

STATE OF OKLAHOMA

2nd Session of the 57th Legislature (2020)

SENATE BILL 1363

By: Stanislawski

AS INTRODUCED

An Act relating to the State Public Common School Building Equalization Fund; amending 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), which relates to powers and duties of the State Board of Education; updating statutory language; removing language providing for administration of the State Public Common School Building Equalization Fund; directing the Board to administer the fund; providing for deposits into fund; providing for use of fund; providing definitions; providing for awarding of grants to school districts; allowing grants to be prorated; providing for disposal of property or building if a charter school's application for sponsorship renewal is denied, a charter contract is terminated or a charter school ceases to operate; allowing the Board to approve expenditure of certain remaining funds for certain purposes; providing for 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:

1 Section 3-104. The supervision of the public school system of
2 Oklahoma shall be vested in the State Board of Education and,
3 subject to limitations otherwise provided by law, the State Board of
4 Education shall:

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

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

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

- 19 a. State Aid to schools,
20 b. the supervision of all other functions of general and
21 special education including general control, free
22 textbooks, school lunch, Indian education and all
23 other functions of the Board and an amount sufficient
24 to adequately staff and administer these services, and
25

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

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

14 a. detailed statistics and other information concerning
15 enrollment, attendance, expenditures including State
16 Aid, and other pertinent data for all public schools
17 in this state,

18 b. reports from each and every division within the State
19 Department of Education as submitted by the State
20 Superintendent of Public Instruction and any other
21 division, department, institution or other agency
22 under the supervision of the Board,

23 c. recommendations for the improvement of the public
24 school system of the state,

- 1 d. a statement of the receipts and expenditures of the
2 State Board of Education for the past year, and
3 e. a statement of plans and recommendations for the
4 management and improvement of public schools and such
5 other information relating to the educational
6 interests of the state as may be deemed necessary and
7 desirable;

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

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

- 23 a. the State Department of Education shall not issue a
24 certificate to and shall revoke the certificate of any

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

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

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

20 7. Promulgate rules governing the classification, inspection,
21 supervision and accrediting of all public nursery, kindergarten,
22 elementary and secondary schools and on-site educational services
23 provided by public school districts or state-accredited private
24 schools in partial hospitalization programs, day treatment programs,

1 and day hospital programs as defined in this act for persons between
2 the ages of three (3) and twenty-one (21) years of age in the state.
3 However, no school shall be denied accreditation solely on the basis
4 of average daily attendance.

5 Any school district which maintains an elementary school and
6 faces the necessity of relocating its school facilities because of
7 construction of a lake, either by state or federal authority, which
8 will inundate the school facilities, shall be entitled to receive
9 probationary accreditation from the State Board of Education for a
10 period of five (5) years after the effective date of this act and
11 any school district, otherwise qualified, shall be entitled to
12 receive probationary accreditation from the State Board of Education
13 for a period of two (2) consecutive years to attain the minimum
14 average daily attendance. The Head Start and public nurseries or
15 kindergartens operated from Community Action Program funds shall not
16 be subjected to the accrediting rules of the State Board of
17 Education. Neither will the State Board of Education make rules
18 affecting the operation of the public nurseries and kindergartens
19 operated from federal funds secured through Community Action
20 Programs even though they may be operating in the public schools of
21 the state. However, any of the Head Start or public nurseries or
22 kindergartens operated under federal regulations may make
23 application for accrediting from the State Board of Education but
24 will be accredited only if application for the approval of the

1 programs is made. The status of no school district shall be changed
2 which will reduce it to a lower classification until due notice has
3 been given to the proper authorities thereof and an opportunity
4 given to correct the conditions which otherwise would be the cause
5 of such reduction.

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

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

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

1 10. Be and is hereby designated as the "State Educational
2 Agency" referred to in Public Law 396 of the 79th Congress of the
3 United States, which law states that ~~said~~ the act may be cited as
4 the "National School Lunch Act", and ~~said~~ the State Board of
5 Education is hereby authorized and directed to accept the terms and
6 provisions of ~~said~~ the act and to enter into such agreements, not in
7 conflict with the Constitution of Oklahoma or the Constitution and
8 Statutes of the United States, as may be necessary or appropriate to
9 secure for the State of Oklahoma the benefits of the school lunch
10 program established and referred to in ~~said~~ the act;

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

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

23 13. Have authority to require persons having administrative
24 control of all school districts in Oklahoma to make such regular and
25

1 special reports regarding the activities of the schools in ~~said~~ the
2 districts as the Board may deem needful for the proper exercise of
3 its duties and functions. Such authority shall include the right of
4 the State Board of Education to withhold all state funds under its
5 control, to withhold official recognition, including accrediting,
6 until such required reports have been filed and accepted in the
7 office of ~~said~~ the Board and to revoke the certificates of persons
8 failing or refusing to make such reports;

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

1 15. Prescribe all forms for school district and county officers
2 to report to the State Board of Education where required. The State
3 Board of Education shall also prescribe a list of appropriation
4 accounts by which the funds of school districts shall be budgeted,
5 accounted for and expended; and it shall be the duty of the State
6 Auditor and Inspector in prescribing all budgeting, accounting and
7 reporting forms for school funds to conform to such lists;

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

10 17. Have authority to provide for the health and safety of
11 school children and school personnel while under the jurisdiction of
12 school authorities;

13 18. Provide for the supervision of the transportation of
14 pupils;

15 19. Have authority, upon request of the local school board, to
16 act in behalf of the public schools of the state in the purchase of
17 transportation equipment;

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

23 21. Administer the State Public Common School Building
24 Equalization Fund established by Section 32 of Article X of the

~~Oklahoma Constitution. Any monies as may be appropriated or designated by the Legislature, other than ad valorem taxes, any other funds identified by the State Department of Education, which may include, but not be limited to, grants in aid from the federal government for building purposes, the proceeds of all property that shall fall to the state by escheat, penalties for unlawful holding of real estate by corporations, and capital gains on assets of the permanent school funds, shall be deposited in the State Public Common School Building Equalization Fund. The fund shall be used to aid school districts and charter schools in acquiring buildings, subject to the limitations fixed by Section 32 of Article X of the Oklahoma Constitution. It is hereby declared that the term "acquiring buildings" as used in Section 32 of Article X of the Oklahoma Constitution shall mean acquiring or improving school sites, constructing, repairing, remodeling or equipping buildings, or acquiring school furniture, fixtures, or equipment. For charter schools, the fund shall only be used to acquire buildings in which students enrolled in the charter school will be attending. It is hereby declared that the term "school districts" as used in Section 32 of Article X of the Oklahoma Constitution shall mean school districts and charter schools created pursuant to the provisions of the Oklahoma Charter Schools Act. If sufficient monies are available in the fund, the Board shall solicit proposals for grants from school districts and charter schools and shall determine the~~

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

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

22 22. Recognize that the Director of the Oklahoma Department of
23 Corrections shall be the administrative authority for the schools
24 which are maintained in the state reformatories and shall appoint

1 the principals and teachers in such schools. Provided, that rules
2 of the State Board of Education for the classification, inspection
3 and accreditation of public schools shall be applicable to such
4 schools; and such schools shall comply with standards set by the
5 State Board of Education; and

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

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

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

1 B. Any monies as may be appropriated or designated by the
2 Legislature, other than ad valorem taxes, any other funds identified
3 by the State Department of Education, which may include but not be
4 limited to grants-in-aid from the federal government for building
5 purposes, the proceeds of all property that shall fall to the state
6 by escheat, penalties for unlawful holding of real estate by
7 corporations and capital gains on assets of the permanent school
8 funds shall be deposited in the State Public Common School Building
9 Equalization Fund.

10 C. The fund shall be used to aid school districts and charter
11 schools established pursuant to Section 3-132 of Title 70 of the
12 Oklahoma Statutes in acquiring buildings, subject to the limitations
13 fixed by Section 32 of Article X of the Oklahoma Constitution. It
14 is hereby declared that the term "acquiring buildings" as used in
15 Section 32 of Article X of the Oklahoma Constitution shall mean
16 acquiring school sites by lease or purchase, improving school sites,
17 constructing, repairing, remodeling or equipping buildings, or
18 acquiring school furniture, fixtures, or equipment. For charter
19 schools, the fund shall only be used to acquire buildings in which
20 students enrolled in the charter school will be attending. It is
21 hereby declared that the term "school districts" as used in Section
22 32 of Article X of the Oklahoma Constitution shall mean school
23 districts and charter schools created pursuant to Section 3-132 of
24 Title 70 of the Oklahoma Statutes. For the purposes of this

1 section, "charter schools" shall not mean virtual charter schools
2 created pursuant to Section 3-145.3 of Title 70 of the Oklahoma
3 Statutes.

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

7 1. Grants shall be awarded only to school districts which have
8 a total assessed property valuation per average daily membership
9 that is less than the state average total assessed property
10 valuation per average daily membership and, at the time of
11 application, the district has voted the five-mill building fund levy
12 authorized in Section 10 of Article X of the Oklahoma Constitution,
13 and has voted indebtedness through the issuance of new bonds for at
14 least fifty percent (50%) within the last three (3) years of the
15 maximum allowable pursuant to the provisions of Section 26 of
16 Article X of the Oklahoma Constitution as shown on the school
17 district budget filed with the State Board of Equalization for the
18 current school year and certifications by the Attorney General prior
19 to April 1 of the school year. The Board shall give priority
20 consideration to school districts which have a total assessed
21 property valuation per average daily membership that is equal to or
22 less than twenty-five percent (25%) of the state average total
23 assessed property valuation per average daily membership.
24

1 2. Grants shall be awarded only to charter schools which have
2 secured matching funds for the specific purpose of acquiring
3 buildings in an amount of not less than ten percent (10%) of the
4 total grant amount. From the total amount available to provide
5 grants to public schools and charter schools, charter schools shall
6 be allocated the greater of ten percent (10%) of the total amount or
7 the percent of students enrolled in charter schools as compared to
8 the student enrollment in school districts which have a total
9 assessed property valuation per average daily membership that is
10 equal to or less than twenty-five percent (25%) of the state total
11 assessed property valuation per average daily membership.

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

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

23 1. A charter school shall not transfer, sell or otherwise
24 dispose of any property or building purchased with grants provided
25

1 pursuant to this section without prior written consent of the State
2 Board of Education;

3 2. The State Board of Education shall direct the charter school
4 to dispose of the property or building purchased using grants
5 provided pursuant to this section through one of the following
6 methods:

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

1 funds. The amount of reimbursement shall be the
2 current fair market value less the amount of any debt
3 subject to a security interest or lien multiplied by
4 the percentage of grant funds used to purchase the
5 property or building; and

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

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

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

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