Henke, Sherrer, Hoskin,
Nollan, Cannady, Cockroft,
Ownbey and Pittman of the
House

and

Halligan, Fields, Ford,
Mazzei, Paddack, Ivester,
Crain and Brinkley of the
Senate

FLOOR SUBSTITUTE

[schools - distribution of revenues - Securing
Educational Excellence Fund - codification -
effective date -

emergency]

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

SECTION 1. AMENDATORY 68 O.S. 2011, Section 2352, as
last amended by Section 1, Chapter 253, O.S.L. 2013 (68 O.S. Supp.
2013, Section 2352), is amended to read as follows:

Section 2352. It is hereby declared to be the purpose of
~~Section 2351 et seq. of this title~~ the Oklahoma Income Tax Act to
provide revenue for general governmental functions of state
government; and, for that purpose and to that end, it is expressly

1 declared that the revenue derived herefrom and penalties and
2 interest thereon, subject to the apportionment requirements for the
3 Rebuilding Oklahoma Access and Driver Safety Fund, the Oklahoma
4 Tourism and Passenger Rail Revolving Fund ~~and~~, the Public Transit
5 Revolving Fund and the Securing Educational Excellence Fund created
6 by Section 2 of this act to be derived from income tax revenue that
7 would otherwise be apportioned to the General Revenue Fund as
8 provided by Section 1521 of Title 69 of the Oklahoma Statutes,
9 subject to the apportionment requirements for the Oklahoma Tax
10 Commission and Office of Management and Enterprise Services Joint
11 Computer Enhancement Fund provided by Section 265 of this title, and
12 ~~subject to the apportionment requirements for the Oklahoma State~~
13 ~~Capitol Building Repair and Restoration Fund provided by Section 4~~
14 ~~of this act~~, shall be distributed as follows:

15 1. For the fiscal year beginning July 1, 2002, the first Five
16 Million Eight Hundred Thousand Dollars (\$5,800,000.00) of revenue
17 derived pursuant to the provisions of subsections A, B and E of
18 Section 2355 of this title shall be apportioned to the Education
19 Reform Revolving Fund. The remainder of such revenue for the fiscal
20 year beginning July 1, 2002, and all such revenue for each fiscal
21 year thereafter shall be apportioned monthly as follows:

22 a. (1) the following amounts shall be paid to the State
23 Treasurer to be placed to the credit of the
24 General Revenue Fund of the state for such fiscal

1 year for the support of the state government to
2 be paid out only pursuant to appropriation by the
3 Legislature:

4	Fiscal Year	Amount
5	FY 2003 and FY 2004	87.12%
6	FY 2005	86.91%
7	FY 2006	86.66%
8	FY 2007	86.16%
9	FY 2008 and each fiscal	
10	year thereafter	85.66%

11 (2) in the event that additional monies are necessary
12 pursuant to paragraph 3 of this section, such
13 additional monies shall be deducted in the
14 proportion determined by the State Board of
15 Equalization pursuant to paragraph 3 of Section
16 2355.1B of this title from the monies apportioned
17 to the General Revenue Fund,

18 b. for FY 2003 and each fiscal year thereafter, eight and
19 thirty-four one-hundredths percent (8.34%) shall be
20 paid to the State Treasurer to be placed to the credit
21 of the Education Reform Revolving Fund,

22 c. the following amounts shall be paid to the State
23 Treasurer to be placed to the credit of the Teachers'
24 Retirement System Dedicated Revenue Revolving Fund:

1	Fiscal Year	Amount
2	FY 2003 and FY 2004	3.54%
3	FY 2005	3.75%
4	FY 2006	4.0%
5	FY 2007	4.5%
6	FY 2008 and each fiscal	
7	year thereafter	5.0%

8 d. for FY 2003 and each fiscal year thereafter, one
9 percent (1%) shall be placed to the credit of the Ad
10 Valorem Reimbursement Fund;

11 2. Beginning July 1, 2003, for any period of time as certified
12 by the Oklahoma Development Finance Authority and the Oklahoma
13 Department of Commerce to be necessary for the repayment of
14 obligations issued by the Oklahoma Development Finance Authority
15 pursuant to Section 3654 of this title if the other sources of
16 revenue paid to or apportioned to the Quality Jobs Program Incentive
17 Leverage Fund are not adequate, including the proceeds from payment
18 pursuant to the guaranty required by subsection M of Section 3654 of
19 this title, an amount certified by the Oklahoma Development Finance
20 Authority to the Oklahoma Tax Commission shall be apportioned to the
21 Quality Jobs Program Incentive Leverage Fund before any other
22 apportionments are made as otherwise authorized by this paragraph.
23 The Oklahoma Development Finance Authority shall certify to the
24 ~~Oklahoma~~ Tax Commission the time as of which the revenue authorized

1 for apportionment pursuant to this paragraph is no longer required.
2 After the certification, the revenue derived from the income tax
3 shall be apportioned in the manner otherwise provided by this
4 section. Except as otherwise provided by this paragraph, for the
5 fiscal year beginning July 1, 2002, the first Forty-One Million One
6 Hundred Ninety Thousand Eight Hundred Dollars (\$41,190,800.00) of
7 revenue derived pursuant to the provisions of subsections D and E of
8 Section 2355 of this title shall be apportioned to the Education
9 Reform Revolving Fund. The remainder of such revenue for the fiscal
10 year beginning July 1, 2002, and all such revenue for each fiscal
11 year thereafter, subject to the apportionment requirements for the
12 ~~Oklahoma~~ Tax Commission and Office of Management and Enterprise
13 Services Joint Computer Enhancement Fund provided by Section 265 of
14 this title, shall be apportioned monthly as follows:

15 a. the following amounts shall be paid to the State
16 Treasurer to be placed to the credit of the General
17 Revenue Fund of the state for such fiscal year for the
18 support of the state government to be paid out only
19 pursuant to appropriation by the Legislature:

20	Fiscal Year	Amount
21	FY 2003 and FY 2004	78.96%
22	FY 2005	78.75%
23	FY 2006	78.50%
24	FY 2007	78.0%

1 FY 2008 and each fiscal

2 year thereafter 77.50%

3 b. for FY 2003 and each fiscal year thereafter, sixteen
4 and five-tenths percent (16.5%) shall be paid to the
5 State Treasurer to be placed to the credit of the
6 Education Reform Revolving Fund of the State
7 Department of Education,

8 c. the following amounts shall be paid to the State
9 Treasurer to be placed to the credit of the Teachers'
10 Retirement System Dedicated Revenue Revolving Fund:

11 Fiscal Year	Amount
12 FY 2003 and FY 2004	3.54%
13 FY 2005	3.75%
14 FY 2006	4.0%
15 FY 2007	4.5%
16 FY 2008 and each fiscal	
17 year thereafter	5.0%

18 d. for FY 2003 and each fiscal year thereafter, one
19 percent (1%) shall be placed to the credit of the Ad
20 Valorem Reimbursement Fund; and

21 3. During the first fiscal year after the State Board of
22 Equalization has made a determination as provided in Section 2355.1B
23 of this title, regarding a baseline amount of revenue apportioned
24 pursuant to subparagraph c of paragraph 1 of this section, and for

1 each fiscal year thereafter, in no event shall monies apportioned
2 pursuant to subparagraph c of paragraph 1 of this section, paragraph
3 3 of Section 1353 of this title and paragraph 3 of Section 1403 of
4 this title be less than such baseline amount.

5 SECTION 2. NEW LAW A new section of law to be codified
6 in the Oklahoma Statutes as Section 18-501 of Title 70, unless there
7 is created a duplication in numbering, reads as follows:

8 A. There is hereby created in the State Treasury a fund for the
9 State Board of Education to be designated the "Securing Educational
10 Excellence Fund". The fund shall be a continuing fund, not subject
11 to fiscal year limitations, and shall consist of all monies received
12 by the State Board of Education from statutory apportionment,
13 appropriations and transfers made by the Legislature to the fund.
14 All monies accruing to the credit of said fund shall be subject to
15 legislative appropriation to be budgeted and expended by the State
16 Board of Education for the purpose set forth in subsections D and H
17 of this section. Expenditures from said fund shall be made upon
18 warrants issued by the State Treasurer against claims filed as
19 prescribed by law with the Director of the Office of Management and
20 Enterprise Services for approval and payment.

21 B. For the fiscal year beginning July 1, 2014, and for each
22 fiscal year thereafter, there shall be apportioned to the Securing
23 Educational Excellence Fund, from the monies that would otherwise be
24 apportioned to the General Revenue Fund by Section 2352 of Title 68

1 of the Oklahoma Statutes from the income tax levied pursuant to
2 Section 2355 of Title 68 of the Oklahoma Statutes on resident and
3 nonresident individuals, amounts as follows:

4 1. The total amount apportioned pursuant to the provisions of
5 this subsection for the preceding fiscal year, plus

6 2. a. for the fiscal year beginning July 1, 2014, Thirty
7 Million Dollars (\$30,000,000.00),

8 b. for the fiscal years beginning July 1, 2015, July 1,
9 2016, and July 1, 2017, an additional Thirty Million
10 Dollars (\$30,000,000.00), if the State Board of
11 Equalization makes a determination at its February
12 meeting preceding the start of the fiscal year that
13 the estimate of revenues accruing to the General
14 Revenue Fund for such fiscal year will be at least one
15 percent (1%) greater than the highest final estimate
16 of such revenues for any preceding fiscal year not
17 earlier than fiscal year 2015, and

18 c. for the fiscal year beginning July 1, 2018, and for
19 each fiscal year thereafter:

20 (1) an additional Thirty Million Dollars
21 (\$30,000,000.00), if the State Board of
22 Equalization makes a determination at its
23 February meeting preceding the start of the
24 fiscal year that the estimate of revenues

1 accruing to the General Revenue Fund for such
2 fiscal year will be at least one percent (1%) but
3 not more than two percent (2%) greater than the
4 highest final estimate of such revenues for any
5 preceding fiscal year not earlier than fiscal
6 year 2015, or

7 (2) an additional Sixty Million Dollars
8 (\$60,000,000.00), if the State Board of
9 Equalization makes a determination at its
10 February meeting preceding the start of the
11 fiscal year that the estimate of revenues
12 accruing to the General Revenue Fund for such
13 fiscal year will be at least two percent (2%)
14 greater than the highest final estimate of such
15 revenues for any preceding fiscal year not
16 earlier than fiscal year 2015.

17 Provided, any determination made by the State Board of
18 Equalization pursuant to the provisions of this subsection shall be
19 prior to any determination required to be made by the Board
20 affecting the tax rates set forth in subsections A and B of Section
21 2355 of Title 68 of the Oklahoma Statutes.

22 C. All amounts apportioned pursuant to the provisions of
23 subsection B of this section shall be divided into twelve equal
24 amounts to be apportioned each month during the fiscal year. The

1 amount apportioned pursuant to the provisions of subsection B of
2 this section shall not exceed Six Hundred Million Dollars
3 (\$600,000,000.00) in any fiscal year.

4 D. 1. In the first fiscal year after the effective date of
5 this act in which the apportionment to the Securing Educational
6 Excellence Fund is Sixty Million Dollars (\$60,000,000.00) or more,
7 one additional instructional day shall be added to the school year.

8 2. The next fiscal year, after the fiscal year in which the
9 requirement of paragraph 1 of this subsection is met, in which the
10 apportionment to the Securing Educational Excellence Fund is One
11 Hundred Twenty Million Dollars (\$120,000,000.00) or more, one
12 additional instructional day shall be added to the school year.

13 3. The next fiscal year, after the fiscal year in which the
14 requirement of paragraph 2 of this subsection is met, in which the
15 apportionment to the Securing Educational Excellence Fund is One
16 Hundred Eighty Million Dollars (\$180,000,000.00) or more, one
17 additional instructional day shall be added to the school year.

18 4. The next fiscal year, after the fiscal year in which the
19 requirement of paragraph 3 of this subsection is met, in which the
20 apportionment to the Securing Educational Excellence Fund is Two
21 Hundred Forty Million Dollars (\$240,000,000.00) or more, one
22 additional instructional day shall be added to the school year.

23 5. The next fiscal year, after the fiscal year in which the
24 requirement of paragraph 4 of this subsection is met, in which the

1 apportionment to the Securing Educational Excellence Fund is Three
2 Hundred Million Dollars (\$300,000,000.00) or more, one additional
3 instructional day shall be added to the school year.

4 6. The next fiscal year, after the fiscal year in which the
5 requirement of paragraph 5 of this subsection is met, in which the
6 apportionment to the Securing Educational Excellence Fund is Three
7 Hundred Sixty Million Dollars (\$360,000,000.00) or more, one
8 additional instructional day shall be added to the school year.

9 7. The next fiscal year, after the fiscal year in which the
10 requirement of paragraph 6 of this subsection is met, in which the
11 apportionment to the Securing Educational Excellence Fund is Four
12 Hundred Twenty Million Dollars (\$420,000,000.00) or more, one
13 additional instructional day shall be added to the school year.

14 8. The next fiscal year, after the fiscal year in which the
15 requirement of paragraph 7 of this subsection is met, in which the
16 apportionment to the Securing Educational Excellence Fund is Four
17 Hundred Eighty Million Dollars (\$480,000,000.00) or more, one
18 additional instructional day shall be added to the school year.

19 9. The next fiscal year, after the fiscal year in which the
20 requirement of paragraph 8 of this subsection is met, in which the
21 apportionment to the Securing Educational Excellence Fund is Five
22 Hundred Forty Million Dollars (\$540,000,000.00) or more, one
23 additional instructional day shall be added to the school year.

24

1 10. The next fiscal year, after the fiscal year in which the
2 requirement of paragraph 9 of this subsection is met, in which the
3 apportionment to the Securing Educational Excellence Fund is Six
4 Hundred Million Dollars (\$600,000,000.00) or more, one additional
5 instructional day shall be added to the school year.

6 E. The monies apportioned to the Securing Educational
7 Excellence Fund shall not be used to supplant or replace existing
8 state funds used for common education purposes.

9 F. In order to ensure that the monies from the Securing
10 Educational Excellence Fund are used to enhance and not supplant
11 state funding for the State Board of Education, the State Board of
12 Equalization shall examine and investigate expenditures from the
13 fund each year. At the meeting of the State Board of Equalization
14 held within five (5) days after the monthly apportionment in
15 February of each year, the State Board of Equalization shall issue a
16 finding and report which shall state whether expenditures from the
17 Securing Educational Excellence Fund were used to enhance or
18 supplant state funding for the Department of Education. If the
19 State Board of Equalization finds that state funding for the State
20 Board of Education was supplanted by funds from the Securing
21 Educational Excellence Fund, the Board of Equalization shall specify
22 the amount by which such funding was supplanted. In this event, the
23 Legislature shall not make any appropriations for the ensuing fiscal
24

1 year until an appropriation in that amount is made to replenish
2 state funding for the State Board of Education.

3 G. In the event that the Director of the Office of Management
4 and Enterprise Services declares a General Revenue Fund revenue
5 failure pursuant to Section 34.49 of Title 62 of the Oklahoma
6 Statutes, and agency allocations are reduced pursuant to the
7 provisions of Section 34.49 of Title 62 of the Oklahoma Statutes,
8 the amounts that would otherwise be apportioned to the Securing
9 Educational Excellence Fund by subsection B of this section shall be
10 reduced by a percentage equal to that required of the General
11 Revenue Fund appropriations to state agencies. The reductions shall
12 occur during the entire fiscal year and for any month during which
13 reductions are required by the Director of the Office of Management
14 and Enterprise Services and by the same percentage as that required
15 of the agencies for General Revenue Fund appropriations.

16 H. The State Board of Education shall use the monies in the
17 Securing Educational Excellence Fund to increase the per-pupil
18 expenditure by distributing the funds through the State Aid formula
19 for the financial support of public schools.

20 SECTION 3. AMENDATORY 70 O.S. 2011, Section 1-109, as
21 last amended by Section 1, Chapter 242, O.S.L. 2013 (70 O.S. Supp.
22 2013, Section 1-109), is amended to read as follows:
23
24

1 Section 1-109. A. ~~For~~ Except as provided for in subsection D
2 of Section 2 of this act, for all public schools in Oklahoma, school
3 shall actually be in session and classroom instruction offered:

4 1. For not less than one hundred eighty (180) days; or

5 2. For not less than one thousand eighty (1,080) hours each
6 school year, if a district board of education adopts a school-hours
7 policy and notifies the State Board of Education prior to September
8 15 of the applicable school year.

9 B. A school district may not count more than thirty (30) hours
10 each school year that are used for attendance of professional
11 meetings toward the one hundred eighty (180) days or one thousand
12 eighty (1,080) hours of classroom instruction time required in
13 subsection A of this section.

14 C. Teachers off contract with an employing district shall not
15 be required by the employing school district to attend professional
16 meetings unless the teacher is paid additional compensation for the
17 additional time. Teachers may be paid additional compensation for
18 attending professional meetings in excess of their contract term.
19 Subject to district board of education policy or collective
20 bargaining agreement, additional paid professional days may be
21 granted for individual teachers to attend or participate in
22 professional meetings, staff development training, or National Board
23 certification portfolio development as provided for in Section 6-
24 204.2 of this title.

1 D. A school district may authorize parent-teacher conferences
2 to be held during a regular school day. If authorized by the school
3 district, parent-teacher conferences shall be counted as classroom
4 instruction time for no more than six (6) hours per semester, for a
5 total of twelve (12) hours per school year.

6 E. A school district may maintain school for less than a full
7 school year only when conditions beyond the control of school
8 authorities make the maintenance of the term impossible and the
9 State Board of Education has been apprised and has expressed
10 concurrence in writing.

11 F. The State Board of Education shall establish criteria for an
12 extended-day schedule for schools subject to paragraph 1 of
13 subsection A of this section. The criteria shall:

14 1. Prescribe a lengthened school day within limits determined
15 not to be detrimental to quality instruction;

16 2. Ensure that the schedule is equivalent in annual hours of
17 instruction to the one-hundred-eighty-day school year specified in
18 paragraph 1 of subsection A of this section; and

19 3. Be consistent with the provisions of this section and
20 Sections 1-111 and 1-112 of this title, but may result in fewer
21 annual days of instruction.

22 G. The State Board of Education may authorize school districts
23 to implement an extended-day schedule for instruction pursuant to
24 the criteria developed. The State Board of Education shall require

1 the participating school districts to prepare a report of the impact
2 of the extended-day schedule.

3 H. Notwithstanding the provisions of subsections F and G of
4 this section, a school district board of education subject to
5 paragraph 1 of subsection A of this section may adopt and implement
6 an extended-day schedule for grades nine through twelve subject to
7 the following requirements:

8 1. The annual number of hours of instruction shall equal or
9 exceed one thousand eighty (1,080) hours, which is the equivalent of
10 one hundred eighty (180) days of instruction as specified in
11 subsection A of this section for six (6) hours each day as specified
12 in Section 1-111 of this title;

13 2. The annual number of days of instruction shall equal or
14 exceed one hundred eighty (180) days as specified in subsection A of
15 this section;

16 3. The schedule adopted shall be consistent with the provisions
17 of Sections 1-111 and 1-112 of this title, except that for not more
18 than one (1) day per week, a school day shall consist of not less
19 than five (5) hours devoted to academic instruction in a regular
20 classroom setting;

21 4. The district shall hold a public hearing prior to the
22 adoption of an extended-day schedule authorized pursuant to this
23 subsection; and
24

1 5. The district shall document the impact on student
2 achievement as determined by the academic performance data score and
3 any other relevant factors that are a result of implementation of an
4 extended-day schedule authorized pursuant to this subsection and
5 provide an annual report to the State Board of Education of the
6 results. If improvement in student achievement cannot be documented
7 in the report, the district board of education shall revoke
8 authorization as provided by this subsection. If the district does
9 not revoke authorization after student achievement is not documented
10 in the report, the State Board of Education may deny accreditation
11 of any school in violation of this subsection.

12 I. If subject to paragraph 2 of subsection A of this section, a
13 district board of education or designee may elect to close a school
14 during the school day for inclement weather purposes. In such an
15 event, the number of hours incurred in classroom instruction time
16 prior to school closure shall be counted toward the one thousand
17 eighty (1,080) hours per year requirement.

18 J. Nothing in this section shall be construed as affecting the
19 right of an employing school district to require teachers as defined
20 in Section 6-101.3 of this title to work in excess of the one
21 thousand eighty (1,080) hours required for student instruction. In
22 addition, nothing in this section shall be construed to affect the
23 Fair Labor Standards Act status of any school district employee.

24 SECTION 4. This act shall become effective July 1, 2014.

1 SECTION 5. It being immediately necessary for the preservation
2 of the public peace, health and safety, an emergency is hereby
3 declared to exist, by reason whereof this act shall take effect and
4 be in full force from and after its passage and approval.

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