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February 14, 2018

AS AMENDED

SENATE BILL NO. 903

By: Griffin

[School Consolidation Assistance Fund - use of the
fund - employment assistance - severance allowance
payments - information - confidential by the Oklahoma
Employment Security Commission - ~~effective date -~~
emergency]

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

SECTION 1. AMENDATORY 70 O.S. 2011, Section 7-203, is amended to read as follows:

Section 7-203. A. There is hereby created in the State Treasury a fund to be designated the "School Consolidation Assistance Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of any monies the Legislature may appropriate or transfer to the fund and any monies contributed for the fund from any other source, public or private.

B. All monies accruing to the credit of the fund are hereby appropriated and may be budgeted and expended by the State Board of Education for the purposes established by this section, the Legislature and in accordance with rules promulgated by the State Board of Education. The purposes shall be to provide:

1 1. Voluntarily or mandatorily consolidated school districts or
2 districts who have received part or all of the territory and part or
3 all of the students of a school district dissolved by voluntary or
4 mandatory annexation, during the first year of consolidation or
5 annexation with a single one-year allocation of funds needed for:

6 a. purchase of uniform textbooks in cases where the
7 several districts were not using the same textbooks
8 prior to consolidation or annexation,

9 b. employment of certified personnel required to teach
10 courses of the district for which personnel from the
11 districts consolidated or annexed are not certified
12 and available,

13 c. employment assistance for personnel of the several
14 districts who are not employed by the consolidated or
15 annexing district. Employment assistance may include
16 provision of a severance allowance for employees,
17 including administrators, teachers and support
18 personnel, not to exceed eighty percent (80%) of the
19 individual's salary or wages, exclusive of fringe
20 benefits, for the school year preceding the
21 consolidation or annexation. Personnel receiving such
22 severance pay may accumulate one (1) year of
23 creditable service for retirement purposes.

24 ~~Employment assistance may also include the payment of~~

1 ~~unemployment compensation benefits.~~ The State Board
2 of Education shall provide a severance allowance to
3 employees dismissed from employment due to annexation
4 or consolidation of a school district in the year of
5 the annexation or consolidation and who were denied a
6 severance allowance ~~or unemployment compensation~~
7 ~~benefits~~ or dismissal payment by the consolidated or
8 annexing district and the voluntary consolidation
9 funding of the annexing or consolidating district or
10 districts has been paid on or after July 1, 2003, at
11 the maximum allowable amount. The State Board of
12 Education shall not pay the severance allowance to
13 employees determined to be eligible for the award
14 until the employee has filed an initial claim for
15 unemployment with the Oklahoma Employment Security
16 Commission. If the employee is determined to be
17 eligible to receive unemployment benefits by the
18 Oklahoma Employment Security Commission, the severance
19 allowance amount shall be reduced by the total amount
20 of unemployment benefits paid to the employee for the
21 claim. Application for a severance allowance shall be
22 made to the Finance Division of the State Department
23 of Education by the dismissed employee no later than
24 September 1 of the fiscal year immediately following

1 the fiscal year in which the annexation or
2 consolidation occurred,

- 3 d. furnishing and equipping classrooms and laboratories,
- 4 e. purchase of additional transportation equipment, and
- 5 f. when deemed essential by the school district board of
6 education to achieve consolidation or combination by
7 annexation, renovation of existing school buildings
8 and construction or other acquisition of school
9 buildings; and

10 2. Assistance to school districts which have entered into a
11 mutual contract with a superintendent as authorized pursuant to
12 Section 5-106A of this title in paying the salary or wages of the
13 superintendent. The assistance shall equal not more than fifty
14 percent (50%) of the salary or wages of the superintendent for not
15 more than three (3) consecutive years. In no case shall the total
16 amount of assistance paid over the three-year period be more than
17 One Hundred Fifty Thousand Dollars (\$150,000.00) nor shall any
18 school district be eligible to receive assistance pursuant to this
19 paragraph for more than one three-year time period.

20 C. The State Board of Education shall only make allocations
21 from the fund to school districts formed from the combination of two
22 or more of the districts whose boards of education notify the State
23 Board of Education on or before June 30 of their intent to annex or
24 consolidate and are subsequently combined by such means by January 1

1 of the second year following the notification of intent. The boards
2 of education which have entered into a mutual contract with a
3 superintendent shall notify the Board on or before June 30 of the
4 year preceding the school year the mutual contract will become
5 effective.

6 D. Allocations will be made to school districts formed by
7 voluntary or mandatory consolidation on the basis of combined
8 average daily membership (ADM) of the school year preceding the
9 first year of operation of the school district resulting from the
10 consolidation; provided, not more than two hundred (200) ADM of any
11 one school district shall be counted in determining the combined ADM
12 of any district formed by consolidation. The ADM of any one school
13 district shall not be considered more than once for allocations from
14 the fund when the school district consolidates with two or more
15 school districts. Allocations from the fund pursuant to this
16 subsection shall be calculated by multiplying the combined ADM by
17 Two Thousand Five Hundred Dollars (\$2,500.00).

18 E. Allocations will be made to school districts which have
19 received part or all of the territory and students of a school
20 district by voluntary or mandatory annexation on the basis of ADM of
21 the annexed school district for the school year preceding the first
22 year of operation of the school district resulting from the
23 annexation; provided, not more than two hundred (200) ADM of the
24 annexed district shall be counted. Allocations from the fund

1 pursuant to this subsection shall be calculated by multiplying the
2 allowable ADM by Five Thousand Dollars (\$5,000.00). In no case
3 shall allocations payable pursuant to this subsection be greater
4 than One Million Dollars (\$1,000,000.00).

5 F. If monies in the School Consolidation Assistance Fund are
6 insufficient to make allocations to all qualified combined
7 districts, allocations shall be made based upon the determination of
8 the State Board of Education with preference given to school
9 district consolidation and annexation.

10 SECTION 2. AMENDATORY 40 O.S. 2011, Section 4-508, as
11 last amended by Section 6, Chapter 345, O.S.L. 2017 (40 O.S. Supp.
12 2017, Section 4-508), is amended to read as follows:

13 Section 4-508. INFORMATION TO BE KEPT CONFIDENTIAL -
14 DISCLOSURE.

15 A. Except as otherwise provided by law, information obtained
16 from any employing unit or individual pursuant to the administration
17 of the Employment Security Act of 1980, any workforce system program
18 administered or monitored by the Oklahoma Employment Security
19 Commission, and determinations as to the benefit rights of any
20 individual shall be kept confidential and shall not be disclosed or
21 be open to public inspection in any manner revealing the
22 individual's or employing unit's identity. Any claimant or
23 employer, or agent of either as authorized in writing, shall be
24 supplied with information from the records of the Oklahoma

1 Employment Security Commission, to the extent necessary for the
2 proper presentation of the claim or complaint in any proceeding
3 under the Employment Security Act of 1980, with respect thereto.

4 B. Upon receipt of written request by any employer who
5 maintains a Supplemental Unemployment Benefit (SUB) Plan, the
6 Commission or its designated representative may release to that
7 employer information regarding weekly benefit amounts paid its
8 workers during a specified temporary layoff period, provided the
9 Supplemental Unemployment Benefit (SUB) Plan requires benefit
10 payment information before Supplemental Unemployment Benefits can be
11 paid to the workers. Any information disclosed under this provision
12 shall be utilized solely for the purpose outlined herein and shall
13 be held strictly confidential by the employer.

14 C. The provisions of this section shall not prevent the
15 Commission from disclosing the following information and no
16 liability whatsoever, civil or criminal, shall attach to any member
17 of the Commission or any employee thereof for any error or omission
18 in the disclosure of this information:

19 1. The delivery to taxpayer or claimant a copy of any report or
20 other paper filed by the taxpayer or claimant pursuant to the
21 Employment Security Act of 1980;

22 2. The disclosure of information to any person for a purpose as
23 authorized by the taxpayer or claimant pursuant to a waiver of
24

1 confidentiality. The waiver shall be in writing and shall be
2 notarized;

3 3. The Oklahoma Department of Commerce may have access to data
4 obtained pursuant to the Employment Security Act of 1980 pursuant to
5 rules promulgated by the Commission. The information obtained shall
6 be held confidential by the Department and any of its agents and
7 shall not be disclosed or be open to public inspection. The
8 Oklahoma Department of Commerce, however, may release aggregated
9 data, either by industry or county, provided that the aggregation
10 meets disclosure requirements of the Commission;

11 4. The publication of statistics so classified as to prevent
12 the identification of a particular report and the items thereof;

13 5. The disclosing of information or evidence to the Attorney
14 General or any district attorney when the information or evidence is
15 to be used by the officials or other parties to the proceedings to
16 prosecute or defend allegations of violations of the Employment
17 Security Act of 1980. The information disclosed to the Attorney
18 General or any district attorney shall be kept confidential by them
19 and not be disclosed except when presented to a court in a
20 prosecution of a violation of Section 1-101 et seq. of this title,
21 and a violation by the Attorney General or district attorney by
22 otherwise releasing the information shall be a felony;

23 6. The furnishing, at the discretion of the Commission, of any
24 information disclosed by the records or files to any official person

1 or body of this state, any other state or of the United States who
2 is concerned with the administration of assessment of any similar
3 tax in this state, any other state or the United States;

4 7. The furnishing of information to other state agencies for
5 the limited purpose of aiding in the collection of debts owed by
6 individuals to the requesting agencies or the Oklahoma Employment
7 Security Commission;

8 8. The release to employees of the Department of Transportation
9 or any Metropolitan Planning Organization as defined in 23 U.S.C.,
10 Section 134 and 49 U.S.C., Section 5303 of information required for
11 use in federally mandated regional transportation planning, which is
12 performed as a part of its official duties;

13 9. The release to employees of the State Treasurer's office of
14 information required to verify or evaluate the effectiveness of the
15 Oklahoma Small Business Linked Deposit Program on job creation;

16 10. The release to employees of the Attorney General, the
17 Department of Labor, the Workers' Compensation Commission, and the
18 Insurance Department for use in investigation of workers'
19 compensation fraud;

20 11. The release to employees of any Oklahoma state, Oklahoma
21 county or Oklahoma municipal law enforcement agency for use in
22 criminal investigations and the location of missing persons or
23 fugitives from justice;

1 12. The release to employees of the Center of International
2 Trade, Oklahoma State University, of information required for the
3 development of International Trade for employers doing business in
4 the State of Oklahoma;

5 13. The release to employees of the Oklahoma State Regents for
6 Higher Education of information required for use in the default
7 prevention efforts and/or collection of defaulted student loans
8 guaranteed by the Oklahoma Guaranteed Student Loan Program. Any
9 information disclosed under this provision shall be utilized solely
10 for the purpose outlined herein and shall be held strictly
11 confidential by the Oklahoma State Regents for Higher Education;

12 14. The release to employees of the Center for Economic and
13 Management Research of the University of Oklahoma, the Center for
14 Economic and Business Development at Southwestern Oklahoma State
15 University, or a center of economic and business research or
16 development at a comprehensive or regional higher education
17 institution within The Oklahoma State System of Higher Education of
18 information required to identify economic trends. The information
19 obtained shall be kept confidential by the higher education
20 institution and shall not be disclosed or be open to public
21 inspection. The higher education institution may release aggregated
22 data, provided that the aggregation meets disclosure requirements of
23 the Commission;

1 15. The release to employees of the Office of Management and
2 Enterprise Services of information required to identify economic
3 trends. The information obtained shall be kept confidential by the
4 Office of Management and Enterprise Services and shall not be
5 disclosed or be open to public inspection. The Office of Management
6 and Enterprise Services may release aggregate data, provided that
7 the aggregation meets disclosure requirements of the Commission;

8 16. The release to employees of the Department of Mental Health
9 and Substance Abuse Services of information required to evaluate the
10 effectiveness of mental health and substance abuse treatment and
11 state or local programs utilized to divert persons from inpatient
12 treatment. The information obtained shall be kept confidential by
13 the Department and shall not be disclosed or be open to public
14 inspection. The Department of Mental Health and Substance Abuse
15 Services, however, may release aggregated data, either by treatment
16 facility, program or larger aggregate units, provided that the
17 aggregation meets disclosure requirements of the Oklahoma Employment
18 Security Commission;

19 17. The release to employees of the Attorney General, the
20 Oklahoma State Bureau of Investigation, and the Insurance Department
21 for use in the investigation of insurance fraud and health care
22 fraud;

1 18. The release to employees of public housing agencies for
2 purposes of determining eligibility pursuant to 42 U.S.C., Section
3 503(i);

4 19. The release of wage and benefit claim information, at the
5 discretion of the Commission, to an agency of this state or its
6 political subdivisions that operate a program or activity designated
7 as a required partner in the Workforce Innovation and Opportunity
8 Act One-Stop delivery system pursuant to 29 U.S.C.A., Section
9 3151(b) (1), based on a showing of need made to the Commission and
10 after an agreement concerning the release of information is entered
11 into with the entity receiving the information;

12 20. The release of information to the wage record interchange
13 system, at the discretion of the Commission;

14 21. The release of information to the Bureau of the Census of
15 the U.S. Department of Commerce for the purpose of economic and
16 statistical research;

17 22. The release of employer tax information and benefit claim
18 information to the Oklahoma Health Care Authority for use in
19 determining eligibility for a program that will provide subsidies
20 for health insurance premiums for qualified employers, employees,
21 self-employed persons, and unemployed persons;

22 23. The release of employer tax information and benefit claim
23 information to the State Department of Rehabilitation Services for
24 use in assessing results and outcomes of clients served;

1 24. The release of information to any state or federal law
2 enforcement authority when necessary in the investigation of any
3 crime in which the Commission is a victim. Information that is
4 confidential under this section shall be held confidential by the
5 law enforcement authority unless and until it is required for use in
6 court in the prosecution of a defendant in a criminal prosecution;

7 25. The release of information to vendors that contract with
8 the Oklahoma Employment Security Commission to provide for the
9 issuance of debit cards, to conduct electronic fund transfers, to
10 perform computer programming operations, or to perform computer
11 maintenance or replacement operations; provided the vendor agrees to
12 protect and safeguard the information it receives and to destroy the
13 information when no longer needed for the purposes set out in the
14 contract;

15 26. The release to employees of the Office of Juvenile Affairs
16 of information for use in assessing results and outcomes of clients
17 served as well as the effectiveness of state and local juvenile and
18 justice programs including prevention and treatment programs. The
19 information obtained shall be kept confidential by the Office of
20 Juvenile Affairs and shall not be disclosed or be open to public
21 inspection. The Office of Juvenile Affairs may release aggregated
22 data for programs or larger aggregate units, provided that the
23 aggregation meets disclosure requirements of the Oklahoma Employment
24 Security Commission;

1 27. The release of information to vendors that contract with
2 the State of Oklahoma for the purpose of providing a public
3 electronic labor exchange system that will support the Oklahoma
4 Employment Security Commission's operation of an employment service
5 system to connect employers with job seekers and military veterans.
6 This labor exchange system would enhance the stability and security
7 of Oklahoma's economy as well as support the provision of veterans'
8 priority of service. The vendors may perform computer programming
9 operations, perform computer maintenance or replacement operations,
10 or host the electronic solution; provided each vendor agrees to
11 protect and safeguard all information received, that no information
12 shall be disclosed to any third party, that the use of the
13 information shall be restricted to the scope of the contract, and
14 that the vendor shall properly dispose of all information when no
15 longer needed for the purposes set out in the contract; ~~or~~

16 28. The release of employer tax information and benefit claim
17 information to employees of a county public defender's office in the
18 State of Oklahoma and the Oklahoma Indigent Defense System for the
19 purpose of determining financial eligibility for the services
20 provided by such entities; or

21 29. The release of benefit claim information to employees of
22 the State Department of Education for the purpose of determining
23 eligibility for severance allowance awards pursuant to Section 7-203
24 of Title 70 of the Oklahoma Statutes.

1 D. Subpoenas to compel disclosure of information made
2 confidential by this statute shall not be valid, except for
3 administrative subpoenas issued by federal, state, or local
4 governmental agencies that have been granted subpoena power by
5 statute or ordinance. Confidential information maintained by the
6 Commission can be obtained by order of a court of record that
7 authorizes the release of the records in writing. All
8 administrative subpoenas or court orders for production of documents
9 must provide a minimum of twenty (20) days from the date it is
10 served for the Commission to produce the documents. If the date on
11 which production of the documents is required is less than twenty
12 (20) days from the date of service, the subpoena or order shall be
13 considered void on its face as an undue burden or hardship on the
14 Commission. All administrative subpoenas, court orders or notarized
15 waivers of confidentiality authorized by paragraph 2 of subsection C
16 of this section shall be presented with a request for records within
17 ninety (90) days of the date the document is issued or signed, and
18 the document can only be used one time to obtain records.

19 E. Should any of the disclosures provided for in this section
20 require more than casual or incidental staff time, the Commission
21 shall charge the cost of the staff time to the party requesting the
22 information.

23 F. It is further provided that the provisions of this section
24 shall be strictly interpreted and shall not be construed as

1 permitting the disclosure of any other information contained in the
2 records and files of the Commission.

3 ~~SECTION 3. This act shall become effective July 1, 2018.~~

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

8 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS
9 February 14, 2018 - DO PASS AS AMENDED
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