

1                   **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2                               STATE OF OKLAHOMA

3                               1st Session of the 56th Legislature (2017)

4 COMMITTEE SUBSTITUTE  
5 FOR  
6 HOUSE BILL NO. 1334

By: Hoskin of the House

and

Sparks of the Senate

7  
8  
9  
10                               COMMITTEE SUBSTITUTE

11           An Act relating to schools; amending 70 O.S. 2011,  
12           Section 5-117, as last amended by Section 2, Chapter  
13           27, O.S.L. 2016 (70 O.S. Supp. 2016, Section 5-117),  
14           which relates to powers of common school district  
          boards; authorizing transfer of real property to  
          certain housing authorities; and providing an  
          effective date.

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

18           SECTION 1.           AMENDATORY           70 O.S. 2011, Section 5-117, as  
19           last amended by Section 2, Chapter 27, O.S.L. 2016 (70 O.S. Supp.  
20           2016, Section 5-117), is amended to read as follows:

21           Section 5-117.   A.   The board of education of each school  
22           district shall have power to:

1        1. Elect its own officers; provided that the chair of the board  
2 authorized in Section 5-107B of this title shall be elected by the  
3 electors of the school district;

4        2. Make rules, not inconsistent with the law or rules of the  
5 State Board of Education, governing the board and the school system  
6 of the district, including converting all or part of a traditional  
7 public school to a conversion school;

8        3. Maintain and operate a complete public school system of such  
9 character as the board of education shall deem best suited to the  
10 needs of the school district;

11       4. Designate the schools to be attended by the children of the  
12 district;

13       5. Provide and operate, when deemed advisable, cafeterias or  
14 other eating accommodations, thrift banks or other facilities for  
15 the teaching and practice of thrift and economy, bookstores, print  
16 shops, and vocational and other shops;

17       6. Provide informational material concerning school bond  
18 elections and millage elections, including but not limited to all  
19 pertinent financial information relative to the bond issue, a  
20 statement of revenue sources necessary to retire proposed bonds, a  
21 statement of current bonded indebtedness of the school district, and  
22 a statement of proposed use of funds to be generated by the proposed  
23 bond issue. The informational material shall not contain the words  
24

1 "vote yes" or "vote no" or any similar words or statement any place  
2 on such informational material;

3 7. Purchase, construct or rent, and operate and maintain,  
4 classrooms, libraries, auditoriums, gymnasiums, stadiums, recreation  
5 places and playgrounds, teacherages, school bus garages,  
6 laboratories, administration buildings, and other schoolhouses and  
7 school buildings, and acquire sites and equipment for the operation  
8 of public schools or conversion schools;

9 8. a. Insure the school district or its employees against  
10 any loss, damage or liability as defined by Sections  
11 702 through 708 of Title 36 of the Oklahoma Statutes,  
12 or other forms of insurance provided for in Title 36  
13 of the Oklahoma Statutes.

14 b. Subject to the restrictions of liability in the  
15 Governmental Tort Claims Act:

- 16 (1) insure the school district against all or any  
17 part of any liability it may incur for death,  
18 injury or disability of any person, or for damage  
19 to property, either real or personal,  
20 (2) insure any employee of the school district  
21 against all or any part of the employee's  
22 liability for injury or damage resulting from an  
23 act or omission in the scope of employment, or  
24

1           (3) insure against the expense of defending a claim  
2                   against the school district or its employee,  
3                   whether or not liability exists on such claim.

4       c. As used in this subsection, "employee" means any  
5       person who has acted in behalf of a school district,  
6       whether that person is acting on a permanent or  
7       temporary basis with or without being compensated or  
8       on a full-time or part-time basis. Employee also  
9       includes all elected or appointed officers, members of  
10      governing bodies of a school district, and persons  
11      appointed, and other persons designated by a school  
12      district to act in its behalf.

13      d. The cost or premium of any such insurance is a proper  
14      expenditure of the school district.

15      e. Any insurance authorized by law to be purchased,  
16      obtained or provided by a school district may be  
17      provided by:

18           (1) self-insurance, which may be, but is not required  
19               to be, funded by appropriations to establish or  
20               maintain reserves for self-insurance purposes.  
21               Any self-insurance reserve fund shall be  
22               nonfiscal and shall not be considered in  
23               computing any levy when the school district makes  
24               its annual estimate for needed appropriations,

- 1 (2) insurance in any insurer authorized to transact  
2 insurance in this state,  
3 (3) insurance secured in accordance with any other  
4 method provided by law, or  
5 (4) any combination of insurance authorized by this  
6 section.

7 f. Two or more school districts or public agencies, by  
8 interlocal agreement made pursuant to the Interlocal  
9 Cooperation Act, may provide insurance for any purpose  
10 by any one or more of the methods specified in this  
11 section. The pooling of self-insured reserves, claims  
12 or losses among governments as authorized in this  
13 section shall not be construed to be transacting  
14 insurance nor otherwise subject to the provisions of  
15 the laws of this state regulating insurance or  
16 insurance companies, except as to the provisions of  
17 Section 607.1 of Title 36 of the Oklahoma Statutes.  
18 Two or more school districts may also be insured under  
19 a master policy or contract of insurance. Premium  
20 costs may be set individually for each school district  
21 or apportioned among participating school districts as  
22 provided by the master policy or contract;

23 9. Acquire property by condemnation proceedings in the same  
24 manner as land is condemned for railroad purposes. School district

1 funds may be used to erect buildings on leased land on which other  
2 buildings have been erected prior to April 3, 1969, or on land which  
3 is leased from a governmental entity;

4 10. Lease real or personal property to the state or any  
5 political subdivision thereof or a not-for-profit entity operating  
6 pursuant to Section 868 of Title 18 of the Oklahoma Statutes for  
7 nominal cash consideration for so long as the use of the property by  
8 the lessee substantially benefits, in whole or in part, the same  
9 public served by the school district;

10 11. Dispose of personal or real property no longer needed by  
11 the district by sale, exchange, lease, lease-purchase, sale and  
12 partial lease back, or otherwise. Real property shall be conveyed  
13 pursuant to a public sale, public bid, or private sale; provided  
14 however, unless otherwise prohibited by law, the board of education  
15 of a consolidated or annexed school district or any other school  
16 district may convey real property to a local political subdivision  
17 or to an educational institution within The Oklahoma State System of  
18 Higher Education or to a housing authority formed pursuant to the  
19 provisions of Section 1057 of Title 63 of the Oklahoma Statutes  
20 without consideration. Prior to the sale of any real property, the  
21 board of education shall have the real property appraised. The  
22 appraisal shall be confidential until the real property is sold.  
23 When the real property is sold, the board of education shall make  
24 the appraisal available for public inspection. Prior to the

1 conveyance of any real property by private sale, the board of  
2 education shall have offered the real property for sale by public  
3 sale or public bid. Any conveyance of real property by private sale  
4 to a nonprofit organization, association, or corporation to be used  
5 for public purposes, unless for exchange, shall contain a  
6 reversionary clause which returns the real property to the board of  
7 education upon the cessation of the use without profit or for public  
8 purposes by the purchaser or the assigns of the purchaser;

9 12. Purchase necessary property, equipment, furniture, and  
10 supplies necessary to maintain and operate an adequate school  
11 system;

12 13. Incur all expenses, within the limitations provided for by  
13 law, necessary to perform all powers granted by the provisions of  
14 this section;

15 14. Contract with and fix the duties and compensation of  
16 physicians, dentists, optometrists, nurses, attorneys,  
17 superintendents, principals, teachers, bus drivers, janitors, and  
18 other necessary employees of the district;

19 15. Establish a written policy for reimbursement of necessary  
20 travel expenses of employees and members of the board. The policy  
21 may include in-district travel from the site of employment  
22 assignment which is necessary in the performance of employment  
23 duties. The written policy shall specify procedures, contain  
24 documentation requirements, and may include payment of meal expenses

1 during authorized travel on a per diem allowance basis rather than  
2 itemized documentation;

3 16. Pay necessary travel expenses and other related expenses of  
4 prospective employees for sponsored visits to the school district  
5 pursuant to a written policy specifying procedures containing  
6 documentation requirements equal to or greater than the requirements  
7 specified by law for state employees in the State Travel  
8 Reimbursement Act;

9 17. Provide for employees' leaves of absence without pay;

10 18. Exercise sole control over all the schools and property of  
11 the district, subject to other provisions of the Oklahoma School  
12 Code;

13 19. Allow district-owned school buses to be used for  
14 transportation of students from other districts or educational  
15 institutions while within the district on educational tours. This  
16 shall not restrict the authority of the board to authorize any other  
17 use of such buses which may now be permitted by law or rule of the  
18 State Board of Education;

19 20. Enter into contractual agreements with the board of  
20 trustees of a multicounty library system, as defined in Section 4-  
21 103 of Title 65 of the Oklahoma Statutes, a city-county library  
22 commission, as defined in Section 152 of Title 65 of the Oklahoma  
23 Statutes, or a rural single county library system, as defined in  
24 Section 1-104 of Title 65 of the Oklahoma Statutes, on such terms as

1 may be mutually agreed, except no district board of education may  
2 enter into any agreement under which the library services for the  
3 school would be provided at any site other than the school site or  
4 which would result in library services that do not meet  
5 accreditation standards as required by law or rule;

6 21. Perform all functions necessary to the administration of a  
7 school district in Oklahoma as specified in the Oklahoma School  
8 Code, and in addition thereto, those powers necessarily implied but  
9 not delegated by law to any other agency or official;

10 22. Prepare and distribute at the expense of the school  
11 district any and all material which has the purpose of informing the  
12 public about district activities;

13 23. Solicit and accept any gift, grant, or donation of money or  
14 property for the use of the school district. Any gift, grant, or  
15 donation of money may be deposited in the general fund or building  
16 fund of the school district; and

17 24. Pay necessary meal and lodging expenses of school district  
18 students and sponsors involved in authorized school-sponsored  
19 cocurricular activities. The board of education shall establish a  
20 written policy for reimbursement of necessary meal and lodging  
21 expenses of school district students and sponsors. The written  
22 policy shall specify procedures, contain documentation requirements,  
23 and designate the funds from which reimbursement may be made.  
24 Reimbursement may be made from the General Fund.

1       B. The board of education of any school district may rent real  
2 and personal property, if such items are necessary for the operation  
3 of the school, and pay the rental charges for the usage during any  
4 fiscal year, or portion thereof, out of appropriations made and  
5 approved for current expense purposes during the fiscal year. Any  
6 rental contract extending beyond June 30 of the fiscal year shall be  
7 void unless it contains provisions for mutual ratification of  
8 renewal pursuant to the conditions provided for in this subsection.  
9 It is the intent of this subsection to authorize boards of education  
10 to enter into lease contracts but not to incur any obligation  
11 against the school district in excess of the income and revenue  
12 provided for such purposes for the fiscal year in which the lease  
13 contract is operative. Any lease or lease-purchase agreement  
14 entered into by any board of education shall state the purchase  
15 price of real or personal property so leased. The lease or lease-  
16 purchase shall not be extended so as to cause payment of more than  
17 the original purchase price of the real or personal property, plus  
18 interest not to exceed the legal rate. When the purchase price plus  
19 interest has been paid, the property shall belong to the lessee and  
20 the lessor shall deliver a deed or bill of sale to the property to  
21 the lessee. When any real or personal property has been leased or  
22 rented during any fiscal year pursuant to the provisions of any  
23 contract which permits continuance of the rental for the remainder  
24 of the fiscal year, the renting or leasing of the property shall be

1 continued for the remainder of the fiscal year unless the board of  
2 education renting or leasing the same certifies by proper resolution  
3 entered in the minutes of the board of education that the  
4 continuance of the rental is unnecessary and contrary to the public  
5 interest. Any lease-purchase agreement entered into shall include  
6 the right of a school district to acquire buildings, equipment or  
7 other facilities or discrete components thereof or improve school  
8 sites through a lease-purchase agreement. A school district may use  
9 proceeds derived from the sale of bonds as authorized by Section 26  
10 of Article X of the Oklahoma Constitution to make lease-purchase  
11 payments, including interest, under a lease-purchase agreement. For  
12 purposes of this subsection, the term "acquired" as used in Section  
13 26 of Article X of the Oklahoma Constitution shall mean the  
14 possession, control, or power to dispose of personal or real  
15 property.

16 C. The boards of education of two or more school districts may  
17 enter into cooperative agreements and maintain joint programs  
18 including, but not limited to, courses of instruction for  
19 handicapped children, courses of instruction in music and other  
20 subjects, practical instruction for trades and vocations, practical  
21 instruction in driver training courses, and health programs  
22 including visual care by persons legally licensed for such purpose,  
23 without favoritism as to either profession. The revenues necessary  
24 to operate a joint program approved in cooperative agreements,

1 whether from federal, state or local sources, including the  
2 individual contributions of participating school districts, shall be  
3 deposited into a fund separate from all other appropriated funds.  
4 The beginning fund balance each year, combined with all actual  
5 revenues, including collected and estimated revenues, must be  
6 appropriated before being expended. Purchase orders shall be issued  
7 against available appropriations and, once goods or services have  
8 been received, either payable or nonpayable warrants shall be issued  
9 in payment of all purchase orders. The fund shall be reported as a  
10 separate appropriated fund in all the financial reports of the  
11 school district which is chosen by the other school districts to  
12 keep the accounting records of the joint program.

13 D. The boards of education of two or more school districts may  
14 enter into a mutual contract or separate contracts with a  
15 superintendent, administrator, or teacher or with a person to  
16 provide support services, to serve as superintendent, administrator,  
17 or teacher, as appropriately qualified, or to provide support  
18 services, for each contracting district upon such terms and  
19 conditions as the parties may agree. Nothing in this act shall be  
20 construed to authorize or require annexation or consolidation of any  
21 school districts or the closing of any school site except pursuant  
22 to law as set forth in Section 7-101 et seq. of this title.

23 E. Any school district may operate or maintain a school or  
24 schools on any military reservation which is within the boundaries

1 of the school district or which is adjacent to the school district,  
2 and provide the instruction in the school or schools to children of  
3 personnel on the military reservation and, in doing so, shall  
4 conform to all federal laws and requirements.

5 F. The board of education of each school district shall adopt  
6 and maintain on file in the office of the superintendent of schools  
7 appropriate personnel policy and sick leave guide. The guide shall  
8 be made available to the public.

9 G. The board of education of any school district with an  
10 average daily membership of thirty thousand (30,000) or more and all  
11 or part of which school district is located in a county having more  
12 than five hundred thousand (500,000) population according to the  
13 latest Federal Decennial Census may contract with a public or  
14 private nonsectarian entity for that entity to provide educational  
15 and administrative services for the school district. The  
16 educational services provided by a contracting entity may include  
17 but are not limited to the delivery of instructional service in core  
18 and noncore academic subjects to the students enrolled in the school  
19 district at one or more school sites or parts of sites within the  
20 district pursuant to the terms of an educational services contract.  
21 All educational service providers and their employees and  
22 representatives and all educational and administrative services  
23 provided under an educational services contract shall be exempt from  
24 all statutes and rules relating to schools, boards of education and

1 school districts to the same extent that a charter school is exempt  
2 under the Oklahoma Charter Schools Act. For all purposes, including  
3 but not limited to attendance, funding from all sources and  
4 accountability, all students who are provided services by a  
5 contracting entity pursuant to an educational services contract  
6 shall at all times be and remain students of the school district.

7 SECTION 2. This act shall become effective November 1, 2017.

8  
9 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET, dated  
10 03/02/2017 - DO PASS, As Amended and Coauthored.  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24