

STATE OF OKLAHOMA

1st Session of the 56th Legislature (2017)

SENATE BILL 396

By: Loveless

AS INTRODUCED

An Act relating to schools; creating the Oklahoma Parental Empowerment Act of 2017; providing short title; providing definitions; creating the Oklahoma Parental Empowerment Account Program; directing the Office of the State Treasurer to administer the program; requiring the parent or legal guardian of an eligible student to sign certain agreement; establishing requirements for participation; allowing early termination of agreement; providing end date for participation; requiring annual renewal of agreement; providing for an agreement to meet certain compulsory attendance requirement; limiting participation to certain percentage each year; requiring verification of percentage eligible to participate; providing for calculation of amount to be deposited into parental empowerment account if an eligible student receives a portion of education from a resident district; providing for expenditure of unused funds; requiring certain calculation of amount to be transferred into a parental empowerment account; requiring transfer of certain percentage of funds; requiring certain percentage of funds to be distributed to certain resident districts; allowing the Office of the State Treasurer to retain certain amount for administrative services; creating the Oklahoma Parental Empowerment Account Revolving Fund; providing for expenditure of fund; requiring parents and legal guardians of eligible students to submit certain receipts; prohibiting the recipient of parental empowerment account funds from sharing, refunding or rebating any such funds except under certain circumstances; directing the Office of the State Treasurer to conduct random audits; providing procedures for a parent or legal guardian to be removed from the program; providing for suspension of

1 account; providing for notification in writing;
2 providing for appeal of removal; providing for
3 notification of State Department of Education;
4 allowing referral of certain cases for investigation;
5 directing the State Board of Education and the Office
6 of the State Treasurer to promulgate rules; providing
7 for codification; providing an effective date; and
8 declaring an emergency.

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

10 SECTION 1. NEW LAW A new section of law to be codified
11 in the Oklahoma Statutes as Section 28-101 of Title 70, unless there
12 is created a duplication in numbering, reads as follows:

13 This act shall be known and may be cited as the "Oklahoma
14 Parental Empowerment Act of 2017".

15 SECTION 2. NEW LAW A new section of law to be codified
16 in the Oklahoma Statutes as Section 28-102 of Title 70, unless there
17 is created a duplication in numbering, reads as follows:

18 As used in the Oklahoma Parental Empowerment Act of 2017:

19 1. "Eligible student" means a resident of the state other than
20 a student who is being provided an education by other means and:

- 21 a. who otherwise is eligible to enroll in pre-
22 kindergarten in a public school district in a county
23 having more than fifty thousand (50,000) population
24 according to the latest Federal Decennial Census, or
- 25 b. who is eligible to enroll in grades kindergarten
26 through twelve in a public school district who

1 previously was enrolled the first one hundred (100)
2 days of the prior school year in an Oklahoma public
3 school district in a county having more than fifty
4 thousand (50,000) population according to the latest
5 Federal Decennial Census, and

- 6 c. whose parent(s) or legal guardian(s) has an annual
7 income from taxable and nontaxable sources of less
8 than Two Hundred Fifty Thousand Dollars (\$250,000.00);

9 2. "Qualified expenditure" means an expenditure that serves an
10 educational purpose, including but not limited to:

- 11 a. online curriculum,
12 b. tuition at a private school accredited or in the
13 process of obtaining accreditation by the Oklahoma
14 Private School Accrediting Council,
15 c. educational services from a public school district,
16 including a charter school, that is not the resident
17 district for the student,
18 d. co-curricular and extracurricular activities such as
19 athletics, drama, music, student clubs and other such
20 activities,
21 e. textbooks,
22 f. tutoring,
23 g. testing for college entrance examinations,
24 h. college tuition and fees for concurrent enrollment,

- i. technology center school fees and tuition for concurrent enrollment, and
- j. advanced placement test fees;

3. "Program" means the Oklahoma Parental Empowerment Account Program; and

4. "Resident district" means the public school district in which the student resides as defined in Section 1-113 of Title 70 of the Oklahoma Statutes.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 28-103 of Title 70, unless there is created a duplication in numbering, reads as follows:

A. There is hereby created the Oklahoma Parental Empowerment Account Program to be administered by the Office of the State Treasurer to provide a parental empowerment account for qualified expenditures to support the education of an eligible student in this state.

B. To enroll in the Program, the parent or legal guardian of an eligible student shall enter into a written agreement with the Office of the State Treasurer in a manner and on a form provided by the Office of the State Treasurer. The agreement shall provide that:

1. The eligible student will receive an education in at least the subjects of reading, English language arts, mathematics, social

1 studies and science for the school year for which the agreement
2 applies;

3 2. Parental empowerment account funds shall be used only on
4 qualified expenditures;

5 3. The parent or legal guardian of the eligible student shall
6 sign a document releasing the resident school district from all
7 obligations to educate the eligible student, except as otherwise
8 provided for in subsection G of this section; and

9 4. The parent or legal guardian shall not enroll the eligible
10 student in the Lindsey Nicole Henry Scholarships for Students with
11 Disabilities Program.

12 C. An agreement entered into pursuant to subsection B of this
13 section may be terminated early if:

14 1. The parent or legal guardian of an eligible student notifies
15 the State Board of Education of the date the eligible student
16 enrolls or re-enrolls on a full-time basis in a resident district;
17 or

18 2. The eligible student no longer resides in the state.

19 D. An eligible student shall no longer be eligible for a
20 parental empowerment account upon high school graduation or upon
21 reaching age twenty-one (21), whichever comes first.

22 E. An agreement entered into pursuant to subsection B of this
23 section may be renewed on an annual basis by submitting a renewal
24 request to the Office of the State Treasurer.

1 F. An agreement entered into pursuant to subsection B of this
2 section shall be deemed school attendance and shall constitute
3 compliance with the compulsory attendance requirements of Section
4 10-105 of Title 70 of the Oklahoma Statutes.

5 G. If an eligible student receives a portion of his or her
6 instruction from a resident district and a portion from another
7 entity that is a qualified expenditure, the amount of funds
8 deposited into the parental empowerment account of the eligible
9 student shall be based on the percentage of instruction provided by
10 an entity other than the resident district.

11 H. All parental empowerment account funds that are unused by
12 the end of the school year shall be carried forward to the next
13 school year if the agreement entered into pursuant to subsection B
14 of this section is renewed. If the agreement entered into pursuant
15 to subsection B of this section terminates or is not renewed or if
16 an eligible student graduates or reaches the age of twenty-one (21),
17 whichever comes first, any unused parental empowerment account funds
18 shall revert to the State Board of Education to be used for the
19 financial support of public schools.

20 I. The number of new students eligible to participate in the
21 Program shall be limited to not more than one percent (1%) of the
22 total number of students enrolled in public schools statewide each
23 year. The State Department of Education shall verify the total
24 number of students enrolled in public schools the preceding school

1 year by July 1 of each year to determine the number of eligible
2 students for the Program for that school year. Applicants shall be
3 granted on a first-come, first-serve basis.

4 SECTION 4. NEW LAW A new section of law to be codified
5 in the Oklahoma Statutes as Section 28-104 of Title 70, unless there
6 is created a duplication in numbering, reads as follows:

7 A. 1. For each eligible student who is accepted into the
8 Oklahoma Parental Empowerment Account Program pursuant to Section 3
9 of this act, the State Department of Education shall calculate the
10 amount required to fund the parental empowerment account for the
11 following fiscal year. The calculated amount shall be equivalent to
12 the total State Aid factors multiplied by the grade level weight and
13 the student category weights that would be generated by the eligible
14 student for the applicable school year.

15 2. The State Department of Education shall calculate the total
16 cost of all parental empowerment accounts for all eligible students
17 in the state. The State Department of Education shall then reserve
18 or retain from the total amount appropriated to the State Board of
19 Education for State Aid purposes and any other revenue available for
20 allocation for State Aid purposes the total cost for all parental
21 empowerment accounts.

22 3. The State Department of Education shall transfer to the
23 Office of the State Treasurer an amount equal to ninety percent
24 (90%) of the amount calculated pursuant to paragraph 2 of this

1 subsection in equal allocations pursuant to a schedule established
2 by the Office of the State Treasurer. Of the funds transferred to
3 the Office of the State Treasurer for the Program, an amount not
4 exceeding three percent (3%) may be retained by the Office of the
5 State Treasurer for administration of the Program.

6 4. The remaining ten percent (10%) of total state funding from
7 the State Department of Education shall be distributed by the State
8 Board of Education to the resident district which the eligible
9 student would otherwise attend to be expended in a manner decided by
10 the local school district board of education.

11 B. There is hereby created in the State Treasury a revolving
12 fund for the Office of the State Treasurer to be designated the
13 "Oklahoma Parental Empowerment Account Revolving Fund". The fund
14 shall be a continuing fund, not subject to fiscal year limitations,
15 and shall consist of all monies received by the Office of the State
16 Treasurer from the State Department of Education pursuant to
17 subsection A of this section. All monies accruing to the credit of
18 the fund are hereby appropriated and may be budgeted and expended by
19 the Office of the State Treasurer for the purpose of funding
20 parental empowerment accounts. Expenditures from the fund shall be
21 made upon warrants issued by the Office of the State Treasurer
22 against claims filed as prescribed by law with the Director of the
23 Office of Management and Enterprise Services for approval and
24 payment.

1 C. The parent or legal guardian of an eligible student shall
2 submit receipts for qualified expenditures to the Office of the
3 State Treasurer.

4 D. A recipient of parental empowerment account funds shall not
5 share, refund or rebate any amount expended from a parental
6 empowerment account with the parent or legal guardian of an eligible
7 student or the eligible student, unless the refund is for an item
8 that is being returned or an item or service that has not been
9 provided.

10 E. The Office of the State Treasurer shall audit parental
11 empowerment accounts randomly each year. The Office of the State
12 Treasurer may provide for additional audits of parental empowerment
13 accounts as it determines necessary.

14 F. 1. The Office of the State Treasurer may remove any parent
15 or legal guardian of an eligible student from eligibility for the
16 Program if the parent or legal guardian fails to comply with the
17 terms of the agreement executed pursuant to Section 3 of this act or
18 applicable laws, rules or orders or misuses monies or fails to
19 comply with the terms of the agreement with the intent to defraud.

20 2. The Office of the State Treasurer shall suspend the parental
21 empowerment account of the parent or legal guardian and shall notify
22 the parent or legal guardian in writing that the parental
23 empowerment account has been suspended and that no further
24 transactions shall be allowed. The notification shall specify the

1 reason for the suspension and state that the parent or legal
2 guardian has ten (10) days, not including weekends, to respond and
3 take corrective action. If the parent or legal guardian refuses or
4 fails to contact the Office of the State Treasurer, furnish any
5 information or make any report that may be required for
6 reinstatement within the ten-day period, the Office of the State
7 Treasurer may remove the parent or legal guardian of the eligible
8 student from participation in the Program.

9 3. The parent or legal guardian of an eligible student may
10 appeal the Office of the State Treasurer's decision pursuant to the
11 Administrative Procedures Act.

12 4. The Office of the State Treasurer shall notify the State
13 Department of Education of the removal of a parent or legal guardian
14 of an eligible student from participation in the Program.

15 5. The Office of the State Treasurer may refer cases of
16 substantial misuse of monies to the attorney general for
17 investigation if evidence of fraudulent use of a parental
18 empowerment account is obtained.

19 SECTION 5. NEW LAW A new section of law to be codified
20 in the Oklahoma Statutes as Section 28-105 of Title 70, unless there
21 is created a duplication in numbering, reads as follows:

22 The State Board of Education and the Office of the State
23 Treasurer shall promulgate rules necessary to implement the
24 provisions of this act.

1 SECTION 6. This act shall become effective July 1, 2017.

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

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