

1 STATE OF OKLAHOMA

2 2nd Session of the 60th Legislature (2026)

3 COMMITTEE SUBSTITUTE
4 FOR

5 SENATE BILL NO. 366

By: Hines, Daniels, Jett,
Deevers, and Stewart of the
Senate

6 and

7 Hall and Caldwell (Chad) of
8 the House

9
10 COMMITTEE SUBSTITUTE

11 An Act relating to school district boards of
12 education; amending 70 O.S. 2021, Section 5-117,
13 which relates to powers and duties of school district
14 boards of education; directing a board of education
15 to provide certain notice if a lessee does not timely
16 elect to purchase certain property; defining term;
17 requiring certain boards of education to provide
18 certain notice regarding certain proposed
19 transactions; defining term; requiring notice to
20 include certain information if a board of education
21 decides to accept certain bid, offer, or proposal;
22 providing certain time period for certain
23 notification; providing for lottery selection if more
24 than one eligible charter school elects certain
purchase or lease; prohibiting the establishment of
certain covenants, policies, or other agreements;
providing certain construction; updating statutory
language; providing an effective date; and declaring
an emergency.

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

1 SECTION 1. AMENDATORY 70 O.S. 2021, Section 5-117, is
2 amended to read as follows:

3 Section 5-117. A. The board of education of each school
4 district shall have power to:

5 1. Elect its own officers; provided that the chair of the board
6 authorized in Section 5-107B of this title shall be elected by the
7 electors of the school district;

8 2. Make rules, not inconsistent with the law or rules of the
9 State Board of Education, governing the board and the school system
10 of the district, including converting all or part of a traditional
11 public school to a conversion school;

12 3. Maintain and operate a complete public school system of such
13 character as the board of education shall deem best suited to the
14 needs of the school district;

15 4. Designate the schools to be attended by the children of the
16 district;

17 5. Provide and operate, when deemed advisable, cafeterias or
18 other eating accommodations, thrift banks or other facilities for
19 the teaching and practice of thrift and economy, bookstores, print
20 shops, and vocational and other shops;

21 6. Provide informational material concerning school bond
22 elections and millage elections, including, but not limited to, all
23 pertinent financial information relative to the bond issue, a
24 statement of revenue sources necessary to retire proposed bonds, a

1 statement of current bonded indebtedness of the school district, and
2 a statement of proposed use of funds to be generated by the proposed
3 bond issue. The informational material shall not contain the words
4 "vote yes" or "vote no" or any similar words or statement any place
5 on such informational material;

6 7. Purchase, construct, or rent, and operate and maintain,
7 classrooms, libraries, auditoriums, gymnasiums, stadiums, recreation
8 places and playgrounds, teacherages, school bus garages,
9 laboratories, administration buildings, and other schoolhouses and
10 school buildings, and acquire sites and equipment for the operation
11 of public schools or conversion schools;

12 8. a. Insure the school district or its employees against
13 any loss, damage, or liability as defined by Sections
14 702 through 708 of Title 36 of the Oklahoma Statutes,
15 or other forms of insurance provided for in Title 36
16 of the Oklahoma Statutes.

17 b. Subject to the restrictions of liability in the
18 Governmental Tort Claims Act:

19 (1) insure the school district against all or any
20 part of any liability it may incur for death,
21 injury, or disability of any person, or for
22 damage to property, either real or personal,
23 (2) insure any employee of the school district
24 against all or any part of the employee's

1 liability for injury or damage resulting from an
2 act or omission in the scope of employment, or
3 (3) insure against the expense of defending a claim
4 against the school district or its employee,
5 whether or not liability exists on such claim.

6 c. As used in this subsection, "employee" means any
7 person who has acted in behalf of a school district,
8 whether that person is acting on a permanent or
9 temporary basis with or without being compensated or
10 on a full-time or part-time basis. Employee also
11 includes all elected or appointed officers, members of
12 governing bodies of a school district, and persons
13 appointed, and other persons designated by a school
14 district to act in its behalf.

15 d. The cost or premium of any such insurance is a proper
16 expenditure of the school district.

17 e. Any insurance authorized by law to be purchased,
18 obtained, or provided by a school district may be
19 provided by:

20 (1) self-insurance, which may be, but is not required
21 to be, funded by appropriations to establish or
22 maintain reserves for self-insurance purposes.
23 Any self-insurance reserve fund shall be
24 nonfiscal and shall not be considered in

1 computing any levy when the school district makes
2 its annual estimate for needed appropriations,
3 (2) insurance in any insurer authorized to transact
4 insurance in this state,
5 (3) insurance secured in accordance with any other
6 method provided by law, or
7 (4) any combination of insurance authorized by this
8 section.

9 f. Two or more school districts or public agencies, by
10 interlocal agreement made pursuant to the Interlocal
11 Cooperation Act, may provide insurance for any purpose
12 by any one or more of the methods specified in this
13 section. The pooling of self-insured reserves,
14 claims, or losses among governments as authorized in
15 this section shall not be construed to be transacting
16 insurance nor otherwise subject to the provisions of
17 the laws of this state regulating insurance or
18 insurance companies, except as to the provisions of
19 Section 607.1 of Title 36 of the Oklahoma Statutes.
20 Two or more school districts may also be insured under
21 a master policy or contract of insurance. Premium
22 costs may be set individually for each school district
23 or apportioned among participating school districts as
24 provided by the master policy or contract;

1 9. Acquire property by condemnation proceedings in the same
2 manner as land is condemned for railroad purposes. School district
3 funds may be used to erect buildings on leased land on which other
4 buildings have been erected prior to April 3, 1969, or on land which
5 is leased from a governmental entity;

6 10. Lease real or personal property to the state or any
7 political subdivision thereof or a not-for-profit entity operating
8 pursuant to Section 868 of Title 18 of the Oklahoma Statutes for
9 nominal cash consideration for so long as the use of the property by
10 the lessee substantially benefits, in whole or in part, the same
11 public served by the school district;

12 11. a. Dispose of personal or real property no longer needed
13 by the district by sale, exchange, lease, lease-
14 purchase, sale and partial lease back, or otherwise.
15 Real property shall be conveyed pursuant to a public
16 sale, public bid, or private sale; provided however,
17 unless otherwise prohibited by law, the board of
18 education of a consolidated or annexed school district
19 or any other school district may convey real property
20 to a local political subdivision or to an educational
21 institution within The Oklahoma State System of Higher
22 Education or to a housing authority formed pursuant to
23 the provisions of Section 1057 of Title 63 of the
24 Oklahoma Statutes without consideration. Prior to the

1 sale of any real property, the board of education
2 shall have the real property appraised. The appraisal
3 shall be confidential until the real property is sold.
4 When the real property is sold, the board of education
5 shall make the appraisal available for public
6 inspection. Prior to the conveyance of any real
7 property by private sale, the board of education shall
8 have offered the real property for sale by public sale
9 or public bid. Any conveyance of real property by
10 private sale to a nonprofit organization, association,
11 or corporation to be used for public purposes, unless
12 for exchange, shall contain a reversionary clause
13 which returns the real property to the board of
14 education upon the cessation of the use without profit
15 or for public purposes by the purchaser or the assigns
16 of the purchaser,

17 b. If a board of education makes the decision to dispose
18 of real or personal property that is leased at the
19 time the decision is made, whether such disposal is by
20 public sale, public bid, or private sale, the lessee
21 shall have a right of first refusal to purchase the
22 property on the following terms and conditions:

23 (1) if a board of education receives a bid or offer
24 in a public sale, public bid, or private sale for

1 any real or personal property that it desires to
2 accept, then it shall provide notice to the
3 lessee of the property. The notice shall include
4 the identity of the prospective purchaser of the
5 property, the terms and conditions of the
6 proposed sale, and the purchase price to be paid
7 by the prospective purchaser, ~~and~~

8 (2) the lessee shall have thirty (30) days after
9 receipt of the notice to inform the board of
10 education that it elects to purchase the property
11 on the same terms and conditions set forth in the
12 notice, in which event the board of education
13 shall convey the property to the lessee on all
14 the same terms and conditions set forth in the
15 notice; provided, however, that if any portion of
16 the consideration included in the purchase price
17 set forth in the notice is not in cash, then the
18 lessee shall be entitled to pay the fair market
19 value in cash of such noncash consideration, and

20 (3) if the lessee does not timely elect to purchase
21 the property pursuant to division (2) of this
22 subparagraph, the board of education shall
23 provide the notice described in division (1) of
24 this subparagraph to eligible charter schools.

1 For the purposes of this section, "eligible
2 charter school" means a public charter school
3 authorized pursuant to the Oklahoma Charter
4 Schools Act and is located within the geographic
5 boundaries of the school district,

6 c. (1) If a board of education proposes to sell, lease,
7 or otherwise transfer a district facility or any
8 underutilized portion of a district facility to
9 any person or entity, the board of education
10 shall provide written notice of the proposed
11 transaction to each eligible charter school. For
12 the purposes of this section, "district facility"
13 means any school building or portion of a school
14 building with or without improvements that is
15 owned, leased, or otherwise controlled by the
16 school district and that is used for classroom
17 instruction or was used for classroom instruction
18 within the previous twenty (20) years. For the
19 purposes of this section, a district facility
20 shall be considered underutilized if the facility
21 or a portion thereof was not used for
22 instructional or program purposes for a majority
23 of the instructional days during the immediately
24 preceding school year including space suitable

1 for classroom use that is used for storage or if
2 the facility or a portion thereof was used at
3 less than sixty percent (60%) of student capacity
4 for instructional or program purposes during the
5 immediately preceding school year,

6 (2) if the board of education decides to accept a
7 bid, offer, or proposal to sell, lease, or
8 otherwise transfer a district facility or any
9 underutilized portion thereof, the notice
10 required by division (1) of this subparagraph
11 shall include the identity of the prospective
12 purchaser or lessee, the material terms and
13 conditions of the proposed transaction, and the
14 proposed purchase or lease rate,

15 (3) an eligible charter school shall have thirty (30)
16 days after receipt of the notice to notify the
17 board of education that it elects to purchase or
18 lease the district facility or an underutilized
19 portion thereof on the same terms and conditions.
20 Upon timely election, the board of education
21 shall convey or lease the property to the
22 eligible charter school on those terms and
23 conditions,

- 1 (4) if more than one eligible charter school timely
2 elects to purchase or lease a district facility
3 or an underutilized portion thereof, the board of
4 education shall conduct a random lottery
5 selection among the eligible charter schools,
6 (5) a board of education shall not establish
7 covenants, policies, or other agreements that
8 prevent or restrict the sale or lease of district
9 facilities or unused portions thereof to eligible
10 charter schools, and
11 (6) the provisions of this subparagraph shall not be
12 construed to limit the right of first refusal
13 granted to a lessee pursuant to subparagraph b of
14 this paragraph;

15 12. Purchase necessary property, equipment, furniture and
16 supplies necessary to maintain and operate an adequate school
17 system;

18 13. Incur all expenses, within the limitations provided for by
19 law, necessary to perform all powers granted by the provisions of
20 this section;

21 14. Contract with and fix the duties and compensation of
22 physicians, dentists, optometrists, nurses, attorneys,
23 superintendents, principals, teachers, bus drivers, janitors and
24 other necessary employees of the district;

1 15. Establish a written policy for reimbursement of necessary
2 travel expenses of employees and members of the board. The policy
3 may include in-district travel from the site of employment
4 assignment which is necessary in the performance of employment
5 duties. The written policy shall specify procedures, contain
6 documentation requirements, and may include payment of meal expenses
7 during authorized travel on a per diem allowance basis rather than
8 itemized documentation;

9 16. Pay necessary travel expenses and other related expenses of
10 prospective employees for sponsored visits to the school district
11 pursuant to a written policy specifying procedures containing
12 documentation requirements equal to or greater than the requirements
13 specified by law for state employees in the State Travel
14 Reimbursement Act;

15 17. Provide for employees' leaves of absence without pay;

16 18. Exercise sole control over all the schools and property of
17 the district, subject to other provisions of the Oklahoma School
18 Code;

19 19. Allow district-owned school buses to be used for
20 transportation of students from other districts or educational
21 institutions while within the district on educational tours. This
22 shall not restrict the authority of the board to authorize any other
23 use of such buses which may now be permitted by law or rule of the
24 State Board of Education;

1 20. Enter into contractual agreements with the board of
2 trustees of a multicounty library system, as defined in Section 4-
3 103 of Title 65 of the Oklahoma Statutes, a city-county library
4 commission, as defined in Section 152 of Title 65 of the Oklahoma
5 Statutes, or a rural single county library system, as defined in
6 Section 1-104 of Title 65 of the Oklahoma Statutes, on such terms as
7 may be mutually agreed, except no district board of education may
8 enter into any agreement under which the library services for the
9 school would be provided at any site other than the school site or
10 which would result in library services that do not meet
11 accreditation standards as required by law or rule;

12 21. Perform all functions necessary to the administration of a
13 school district in Oklahoma as specified in the Oklahoma School
14 Code, and in addition thereto, those powers necessarily implied but
15 not delegated by law to any other agency or official;

16 22. Prepare and distribute at the expense of the school
17 district any and all material which has the purpose of informing the
18 public about district activities;

19 23. Solicit and accept any gift, grant, or donation of money or
20 property for the use of the school district. Any gift, grant, or
21 donation of money may be deposited in the general fund or building
22 fund of the school district; and

23 24. Pay necessary meal and lodging expenses of school district
24 students and sponsors involved in authorized school-sponsored

1 cocurricular activities. The board of education shall establish a
2 written policy for reimbursement of necessary meal and lodging
3 expenses of school district students and sponsors. The written
4 policy shall specify procedures, contain documentation requirements,
5 and designate the funds from which reimbursement may be made.
6 Reimbursement may be made from the General Fund.

7 B. The board of education of any school district may rent real
8 and personal property, if such items are necessary for the operation
9 of the school, and pay the rental charges for the usage during any
10 fiscal year, or portion thereof, out of appropriations made and
11 approved for current expense purposes during the fiscal year. Any
12 rental contract extending beyond June 30 of the fiscal year shall be
13 void unless it contains provisions for mutual ratification of
14 renewal pursuant to the conditions provided for in this subsection.
15 It is the intent of this subsection to authorize boards of education
16 to enter into lease contracts but not to incur any obligation
17 against the school district in excess of the income and revenue
18 provided for such purposes for the fiscal year in which the lease
19 contract is operative. Any lease or lease-purchase agreement
20 entered into by any board of education shall state the purchase
21 price of real or personal property so leased. The lease or lease-
22 purchase shall not be extended so as to cause payment of more than
23 the original purchase price of the real or personal property, plus
24 interest not to exceed the legal rate. When the purchase price plus

1 interest has been paid, the property shall belong to the lessee and
2 the lessor shall deliver a deed or bill of sale to the property to
3 the lessee. When any real or personal property has been leased or
4 rented during any fiscal year pursuant to the provisions of any
5 contract which permits continuance of the rental for the remainder
6 of the fiscal year, the renting or leasing of the property shall be
7 continued for the remainder of the fiscal year unless the board of
8 education renting or leasing the same certifies by proper resolution
9 entered in the minutes of the board of education that the
10 continuance of the rental is unnecessary and contrary to the public
11 interest. Any lease-purchase agreement entered into shall include
12 the right of a school district to acquire buildings, equipment or
13 other facilities or discrete components thereof or improve school
14 sites through a lease-purchase agreement. A school district may use
15 proceeds derived from the sale of bonds as authorized by Section 26
16 of Article X of the Oklahoma Constitution to make lease-purchase
17 payments, including interest, under a lease-purchase agreement. For
18 purposes of this subsection, the term "acquired" as used in Section
19 26 of Article X of the Oklahoma Constitution shall mean the
20 possession, control, or power to dispose of personal or real
21 property.

22 C. The boards of education of two or more school districts may
23 enter into cooperative agreements and maintain joint programs
24 including, but not limited to, courses of instruction for

1 handicapped children, courses of instruction in music and other
2 subjects, practical instruction for trades and vocations, practical
3 instruction in driver training courses, and health programs
4 including visual care by persons legally licensed for such purpose,
5 without favoritism as to either profession. The revenues necessary
6 to operate a joint program approved in cooperative agreements,
7 whether from federal, state or local sources, including the
8 individual contributions of participating school districts, shall be
9 deposited into a fund separate from all other appropriated funds.
10 The beginning fund balance each year, combined with all actual
11 revenues, including collected and estimated revenues, must be
12 appropriated before being expended. Purchase orders shall be issued
13 against available appropriations and, once goods or services have
14 been received, either payable or nonpayable warrants shall be issued
15 in payment of all purchase orders. The fund shall be reported as a
16 separate appropriated fund in all the financial reports of the
17 school district which is chosen by the other school districts to
18 keep the accounting records of the joint program.

19 D. The boards of education of two or more school districts may
20 enter into a mutual contract or separate contracts with a
21 superintendent, administrator, or teacher or with a person to
22 provide support services, to serve as superintendent, administrator,
23 or teacher, as appropriately qualified, or to provide support
24 services, for each contracting district upon such terms and

1 conditions as the parties may agree. Nothing in this section shall
2 be construed to authorize or require annexation or consolidation of
3 any school districts or the closing of any school site except
4 pursuant to law as set forth in Section 7-101 et seq. of this title.

5 E. Any school district may operate or maintain a school or
6 schools on any military reservation which is within the boundaries
7 of the school district or which is adjacent to the school district,
8 and provide the instruction in the school or schools to children of
9 personnel on the military reservation and, in doing so, shall
10 conform to all federal laws and requirements.

11 F. The board of education of each school district shall adopt
12 and maintain on file in the office of the superintendent of schools
13 appropriate personnel policy and sick leave guide. The guide shall
14 be made available to the public.

15 G. The board of education of any school district with an
16 average daily membership of thirty thousand (30,000) or more and all
17 or part of which school district is located in a county having more
18 than five hundred thousand (500,000) population according to the
19 latest Federal Decennial Census may contract with a public or
20 private nonsectarian entity for that entity to provide educational
21 and administrative services for the school district. The
22 educational services provided by a contracting entity may include
23 but are not limited to the delivery of instructional service in core
24 and noncore academic subjects to the students enrolled in the school

1 district at one or more school sites or parts of sites within the
2 district pursuant to the terms of an educational services contract.
3 All educational service providers and their employees and
4 representatives and all educational and administrative services
5 provided under an educational services contract shall be exempt from
6 all statutes and rules relating to schools, boards of education and
7 school districts to the same extent that a charter school is exempt
8 under the Oklahoma Charter Schools Act. For all purposes including
9 but not limited to attendance, funding from all sources and
10 accountability, all students who are provided services by a
11 contracting entity pursuant to an educational services contract
12 shall at all times be and remain students of the school district.

13 SECTION 2. This act shall become effective July 1, 2026.

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

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