

1 ENGROSSED SENATE
2 BILL NO. 1363

By: Stanislawski of the Senate

3 and

4 Dills of the House

5
6 An Act relating to the State Public Common School
7 Building Equalization Fund; amending 70 O.S. 2011,
8 Section 3-104, as last amended by Section 1, Chapter
9 271, O.S.L. 2013 (70 O.S. Supp. 2019, Section 3-104),
10 which relates to powers and duties of the State Board
11 of Education; updating statutory language; removing
12 language providing for administration of the State
13 Public Common School Building Equalization Fund;
14 directing the Board to administer the fund; providing
15 for deposits into fund; providing for use of fund;
16 providing definitions; providing for awarding of
17 grants to school districts; allowing grants to be
18 prorated; providing for disposal of property or
19 building if a charter school's application for
20 sponsorship renewal is denied, a charter contract is
21 terminated or a charter school ceases to operate;
22 allowing the Board to approve expenditure of certain
23 remaining funds for certain purposes; providing for
24 promulgation of rules; providing for codification;
providing an effective date; and declaring an
emergency.

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

SECTION 1. AMENDATORY 70 O.S. 2011, Section 3-104, as
last amended by Section 1, Chapter 271, O.S.L. 2013 (70 O.S. Supp.
2019, Section 3-104), is amended to read as follows:

Section 3-104. The supervision of the public school system of
Oklahoma shall be vested in the State Board of Education and,

1 subject to limitations otherwise provided by law, the State Board of
2 Education shall:

3 1. Adopt policies and make rules for the operation of the
4 public school system of the state;

5 2. Appoint, prescribe the duties and fix the compensation of a
6 secretary, an attorney and all other personnel necessary for the
7 proper performance of the functions of the State Board of Education.
8 The secretary shall not be a member of the Board;

9 3. Submit to the Governor a departmental budget based upon
10 major functions of the Department as prepared by the State
11 Superintendent of Public Instruction and supported by detailed data
12 on needs and proposed operations as partially determined by the
13 budgetary needs of local school districts filed with the State Board
14 of Education for the ensuing fiscal year. Appropriations therefor
15 shall be made in lump-sum form for each major item in the budget as
16 follows:

- 17 a. State Aid to schools,
18 b. the supervision of all other functions of general and
19 special education including general control, free
20 textbooks, school lunch, Indian education and all
21 other functions of the Board and an amount sufficient
22 to adequately staff and administer these services, and
23 c. the Board shall determine the details by which the
24 budget and the appropriations are administered.

1 Annually, the Board shall make preparations to
2 consolidate all of the functions of the Department in
3 such a way that the budget can be based on two items,
4 administration and aid to schools. A maximum amount
5 for administration shall be designated as a part of
6 the total appropriation;

7 4. On the first day of December preceding each regular session
8 of the Legislature, prepare and deliver to the Governor and the
9 Legislature a report for the year ending June 30 immediately
10 preceding the regular session of the Legislature. The report shall
11 contain:

- 12 a. detailed statistics and other information concerning
13 enrollment, attendance, expenditures including State
14 Aid, and other pertinent data for all public schools
15 in this state,
- 16 b. reports from each and every division within the State
17 Department of Education as submitted by the State
18 Superintendent of Public Instruction and any other
19 division, department, institution or other agency
20 under the supervision of the Board,
- 21 c. recommendations for the improvement of the public
22 school system of the state,
- 23 d. a statement of the receipts and expenditures of the
24 State Board of Education for the past year, and

1 e. a statement of plans and recommendations for the
2 management and improvement of public schools and such
3 other information relating to the educational
4 interests of the state as may be deemed necessary and
5 desirable;

6 5. Provide for the formulation and adoption of curricula,
7 courses of study and other instructional aids necessary for the
8 adequate instruction of pupils in the public schools;

9 6. Have authority in matters pertaining to the licensure and
10 certification of persons for instructional, supervisory and
11 administrative positions and services in the public schools of the
12 state subject to the provisions of Section 6-184 of this title, and
13 shall formulate rules governing the issuance and revocation of
14 certificates for superintendents of schools, principals,
15 supervisors, librarians, clerical employees, school nurses, school
16 bus drivers, visiting teachers, classroom teachers and for other
17 personnel performing instructional, administrative and supervisory
18 services, but not including members of boards of education and other
19 employees who do not work directly with pupils, and may charge and
20 collect reasonable fees for the issuance of such certificates:

21 a. the State Department of Education shall not issue a
22 certificate to and shall revoke the certificate of any
23 person who has been convicted, whether upon a verdict
24 or plea of guilty or upon a plea of nolo contendere,

1 or received a suspended sentence or any probationary
2 term for a crime or an attempt to commit a crime
3 provided for in Section 843.5 of Title 21 of the
4 Oklahoma Statutes if the offense involved sexual abuse
5 or sexual exploitation as those terms are defined in
6 Section 1-1-105 of Title 10A of the Oklahoma Statutes,
7 Sections 741, 843.1, if the offense included sexual
8 abuse or sexual exploitation, 865 et seq., 885, 888,
9 891, 1021, 1021.2, 1021.3, 1040.13a, 1087, 1088,
10 1111.1, 1114 or 1123 of Title 21 of the Oklahoma
11 Statutes or who enters this state and who has been
12 convicted, received a suspended sentence or received a
13 deferred judgment for a crime or attempted crime
14 which, if committed or attempted in this state, would
15 be a crime or an attempt to commit a crime provided
16 for in any of ~~said~~ the laws,

- 17 b. all funds collected by the State Department of
18 Education for the issuance of certificates to
19 instructional, supervisory and administrative
20 personnel in the public schools of the state shall be
21 deposited in the "Teachers' Certificate Fund" in the
22 State Treasury and may be expended by the State Board
23 of Education to finance the activities of the State
24 Department of Education necessary to administer the

1 program, for consultative services, publication costs,
2 actual and necessary travel expenses as provided in
3 the State Travel Reimbursement Act incurred by persons
4 performing research work, and other expenses found
5 necessary by the State Board of Education for the
6 improvement of the preparation and certification of
7 teachers in Oklahoma. Provided, any unobligated
8 balance in the Teachers' Certificate Fund in excess of
9 Ten Thousand Dollars (\$10,000.00) on June 30 of any
10 fiscal year shall be transferred to the General
11 Revenue Fund of the State of Oklahoma. Until July 1,
12 1997, the State Board of Education shall have
13 authority for approval of teacher education programs.
14 The State Board of Education shall also have authority
15 for the administration of teacher residency and
16 professional development, subject to the provisions of
17 the Oklahoma Teacher Preparation Act;

18 7. Promulgate rules governing the classification, inspection,
19 supervision and accrediting of all public nursery, kindergarten,
20 elementary and secondary schools and on-site educational services
21 provided by public school districts or state-accredited private
22 schools in partial hospitalization programs, day treatment programs,
23 and day hospital programs as defined in this act for persons between
24 the ages of three (3) and twenty-one (21) years of age in the state.

1 However, no school shall be denied accreditation solely on the basis
2 of average daily attendance.

3 Any school district which maintains an elementary school and
4 faces the necessity of relocating its school facilities because of
5 construction of a lake, either by state or federal authority, which
6 will inundate the school facilities, shall be entitled to receive
7 probationary accreditation from the State Board of Education for a
8 period of five (5) years after the effective date of this act and
9 any school district, otherwise qualified, shall be entitled to
10 receive probationary accreditation from the State Board of Education
11 for a period of two (2) consecutive years to attain the minimum
12 average daily attendance. The Head Start and public nurseries or
13 kindergartens operated from Community Action Program funds shall not
14 be subjected to the accrediting rules of the State Board of
15 Education. Neither will the State Board of Education make rules
16 affecting the operation of the public nurseries and kindergartens
17 operated from federal funds secured through Community Action
18 Programs even though they may be operating in the public schools of
19 the state. However, any of the Head Start or public nurseries or
20 kindergartens operated under federal regulations may make
21 application for accrediting from the State Board of Education but
22 will be accredited only if application for the approval of the
23 programs is made. The status of no school district shall be changed
24 which will reduce it to a lower classification until due notice has

1 | been given to the proper authorities thereof and an opportunity
2 | given to correct the conditions which otherwise would be the cause
3 | of such reduction.

4 | Private and parochial schools may be accredited and classified
5 | in like manner as public schools or, if an accrediting association
6 | is approved by the State Board of Education, by procedures
7 | established by the State Board of Education to accept accreditation
8 | by such accrediting association, if application is made to the State
9 | Board of Education for such accrediting;

10 | 8. Be the legal agent of the State of Oklahoma to accept, in
11 | its discretion, the provisions of any Act of Congress appropriating
12 | or apportioning funds which are now, or may hereafter be, provided
13 | for use in connection with any phase of the system of public
14 | education in Oklahoma. It shall prescribe such rules as it finds
15 | necessary to provide for the proper distribution of such funds in
16 | accordance with the state and federal laws;

17 | 9. Be and is specifically hereby designated as the agency of
18 | this state to cooperate and deal with any officer, board or
19 | authority of the United States Government under any law of the
20 | United States which may require or recommend cooperation with any
21 | state board having charge of the administration of public schools
22 | unless otherwise provided by law;

23 | 10. Be and is hereby designated as the "State Educational
24 | Agency" referred to in Public Law 396 of the 79th Congress of the

1 United States, which law states that ~~said~~ the act may be cited as
2 the "National School Lunch Act", and ~~said~~ the State Board of
3 Education is hereby authorized and directed to accept the terms and
4 provisions of ~~said~~ the act and to enter into such agreements, not in
5 conflict with the Constitution of Oklahoma or the Constitution and
6 Statutes of the United States, as may be necessary or appropriate to
7 secure for the State of Oklahoma the benefits of the school lunch
8 program established and referred to in ~~said~~ the act;

9 11. Have authority to secure and administer the benefits of the
10 National School Lunch Act, Public Law 396 of the 79th Congress of
11 the United States, in the State of Oklahoma and is hereby authorized
12 to employ or appoint and fix the compensation of such additional
13 officers or employees and to incur such expenses as may be necessary
14 for the accomplishment of the above purpose, administer the
15 distribution of any state funds appropriated by the Legislature
16 required as federal matching to reimburse on children's meals;

17 12. Accept and provide for the administration of any land,
18 money, buildings, gifts, donation or other things of value which may
19 be offered or bequeathed to the schools under the supervision or
20 control of ~~said~~ the Board;

21 13. Have authority to require persons having administrative
22 control of all school districts in Oklahoma to make such regular and
23 special reports regarding the activities of the schools in ~~said~~ the
24 districts as the Board may deem needful for the proper exercise of

1 its duties and functions. Such authority shall include the right of
2 the State Board of Education to withhold all state funds under its
3 control, to withhold official recognition, including accrediting,
4 until such required reports have been filed and accepted in the
5 office of ~~said~~ the Board and to revoke the certificates of persons
6 failing or refusing to make such reports;

7 14. Have general supervision of the school lunch program. The
8 State Board of Education may sponsor workshops for personnel and
9 participants in the school lunch program and may develop, print and
10 distribute free of charge or sell any materials, books and bulletins
11 to be used in such school lunch programs. There is hereby created
12 in the State Treasury a revolving fund for the Board, to be
13 designated the School Lunch Workshop Revolving Fund. The fund shall
14 consist of all fees derived from or on behalf of any participant in
15 any such workshop sponsored by the State Board of Education, or from
16 the sale of any materials, books and bulletins, and such funds shall
17 be disbursed for expenses of such workshops and for developing,
18 printing and distributing of such materials, books and bulletins
19 relating to the school lunch program. The fund shall be
20 administered in accordance with Section 155 of Title 62 of the
21 Oklahoma Statutes;

22 15. Prescribe all forms for school district and county officers
23 to report to the State Board of Education where required. The State
24 Board of Education shall also prescribe a list of appropriation

1 accounts by which the funds of school districts shall be budgeted,
2 accounted for and expended; and it shall be the duty of the State
3 Auditor and Inspector in prescribing all budgeting, accounting and
4 reporting forms for school funds to conform to such lists;

5 16. Provide for the establishment of a uniform system of pupil
6 and personnel accounting, records and reports;

7 17. Have authority to provide for the health and safety of
8 school children and school personnel while under the jurisdiction of
9 school authorities;

10 18. Provide for the supervision of the transportation of
11 pupils;

12 19. Have authority, upon request of the local school board, to
13 act in behalf of the public schools of the state in the purchase of
14 transportation equipment;

15 20. Have authority and is hereby required to perform all duties
16 necessary to the administration of the public school system in
17 Oklahoma as specified in the Oklahoma School Code; and, in addition
18 thereto, those duties not specifically mentioned herein if not
19 delegated by law to any other agency or official;

20 21. Administer the State Public Common School Building
21 Equalization Fund established by Section 32 of Article X of the
22 Oklahoma Constitution. ~~Any monies as may be appropriated or~~
23 ~~designated by the Legislature, other than ad valorem taxes, any~~
24 ~~other funds identified by the State Department of Education, which~~

1 ~~may include, but not be limited to, grants in aid from the federal~~
2 ~~government for building purposes, the proceeds of all property that~~
3 ~~shall fall to the state by escheat, penalties for unlawful holding~~
4 ~~of real estate by corporations, and capital gains on assets of the~~
5 ~~permanent school funds, shall be deposited in the State Public~~
6 ~~Common School Building Equalization Fund. The fund shall be used to~~
7 ~~aid school districts and charter schools in acquiring buildings,~~
8 ~~subject to the limitations fixed by Section 32 of Article X of the~~
9 ~~Oklahoma Constitution. It is hereby declared that the term~~
10 ~~"acquiring buildings" as used in Section 32 of Article X of the~~
11 ~~Oklahoma Constitution shall mean acquiring or improving school~~
12 ~~sites, constructing, repairing, remodeling or equipping buildings,~~
13 ~~or acquiring school furniture, fixtures, or equipment. For charter~~
14 ~~schools, the fund shall only be used to acquire buildings in which~~
15 ~~students enrolled in the charter school will be attending. It is~~
16 ~~hereby declared that the term "school districts" as used in Section~~
17 ~~32 of Article X of the Oklahoma Constitution shall mean school~~
18 ~~districts and charter schools created pursuant to the provisions of~~
19 ~~the Oklahoma Charter Schools Act. If sufficient monies are~~
20 ~~available in the fund, the Board shall solicit proposals for grants~~
21 ~~from school districts and charter schools and shall determine the~~
22 ~~process for consideration of proposals. Grants shall be awarded~~
23 ~~only to school districts which have a total assessed property~~
24 ~~valuation per average daily membership that is less than the state~~

1 ~~average total assessed property valuation per average daily~~
2 ~~membership and, at the time of application, the district has voted~~
3 ~~the five mill building fund levy authorized in Section 10 of Article~~
4 ~~X of the Oklahoma Constitution, and has voted indebtedness through~~
5 ~~the issuance of new bonds for at least fifty percent (50%) within~~
6 ~~the last three (3) years of the maximum allowable pursuant to the~~
7 ~~provisions of Section 26 of Article X of the Oklahoma Constitution~~
8 ~~as shown on the school district budget filed with the State Board of~~
9 ~~Equalization for the current school year and certifications by the~~
10 ~~Attorney General prior to April 1 of the school year. Grants shall~~
11 ~~be awarded only to charter schools which have secured matching funds~~
12 ~~for the specific purpose of acquiring buildings in an amount of not~~
13 ~~less than ten percent (10%) of the total grant amount. The amount~~
14 ~~of each grant awarded by the Board each year shall not exceed Four~~
15 ~~Million Dollars (\$4,000,000.00). From the total amount available to~~
16 ~~provide grants to public schools and charter schools, charter~~
17 ~~schools shall be allocated the greater of ten percent (10%) of the~~
18 ~~total amount or the percent of students enrolled in charter schools~~
19 ~~that are not sponsored by the Statewide Virtual Charter School Board~~
20 ~~as compared to the student enrollment in school districts which have~~
21 ~~a total assessed property valuation per average daily membership~~
22 ~~that is equal to or less than twenty-five percent (25%) of the state~~
23 ~~total assessed property valuation per average daily membership. The~~
24 ~~Board shall give priority consideration to school districts which~~

1 ~~have a total assessed property valuation per average daily~~
2 ~~membership that is equal to or less than twenty-five percent (25%)~~
3 ~~of the state average total assessed property valuation per average~~
4 ~~daily membership. The Board is authorized to prorate grants awarded~~
5 ~~if monies are not sufficient in the fund to award grants to~~
6 ~~qualified districts and charter schools. The State Board of~~
7 ~~Education shall make available to eligible charter schools any~~
8 ~~unused grant funds that remain after the initial allocation to all~~
9 ~~eligible public school districts and charter schools of this state.~~
10 ~~The State Board of Education shall prescribe rules for making grants~~
11 ~~of aid from, and for otherwise administering, the fund pursuant to~~
12 ~~the provisions of this paragraph, and may employ and fix the duties~~
13 ~~and compensation of technicians, aides, clerks, stenographers,~~
14 ~~attorneys and other personnel deemed necessary to carry out the~~
15 ~~provisions of this paragraph. The cost of administering the fund~~
16 ~~shall be paid from monies appropriated to the State Board of~~
17 ~~Education for the operation of the State Department of Education as~~
18 ~~provided for in Section 2 of this act;~~

19 22. Recognize that the Director of the Oklahoma Department of
20 Corrections shall be the administrative authority for the schools
21 which are maintained in the state reformatories and shall appoint
22 the principals and teachers in such schools. Provided, that rules
23 of the State Board of Education for the classification, inspection
24 and accreditation of public schools shall be applicable to such

1 schools; and such schools shall comply with standards set by the
2 State Board of Education; and

3 23. Have authority to administer a revolving fund which is
4 hereby created in the State Treasury, to be designated the
5 Statistical Services Revolving Fund. The fund shall consist of all
6 monies received from the various school districts of the state, the
7 United States Government, and other sources for the purpose of
8 furnishing or financing statistical services and for any other
9 purpose as designated by the Legislature. The State Board of
10 Education is hereby authorized to enter into agreements with school
11 districts, municipalities, the United States Government, foundations
12 and other agencies or individuals for services, programs or research
13 projects. The Statistical Services Revolving Fund shall be
14 administered in accordance with Section 155 of Title 62 of the
15 Oklahoma Statutes.

16 SECTION 2. NEW LAW A new section of law to be codified
17 in the Oklahoma Statutes as Section 3-104.10 of Title 70, unless
18 there is created a duplication in numbering, reads as follows:

19 A. The State Board of Education shall administer the State
20 Public Common School Building Equalization Fund established by
21 Section 32 of Article X of the Oklahoma Constitution.

22 B. Any monies as may be appropriated or designated by the
23 Legislature, other than ad valorem taxes, any other funds identified
24 by the State Department of Education, which may include but not be

1 limited to grants-in-aid from the federal government for building
2 purposes, the proceeds of all property that shall fall to the state
3 by escheat, penalties for unlawful holding of real estate by
4 corporations and capital gains on assets of the permanent school
5 funds shall be deposited in the State Public Common School Building
6 Equalization Fund.

7 C. The fund shall be used to aid school districts and charter
8 schools established pursuant to Section 3-132 of Title 70 of the
9 Oklahoma Statutes in acquiring buildings, subject to the limitations
10 fixed by Section 32 of Article X of the Oklahoma Constitution. It
11 is hereby declared that the term "acquiring buildings" as used in
12 Section 32 of Article X of the Oklahoma Constitution shall mean
13 acquiring school sites by lease or purchase, improving school sites,
14 constructing, repairing, remodeling or equipping buildings, or
15 acquiring school furniture, fixtures, or equipment. For charter
16 schools, the fund shall only be used to acquire buildings in which
17 students enrolled in the charter school will be attending. It is
18 hereby declared that the term "school districts" as used in Section
19 32 of Article X of the Oklahoma Constitution shall mean school
20 districts and charter schools created pursuant to Section 3-132 of
21 Title 70 of the Oklahoma Statutes. For the purposes of this
22 section, "charter schools" shall not mean virtual charter schools
23 created pursuant to Section 3-145.3 of Title 70 of the Oklahoma
24 Statutes.

1 D. If sufficient monies are available in the fund, the Board
2 shall solicit proposals for grants from school districts and shall
3 determine the process for consideration of proposals.

4 1. Grants shall be awarded only to school districts which have
5 a total assessed property valuation per average daily membership
6 that is less than the state average total assessed property
7 valuation per average daily membership and, at the time of
8 application, the district has voted the five-mill building fund levy
9 authorized in Section 10 of Article X of the Oklahoma Constitution,
10 and has voted indebtedness through the issuance of new bonds for at
11 least fifty percent (50%) within the last three (3) years of the
12 maximum allowable pursuant to the provisions of Section 26 of
13 Article X of the Oklahoma Constitution as shown on the school
14 district budget filed with the State Board of Equalization for the
15 current school year and certifications by the Attorney General prior
16 to April 1 of the school year. The Board shall give priority
17 consideration to school districts which have a total assessed
18 property valuation per average daily membership that is equal to or
19 less than twenty-five percent (25%) of the state average total
20 assessed property valuation per average daily membership.

21 2. Grants shall be awarded only to charter schools which have
22 secured matching funds for the specific purpose of acquiring
23 buildings in an amount of not less than ten percent (10%) of the
24 total grant amount. From the total amount available to provide

1 grants to public schools and charter schools, charter schools shall
2 be allocated the greater of ten percent (10%) of the total amount or
3 the percent of students enrolled in charter schools as compared to
4 the student enrollment in school districts which have a total
5 assessed property valuation per average daily membership that is
6 equal to or less than twenty-five percent (25%) of the state total
7 assessed property valuation per average daily membership.

8 3. The Board is authorized to prorate grants awarded if monies
9 are not sufficient in the fund to award grants to qualified school
10 districts and charter schools. The State Board of Education shall
11 make available to eligible charter schools any unused grant funds
12 that remain after the initial allocation to all eligible school
13 districts and charter schools of this state.

14 E. If a charter school's application for sponsorship renewal
15 has been denied, the contract between a charter school and sponsor
16 is terminated in accordance with the provisions of Section 3-137 of
17 Title 70 of the Oklahoma Statutes or a charter school ceases to
18 operate for any reason:

19 1. A charter school shall not transfer, sell or otherwise
20 dispose of any property or building purchased with grants provided
21 pursuant to this section without prior written consent of the State
22 Board of Education;

23 2. The State Board of Education shall direct the charter school
24 to dispose of the property or building purchased using grants

1 provided pursuant to this section through one of the following
2 methods:

- 3 a. liquidate the property or building and provide
4 reimbursement to the State Public Common School
5 Building Equalization Fund. The amount of
6 reimbursement shall be the net sales proceeds of the
7 property or building multiplied by the percentage of
8 grant funds used to purchase the property or building,
- 9 b. transfer the property or building to a school district
10 or a charter school established pursuant to Section 3-
11 132 of Title 70 of the Oklahoma Statutes,
- 12 c. for leased property, direct the charter school to
13 assign the charter school's interest in the lease to a
14 school district or a charter school established
15 pursuant to Section 3-132 of Title 70 of the Oklahoma
16 Statutes, or
- 17 d. with the prior written consent of the State Board of
18 Education, retain the property or building if the
19 charter school reimburses the State Public Common
20 School Building Equalization Fund with non-state
21 funds. The amount of reimbursement shall be the
22 current fair market value less the amount of any debt
23 subject to a security interest or lien multiplied by

24

1 the percentage of grant funds used to purchase the
2 property or building; and

3 3. The State Board of Education may approve an expenditure of
4 any remaining grant funds provided pursuant to this section for
5 insurance or utilities for or maintenance, repair or improvements to
6 property if it is determined that the expenditure is reasonably
7 necessary to dispose of the property or to preserve the property's
8 value.

9 F. The State Board of Education shall promulgate rules to
10 implement the provisions of this section.

11 SECTION 3. This act shall become effective July 1, 2020.

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

