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February 19, 2020

**AS AMENDED**

SENATE BILL NO. 1363

By: Stanislawski

[ State Public Common School Building Equalization  
Fund - powers and duties of the State Board of  
Education - school districts - codification -  
~~effective date -~~

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

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

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

1       3. Submit to the Governor a departmental budget based upon  
2 major functions of the Department as prepared by the State  
3 Superintendent of Public Instruction and supported by detailed data  
4 on needs and proposed operations as partially determined by the  
5 budgetary needs of local school districts filed with the State Board  
6 of Education for the ensuing fiscal year. Appropriations therefor  
7 shall be made in lump-sum form for each major item in the budget as  
8 follows:

9           a. State Aid to schools,

10          b. the supervision of all other functions of general and  
11 special education including general control, free  
12 textbooks, school lunch, Indian education and all  
13 other functions of the Board and an amount sufficient  
14 to adequately staff and administer these services, and

15          c. the Board shall determine the details by which the  
16 budget and the appropriations are administered.

17 Annually, the Board shall make preparations to  
18 consolidate all of the functions of the Department in  
19 such a way that the budget can be based on two items,  
20 administration and aid to schools. A maximum amount  
21 for administration shall be designated as a part of  
22 the total appropriation;

23       4. On the first day of December preceding each regular session  
24 of the Legislature, prepare and deliver to the Governor and the

1 Legislature a report for the year ending June 30 immediately  
2 preceding the regular session of the Legislature. The report shall  
3 contain:

- 4           a. detailed statistics and other information concerning  
5           enrollment, attendance, expenditures including State  
6           Aid, and other pertinent data for all public schools  
7           in this state,
- 8           b. reports from each and every division within the State  
9           Department of Education as submitted by the State  
10          Superintendent of Public Instruction and any other  
11          division, department, institution or other agency  
12          under the supervision of the Board,
- 13          c. recommendations for the improvement of the public  
14          school system of the state,
- 15          d. a statement of the receipts and expenditures of the  
16          State Board of Education for the past year, and
- 17          e. a statement of plans and recommendations for the  
18          management and improvement of public schools and such  
19          other information relating to the educational  
20          interests of the state as may be deemed necessary and  
21          desirable;

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

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

13           a. the State Department of Education shall not issue a  
14 certificate to and shall revoke the certificate of any  
15 person who has been convicted, whether upon a verdict  
16 or plea of guilty or upon a plea of nolo contendere,  
17 or received a suspended sentence or any probationary  
18 term for a crime or an attempt to commit a crime  
19 provided for in Section 843.5 of Title 21 of the  
20 Oklahoma Statutes if the offense involved sexual abuse  
21 or sexual exploitation as those terms are defined in  
22 Section 1-1-105 of Title 10A of the Oklahoma Statutes,  
23 Sections 741, 843.1, if the offense included sexual  
24 abuse or sexual exploitation, 865 et seq., 885, 888,

1 891, 1021, 1021.2, 1021.3, 1040.13a, 1087, 1088,  
2 1111.1, 1114 or 1123 of Title 21 of the Oklahoma  
3 Statutes or who enters this state and who has been  
4 convicted, received a suspended sentence or received a  
5 deferred judgment for a crime or attempted crime  
6 which, if committed or attempted in this state, would  
7 be a crime or an attempt to commit a crime provided  
8 for in any of ~~said~~ the laws,

9 b. all funds collected by the State Department of  
10 Education for the issuance of certificates to  
11 instructional, supervisory and administrative  
12 personnel in the public schools of the state shall be  
13 deposited in the "Teachers' Certificate Fund" in the  
14 State Treasury and may be expended by the State Board  
15 of Education to finance the activities of the State  
16 Department of Education necessary to administer the  
17 program, for consultative services, publication costs,  
18 actual and necessary travel expenses as provided in  
19 the State Travel Reimbursement Act incurred by persons  
20 performing research work, and other expenses found  
21 necessary by the State Board of Education for the  
22 improvement of the preparation and certification of  
23 teachers in Oklahoma. Provided, any unobligated  
24 balance in the Teachers' Certificate Fund in excess of

1 Ten Thousand Dollars (\$10,000.00) on June 30 of any  
2 fiscal year shall be transferred to the General  
3 Revenue Fund of the State of Oklahoma. Until July 1,  
4 1997, the State Board of Education shall have  
5 authority for approval of teacher education programs.  
6 The State Board of Education shall also have authority  
7 for the administration of teacher residency and  
8 professional development, subject to the provisions of  
9 the Oklahoma Teacher Preparation Act;

10 7. Promulgate rules governing the classification, inspection,  
11 supervision and accrediting of all public nursery, kindergarten,  
12 elementary and secondary schools and on-site educational services  
13 provided by public school districts or state-accredited private  
14 schools in partial hospitalization programs, day treatment programs,  
15 and day hospital programs as defined in this act for persons between  
16 the ages of three (3) and twenty-one (21) years of age in the state.  
17 However, no school shall be denied accreditation solely on the basis  
18 of average daily attendance.

19 Any school district which maintains an elementary school and  
20 faces the necessity of relocating its school facilities because of  
21 construction of a lake, either by state or federal authority, which  
22 will inundate the school facilities, shall be entitled to receive  
23 probationary accreditation from the State Board of Education for a  
24 period of five (5) years after the effective date of this act and

1 any school district, otherwise qualified, shall be entitled to  
2 receive probationary accreditation from the State Board of Education  
3 for a period of two (2) consecutive years to attain the minimum  
4 average daily attendance. The Head Start and public nurseries or  
5 kindergartens operated from Community Action Program funds shall not  
6 be subjected to the accrediting rules of the State Board of  
7 Education. Neither will the State Board of Education make rules  
8 affecting the operation of the public nurseries and kindergartens  
9 operated from federal funds secured through Community Action  
10 Programs even though they may be operating in the public schools of  
11 the state. However, any of the Head Start or public nurseries or  
12 kindergartens operated under federal regulations may make  
13 application for accrediting from the State Board of Education but  
14 will be accredited only if application for the approval of the  
15 programs is made. The status of no school district shall be changed  
16 which will reduce it to a lower classification until due notice has  
17 been given to the proper authorities thereof and an opportunity  
18 given to correct the conditions which otherwise would be the cause  
19 of such reduction.

20 Private and parochial schools may be accredited and classified  
21 in like manner as public schools or, if an accrediting association  
22 is approved by the State Board of Education, by procedures  
23 established by the State Board of Education to accept accreditation  
24

1 by such accrediting association, if application is made to the State  
2 Board of Education for such accrediting;

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

10 9. Be and is specifically hereby designated as the agency of  
11 this state to cooperate and deal with any officer, board or  
12 authority of the United States Government under any law of the  
13 United States which may require or recommend cooperation with any  
14 state board having charge of the administration of public schools  
15 unless otherwise provided by law;

16 10. Be and is hereby designated as the "State Educational  
17 Agency" referred to in Public Law 396 of the 79th Congress of the  
18 United States, which law states that ~~said~~ the act may be cited as  
19 the "National School Lunch Act", and ~~said~~ the State Board of  
20 Education is hereby authorized and directed to accept the terms and  
21 provisions of ~~said~~ the act and to enter into such agreements, not in  
22 conflict with the Constitution of Oklahoma or the Constitution and  
23 Statutes of the United States, as may be necessary or appropriate to  
24



1 secure for the State of Oklahoma the benefits of the school lunch  
2 program established and referred to in ~~said~~ the act;

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

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

15 13. Have authority to require persons having administrative  
16 control of all school districts in Oklahoma to make such regular and  
17 special reports regarding the activities of the schools in ~~said~~ the  
18 districts as the Board may deem needful for the proper exercise of  
19 its duties and functions. Such authority shall include the right of  
20 the State Board of Education to withhold all state funds under its  
21 control, to withhold official recognition, including accrediting,  
22 until such required reports have been filed and accepted in the  
23 office of ~~said~~ the Board and to revoke the certificates of persons  
24 failing or refusing to make such reports;

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

16        15. Prescribe all forms for school district and county officers  
17 to report to the State Board of Education where required. The State  
18 Board of Education shall also prescribe a list of appropriation  
19 accounts by which the funds of school districts shall be budgeted,  
20 accounted for and expended; and it shall be the duty of the State  
21 Auditor and Inspector in prescribing all budgeting, accounting and  
22 reporting forms for school funds to conform to such lists;

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

1        17. Have authority to provide for the health and safety of  
2 school children and school personnel while under the jurisdiction of  
3 school authorities;

4        18. Provide for the supervision of the transportation of  
5 pupils;

6        19. Have authority, upon request of the local school board, to  
7 act in behalf of the public schools of the state in the purchase of  
8 transportation equipment;

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

14        21. Administer the State Public Common School Building  
15 Equalization Fund established by Section 32 of Article X of the  
16 Oklahoma Constitution. ~~Any monies as may be appropriated or~~  
17 ~~designated by the Legislature, other than ad valorem taxes, any~~  
18 ~~other funds identified by the State Department of Education, which~~  
19 ~~may include, but not be limited to, grants in aid from the federal~~  
20 ~~government for building purposes, the proceeds of all property that~~  
21 ~~shall fall to the state by escheat, penalties for unlawful holding~~  
22 ~~of real estate by corporations, and capital gains on assets of the~~  
23 ~~permanent school funds, shall be deposited in the State Public~~  
24 ~~Common School Building Equalization Fund. The fund shall be used to~~

1 ~~aid school districts and charter schools in acquiring buildings,~~  
2 ~~subject to the limitations fixed by Section 32 of Article X of the~~  
3 ~~Oklahoma Constitution. It is hereby declared that the term~~  
4 ~~"acquiring buildings" as used in Section 32 of Article X of the~~  
5 ~~Oklahoma Constitution shall mean acquiring or improving school~~  
6 ~~sites, constructing, repairing, remodeling or equipping buildings,~~  
7 ~~or acquiring school furniture, fixtures, or equipment. For charter~~  
8 ~~schools, the fund shall only be used to acquire buildings in which~~  
9 ~~students enrolled in the charter school will be attending. It is~~  
10 ~~hereby declared that the term "school districts" as used in Section~~  
11 ~~32 of Article X of the Oklahoma Constitution shall mean school~~  
12 ~~districts and charter schools created pursuant to the provisions of~~  
13 ~~the Oklahoma Charter Schools Act. If sufficient monies are~~  
14 ~~available in the fund, the Board shall solicit proposals for grants~~  
15 ~~from school districts and charter schools and shall determine the~~  
16 ~~process for consideration of proposals. Grants shall be awarded~~  
17 ~~only to school districts which have a total assessed property~~  
18 ~~valuation per average daily membership that is less than the state~~  
19 ~~average total assessed property valuation per average daily~~  
20 ~~membership and, at the time of application, the district has voted~~  
21 ~~the five mill building fund levy authorized in Section 10 of Article~~  
22 ~~X of the Oklahoma Constitution, and has voted indebtedness through~~  
23 ~~the issuance of new bonds for at least fifty percent (50%) within~~  
24 ~~the last three (3) years of the maximum allowable pursuant to the~~

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

~~Education shall make available to eligible charter schools any unused grant funds that remain after the initial allocation to all eligible public school districts and charter schools of this state. The State Board of Education shall prescribe rules for making grants of aid from, and for otherwise administering, the fund pursuant to the provisions of this paragraph, and may employ and fix the duties and compensation of technicians, aides, clerks, stenographers, attorneys and other personnel deemed necessary to carry out the provisions of this paragraph. The cost of administering the fund shall be paid from monies appropriated to the State Board of Education for the operation of the State Department of Education as provided for in Section 2 of this act;~~

22. Recognize that the Director of the Oklahoma Department of Corrections shall be the administrative authority for the schools which are maintained in the state reformatories and shall appoint the principals and teachers in such schools. Provided, that rules of the State Board of Education for the classification, inspection and accreditation of public schools shall be applicable to such schools; and such schools shall comply with standards set by the State Board of Education; and

23. Have authority to administer a revolving fund which is hereby created in the State Treasury, to be designated the Statistical Services Revolving Fund. The fund shall consist of all monies received from the various school districts of the state, the

1 United States Government, and other sources for the purpose of  
2 furnishing or financing statistical services and for any other  
3 purpose as designated by the Legislature. The State Board of  
4 Education is hereby authorized to enter into agreements with school  
5 districts, municipalities, the United States Government, foundations  
6 and other agencies or individuals for services, programs or research  
7 projects. The Statistical Services Revolving Fund shall be  
8 administered in accordance with Section 155 of Title 62 of the  
9 Oklahoma Statutes.

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

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

16 B. Any monies as may be appropriated or designated by the  
17 Legislature, other than ad valorem taxes, any other funds identified  
18 by the State Department of Education, which may include but not be  
19 limited to grants-in-aid from the federal government for building  
20 purposes, the proceeds of all property that shall fall to the state  
21 by escheat, penalties for unlawful holding of real estate by  
22 corporations and capital gains on assets of the permanent school  
23 funds shall be deposited in the State Public Common School Building  
24 Equalization Fund.

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

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

22 1. Grants shall be awarded only to school districts which have  
23 a total assessed property valuation per average daily membership  
24 that is less than the state average total assessed property



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

15 2. Grants shall be awarded only to charter schools which have  
16 secured matching funds for the specific purpose of acquiring  
17 buildings in an amount of not less than ten percent (10%) of the  
18 total grant amount. From the total amount available to provide  
19 grants to public schools and charter schools, charter schools shall  
20 be allocated the greater of ten percent (10%) of the total amount or  
21 the percent of students enrolled in charter schools as compared to  
22 the student enrollment in school districts which have a total  
23 assessed property valuation per average daily membership that is  
24

1 equal to or less than twenty-five percent (25%) of the state total  
2 assessed property valuation per average daily membership.

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

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

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

18 2. The State Board of Education shall direct the charter school  
19 to dispose of the property or building purchased using grants  
20 provided pursuant to this section through one of the following  
21 methods:

22 a. liquidate the property or building and provide  
23 reimbursement to the State Public Common School  
24 Building Equalization Fund. The amount of

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

21 3. The State Board of Education may approve an expenditure of  
22 any remaining grant funds provided pursuant to this section for  
23 insurance or utilities for or maintenance, repair or improvements to  
24 property if it is determined that the expenditure is reasonably

1 necessary to dispose of the property or to preserve the property's  
2 value.

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

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

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

10 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS  
11 February 19, 2020 - DO PASS AS AMENDED  
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