

1 STATE OF OKLAHOMA

2 2nd Session of the 56th Legislature (2018)

3 SENATE BILL 903

By: Griffin

6 AS INTRODUCED

7 An Act relating to the School Consolidation
8 Assistance Fund; amending 70 O.S. 2011, Section 7-
9 203, which relates to the allowed use of the fund;
10 removing language allowing employment assistance to
11 include certain payment; prohibiting the State Board
12 of Education from making certain severance allowance
13 payments until certain filing has been made;
14 requiring severance allowance amount to be reduced by
15 certain other amount; amending 40 O.S. 2011, Section
16 4-508, as last amended by Section 6, Chapter 345,
17 O.S.L. 2017 (40 O.S. Supp. 2017, Section 4-508),
18 which relates to certain information to be kept
19 confidential by the Oklahoma Employment Security
20 Commission; allowing release of certain information;
21 providing an effective date; and declaring an
22 emergency.

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

24 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

1 Legislature may appropriate or transfer to the fund and any monies
2 contributed for the fund from any other source, public or private.

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

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

13 a. purchase of uniform textbooks in cases where the
14 several districts were not using the same textbooks
15 prior to consolidation or annexation,

16 b. employment of certified personnel required to teach
17 courses of the district for which personnel from the
18 districts consolidated or annexed are not certified
19 and available,

20 c. employment assistance for personnel of the several
21 districts who are not employed by the consolidated or
22 annexing district. Employment assistance may include
23 provision of a severance allowance for employees,
24 including administrators, teachers and support

1 personnel, not to exceed eighty percent (80%) of the
2 individual's salary or wages, exclusive of fringe
3 benefits, for the school year preceding the
4 consolidation or annexation. Personnel receiving such
5 severance pay may accumulate one (1) year of
6 creditable service for retirement purposes.

7 ~~Employment assistance may also include the payment of~~
8 ~~unemployment compensation benefits.~~ The State Board
9 of Education shall provide a severance allowance to
10 employees dismissed from employment due to annexation
11 or consolidation of a school district in the year of
12 the annexation or consolidation and who were denied a
13 severance allowance ~~or unemployment compensation~~
14 ~~benefits~~ or dismissal payment by the consolidated or
15 annexing district and the voluntary consolidation
16 funding of the annexing or consolidating district or
17 districts has been paid on or after July 1, 2003, at
18 the maximum allowable amount. The State Board of
19 Education shall not pay the severance allowance to
20 employees determined to be eligible for the award
21 until the employee has filed an initial claim for
22 unemployment with the Oklahoma Employment Security
23 Commission. If the employee is determined to be
24 eligible to receive unemployment benefits by the

1 Oklahoma Employment Security Commission, the severance
2 allowance amount shall be reduced by the total amount
3 of unemployment benefits paid to the employee for the
4 claim. Application for a severance allowance shall be
5 made to the Finance Division of the State Department
6 of Education by the dismissed employee no later than
7 September 1 of the fiscal year immediately following
8 the fiscal year in which the annexation or
9 consolidation occurred,

- 10 d. furnishing and equipping classrooms and laboratories,
11 e. purchase of additional transportation equipment, and
12 f. when deemed essential by the school district board of
13 education to achieve consolidation or combination by
14 annexation, renovation of existing school buildings
15 and construction or other acquisition of school
16 buildings; and

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

1 school district be eligible to receive assistance pursuant to this
2 paragraph for more than one three-year time period.

3 C. The State Board of Education shall only make allocations
4 from the fund to school districts formed from the combination of two
5 or more of the districts whose boards of education notify the State
6 Board of Education on or before June 30 of their intent to annex or
7 consolidate and are subsequently combined by such means by January 1
8 of the second year following the notification of intent. The boards
9 of education which have entered into a mutual contract with a
10 superintendent shall notify the Board on or before June 30 of the
11 year preceding the school year the mutual contract will become
12 effective.

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

1 E. Allocations will be made to school districts which have
2 received part or all of the territory and students of a school
3 district by voluntary or mandatory annexation on the basis of ADM of
4 the annexed school district for the school year preceding the first
5 year of operation of the school district resulting from the
6 annexation; provided, not more than two hundred (200) ADM of the
7 annexed district shall be counted. Allocations from the fund
8 pursuant to this subsection shall be calculated by multiplying the
9 allowable ADM by Five Thousand Dollars (\$5,000.00). In no case
10 shall allocations payable pursuant to this subsection be greater
11 than One Million Dollars (\$1,000,000.00).

12 F. If monies in the School Consolidation Assistance Fund are
13 insufficient to make allocations to all qualified combined
14 districts, allocations shall be made based upon the determination of
15 the State Board of Education with preference given to school
16 district consolidation and annexation.

17 SECTION 2. AMENDATORY 40 O.S. 2011, Section 4-508, as
18 last amended by Section 6, Chapter 345, O.S.L. 2017 (40 O.S. Supp.
19 2017, Section 4-508), is amended to read as follows:

20 Section 4-508. INFORMATION TO BE KEPT CONFIDENTIAL -
21 DISCLOSURE.

22 A. Except as otherwise provided by law, information obtained
23 from any employing unit or individual pursuant to the administration
24 of the Employment Security Act of 1980, any workforce system program

1 administered or monitored by the Oklahoma Employment Security
2 Commission, and determinations as to the benefit rights of any
3 individual shall be kept confidential and shall not be disclosed or
4 be open to public inspection in any manner revealing the
5 individual's or employing unit's identity. Any claimant or
6 employer, or agent of either as authorized in writing, shall be
7 supplied with information from the records of the Oklahoma
8 Employment Security Commission, to the extent necessary for the
9 proper presentation of the claim or complaint in any proceeding
10 under the Employment Security Act of 1980, with respect thereto.

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

21 C. The provisions of this section shall not prevent the
22 Commission from disclosing the following information and no
23 liability whatsoever, civil or criminal, shall attach to any member
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1 of the Commission or any employee thereof for any error or omission
2 in the disclosure of this information:

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

6 2. The disclosure of information to any person for a purpose as
7 authorized by the taxpayer or claimant pursuant to a waiver of
8 confidentiality. The waiver shall be in writing and shall be
9 notarized;

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

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

20 5. The disclosing of information or evidence to the Attorney
21 General or any district attorney when the information or evidence is
22 to be used by the officials or other parties to the proceedings to
23 prosecute or defend allegations of violations of the Employment
24 Security Act of 1980. The information disclosed to the Attorney

1 General or any district attorney shall be kept confidential by them
2 and not be disclosed except when presented to a court in a
3 prosecution of a violation of Section 1-101 et seq. of this title,
4 and a violation by the Attorney General or district attorney by
5 otherwise releasing the information shall be a felony;

6 6. The furnishing, at the discretion of the Commission, of any
7 information disclosed by the records or files to any official person
8 or body of this state, any other state or of the United States who
9 is concerned with the administration of assessment of any similar
10 tax in this state, any other state or the United States;

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

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

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

23 10. The release to employees of the Attorney General, the
24 Department of Labor, the Workers' Compensation Commission, and the

1 Insurance Department for use in investigation of workers'
2 compensation fraud;

3 11. The release to employees of any Oklahoma state, Oklahoma
4 county or Oklahoma municipal law enforcement agency for use in
5 criminal investigations and the location of missing persons or
6 fugitives from justice;

7 12. The release to employees of the Center of International
8 Trade, Oklahoma State University, of information required for the
9 development of International Trade for employers doing business in
10 the State of Oklahoma;

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

18 14. The release to employees of the Center for Economic and
19 Management Research of the University of Oklahoma, the Center for
20 Economic and Business Development at Southwestern Oklahoma State
21 University, or a center of economic and business research or
22 development at a comprehensive or regional higher education
23 institution within The Oklahoma State System of Higher Education of
24 information required to identify economic trends. The information

1 obtained shall be kept confidential by the higher education
2 institution and shall not be disclosed or be open to public
3 inspection. The higher education institution may release aggregated
4 data, provided that the aggregation meets disclosure requirements of
5 the Commission;

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

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

1 17. The release to employees of the Attorney General, the
2 Oklahoma State Bureau of Investigation, and the Insurance Department
3 for use in the investigation of insurance fraud and health care
4 fraud;

5 18. The release to employees of public housing agencies for
6 purposes of determining eligibility pursuant to 42 U.S.C., Section
7 503(i);

8 19. The release of wage and benefit claim information, at the
9 discretion of the Commission, to an agency of this state or its
10 political subdivisions that operate a program or activity designated
11 as a required partner in the Workforce Innovation and Opportunity
12 Act One-Stop delivery system pursuant to 29 U.S.C.A., Section
13 3151(b) (1), based on a showing of need made to the Commission and
14 after an agreement concerning the release of information is entered
15 into with the entity receiving the information;

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

18 21. The release of information to the Bureau of the Census of
19 the U.S. Department of Commerce for the purpose of economic and
20 statistical research;

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

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

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

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

20 26. The release to employees of the Office of Juvenile Affairs
21 of information for use in assessing results and outcomes of clients
22 served as well as the effectiveness of state and local juvenile and
23 justice programs including prevention and treatment programs. The
24 information obtained shall be kept confidential by the Office of

1 Juvenile Affairs and shall not be disclosed or be open to public
2 inspection. The Office of Juvenile Affairs may release aggregated
3 data for programs or larger aggregate units, provided that the
4 aggregation meets disclosure requirements of the Oklahoma Employment
5 Security Commission;

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

21 28. The release of employer tax information and benefit claim
22 information to employees of a county public defender's office in the
23 State of Oklahoma and the Oklahoma Indigent Defense System for the
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1 purpose of determining financial eligibility for the services
2 provided by such entities; or

3 29. The release of benefit claim information to employees of
4 the State Department of Education for the purpose of determining
5 eligibility for severance allowance awards pursuant to Section 7-203
6 of Title 70 of the Oklahoma Statutes.

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

1 E. Should any of the disclosures provided for in this section
2 require more than casual or incidental staff time, the Commission
3 shall charge the cost of the staff time to the party requesting the
4 information.

5 F. It is further provided that the provisions of this section
6 shall be strictly interpreted and shall not be construed as
7 permitting the disclosure of any other information contained in the
8 records and files of the Commission.

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

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

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