

COMMITTEE AMENDMENT
HOUSE OF REPRESENTATIVES
State of Oklahoma

SPEAKER:

CHAIR:

I move to amend SB229 _____
Of the printed Bill
Page _____ Section _____ Lines _____
Of the Engrossed Bill

By striking the Title, the Enacting Clause, the entire bill, and by inserting in lieu thereof the following language:

AMEND TITLE TO CONFORM TO AMENDMENTS

Adopted: _____

Amendment submitted by: Kyle Hilbert

Reading Clerk

1 STATE OF OKLAHOMA

2 1st Session of the 58th Legislature (2021)

3 PROPOSED
4 COMMITTEE SUBSTITUTE
5 FOR ENGROSSED
6 SENATE BILL NO. 229

By: Montgomery of the Senate

and

Hilbert of the House

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10 PROPOSED COMMITTEE SUBSTITUTE

11 An Act relating to school funding; amending 68
12 O.S. 2011, Section 2352, as last amended by
13 Section 3, Chapter 15, O.S.L. 2020 (68 O.S. Supp.
14 2020, Section 2352), which relates to income tax
15 revenue; directing apportionment to State Public
16 Common School Building Equalization Fund if
17 certain conditions apply; amending 70 O.S. 2011,
18 Section 3-104, as last amended by Section 1,
19 Chapter 271, O.S.L. 2013 (70 O.S. Supp. 2020,
20 Section 3-104), which relates to the State Board
21 of Education; modifying administration of the
22 State Public Common School Building Equalization
23 Fund; directing Board to disburse certain funds
24 annually; excluding certain schools from
eligibility for specified grants; requiring
promulgation of rules; mandating allocation to
ensure unencumbered funds are below a specified
amount; defining terms; amending 70 O.S. 2011,
Section 3-104.4, as last amended by Section 64,
Chapter 161, O.S.L. 2020 (70 O.S. Supp. 2020,
Section 3-104.4), which relates to school
accreditation standards; including certain money
in calculation of certain appropriations;
amending 70 O.S. 2011, Section 3-142, as last
amended by Section 1, Chapter 122, O.S.L. 2020
(70 O.S. Supp. 2020, Section 3-142), which
relates to charter school funding; removing

1 language providing for calculation of State Aid
2 for a charter school sponsored by a school
3 district board of education; directing the
4 student membership and attendance of a charter
5 school be considered separate from that of its
6 sponsor; removing language providing for a
7 charter school to receive its State Aid from its
8 sponsoring school district; removing references
9 to different types of charter school sponsors
10 authorized to retain certain fee; amending 70
11 O.S. 2011, Section 10-103.1, which relates to
12 legal average daily attendance calculation;
13 directing the legal average daily attendance for
14 the purpose of certain distributions to not
15 include the average daily attendance of charter
16 school students; and declaring an emergency.

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

SECTION 1. AMENDATORY 68 O.S. 2011, Section 2352, as
last amended by Section 3, Chapter 15, O.S.L. 2020 (68 O.S. Supp.
2020, Section 2352), is amended to read as follows:

Section 2352. It is hereby declared to be the purpose of
Section 2351 et seq. of this title to provide revenue for general
governmental functions of state government; and, for that purpose
and to that end, it is expressly declared that the revenue derived
herefrom and penalties and interest thereon, subject to the
apportionment requirements for the Rebuilding Oklahoma Access and
Driver Safety Fund, the Oklahoma Tourism and Passenger Rail
Revolving Fund, the Public Transit Revolving Fund, and the Education
Reform Revolving Fund to be derived from income tax revenue that
would otherwise be apportioned to the General Revenue Fund as

1 provided by Section 1521 of Title 69 of the Oklahoma Statutes,
2 subject to the apportionment requirements for the Oklahoma Tax
3 Commission and Office of Management and Enterprise Services Joint
4 Computer Enhancement Fund provided by Section 265 of this title, and
5 subject to the apportionment requirements for the Oklahoma State
6 Capitol Building Repair and Restoration Fund provided by Section 19
7 of Title 73 of the Oklahoma Statutes, shall be distributed as
8 follows:

9 1. For the fiscal year beginning July 1, 2002, the first Five
10 Million Eight Hundred Thousand Dollars (\$5,800,000.00) of revenue
11 derived pursuant to the provisions of subsections A, B and E of
12 Section 2355 of this title shall be apportioned to the Education
13 Reform Revolving Fund. ~~The~~ Except as otherwise provided by
14 paragraph 4 of this section, the remainder of such revenue for the
15 fiscal year beginning July 1, 2002, and all such revenue for each
16 fiscal year thereafter shall be apportioned monthly as follows:

17 a. the following amounts shall be paid to the State
18 Treasurer to be placed to the credit of the General
19 Revenue Fund of the state for such fiscal year for the
20 support of the state government to be paid out only
21 pursuant to appropriation by the Legislature:

Fiscal Year	Amount
FY 2003 and FY 2004	87.12%
FY 2005	86.91%

1	FY 2006	86.66%
2	FY 2007	86.16%
3	FY 2008 through FY 2022	85.66%
4	FY 2023 through FY 2027	85.16%
5	FY 2028 and each fiscal year thereafter	85.66%,

6 b. the following amounts shall be paid to the State
7 Treasurer to be placed to the credit of the Education
8 Reform Revolving Fund of the State Department of
9 Education:

10 (1) for FY 2003 through FY 2020, eight and thirty-
11 four one-hundredths percent (8.34%),

12 (2) for FY 2021:

13 (a) for the month beginning July 1, 2020,
14 through the month ending August 31, 2020,
15 eight and thirty-four one-hundredths percent
16 (8.34%), and

17 (b) for the month beginning September 1, 2020,
18 through the month ending June 30, 2021, nine
19 and eighty-four one-hundredths percent
20 (9.84%),

21 (3) for FY 2022, nine and fifty-nine one-hundredths
22 percent (9.59%), and

23 (4) for FY 2023 and each fiscal year thereafter,
24 eight and thirty-four one-hundredths percent

(8.34%) shall be paid to the State Treasurer to be placed to the credit of the Education Reform Revolving Fund,

c. the following amounts shall be paid to the State Treasurer to be placed to the credit of the Teachers' Retirement System Dedicated Revenue Revolving Fund:

Fiscal Year	Amount
FY 2003 and FY 2004	3.54%
FY 2005	3.75%
FY 2006	4.0%
FY 2007	4.5%
FY 2008 through FY 2020	5.0%
FY 2021:	
(1) for the month beginning July 1, 2020, through the month ending August 31, 2020	5.0%
(2) for the month beginning September 1, 2020, through the month ending June 30, 2021	3.5%
FY 2022	3.75%
FY 2023 through FY 2027	5.5%

1 Hundred Ninety Thousand Eight Hundred Dollars (\$41,190,800.00) of
2 revenue derived pursuant to the provisions of subsections D and E of
3 Section 2355 of this title shall be apportioned to the Education
4 Reform Revolving Fund. The remainder of such revenue for the fiscal
5 year beginning July 1, 2002, and all such revenue for each fiscal
6 year thereafter, subject to the apportionment requirements for the
7 Oklahoma Tax Commission and Office of Management and Enterprise
8 Services Joint Computer Enhancement Fund provided by Section 265 of
9 this title, shall be apportioned monthly as follows:

10 a. the following amounts shall be paid to the State
11 Treasurer to be placed to the credit of the General
12 Revenue Fund of the state for such fiscal year for the
13 support of the state government to be paid out only
14 pursuant to appropriation by the Legislature:

15	Fiscal Year	Amount
16	FY 2003 and FY 2004	78.96%
17	FY 2005	78.75%
18	FY 2006	78.50%
19	FY 2007	78.0%

20 (1) (a) FY 2018 through FY 2022
21 until the apportionment to
22 the General Revenue Fund
23 equals the moving five-
24 year average amount for

1 corporate income tax as
2 prescribed by paragraph 3
3 of this section 77.50%

4 (b) FY 2023 through FY 2027
5 until the apportionment to
6 the General Revenue Fund
7 equals the moving five-
8 year average amount for
9 corporate income tax as
10 prescribed by paragraph 3
11 of this section 77.00%

12 (c) FY 2028 and each fiscal
13 year thereafter until the
14 apportionment to the
15 General Revenue Fund
16 equals the moving five-
17 year average amount for
18 corporate income tax as
19 prescribed by paragraph 3
20 of this section 77.50%

21 (2) there shall be apportioned from the tax levy
22 imposed on corporate income tax to the Revenue
23 Stabilization Fund created by Section 34.102 of
24 Title 62 of the Oklahoma Statutes, or to the

1 Constitutional Reserve Fund, as provided by
2 Section ~~34.102~~ 34.103 of Title 62 of the Oklahoma
3 Statutes, the amount of revenue, if any, which
4 exceeds the moving five-year average amount as
5 defined pursuant to paragraph 3 of this section,

6 b. the following amounts shall be paid to the State
7 Treasurer to be placed to the credit of the Education
8 Reform Revolving Fund of the State Department of
9 Education:

10 (1) for FY 2003 through FY 2020, sixteen and five-
11 tenths percent (16.5%),

12 (2) for FY 2021:

13 (a) for the month beginning July 1, 2020,
14 through the month ending August 31, 2020,
15 sixteen and five-tenths percent (16.5%), and

16 (b) for the month beginning September 1, 2020,
17 through the month ending June 30, 2021,
18 eighteen percent (18%),

19 (3) for FY 2022, seventeen and seventy-five one-
20 hundredths percent (17.75%), and

21 (4) for FY 2023 and each fiscal year thereafter,
22 sixteen and five-tenths percent (16.5%),
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c. the following amounts shall be paid to the State
Treasurer to be placed to the credit of the Teachers'
Retirement System Dedicated Revenue Revolving Fund:

Fiscal Year	Amount
FY 2003 and FY 2004	3.54%
FY 2005	3.75%
FY 2006	4.0%
FY 2007	4.5%
FY 2008 through FY 2020	5.0%
FY 2021:	
(1) for the month beginning July 1, 2020, through the month ending August 31, 2020	5.0%
(2) for the month beginning September 1, 2020, through the month ending June 30, 2021	3.5%
FY 2022	3.75%
FY 2023 through FY 2027	5.5%
FY 2028 and each fiscal year thereafter	5.0%

1 d. for FY 2003 and each fiscal year thereafter, one
2 percent (1%) shall be placed to the credit of the Ad
3 Valorem Reimbursement Fund; ~~and~~

4 3. "Moving five-year average for corporate income tax" means,
5 for purposes of the apportionments prescribed by this section, the
6 amount of income tax on corporations, as determined by the State
7 Board of Equalization in the manner prescribed by Section 34.103 of
8 Title 62 of the Oklahoma Statutes; and

9 4. For the fiscal year beginning July 1, 2021, and for each
10 fiscal year thereafter, before any other apportionment otherwise
11 required by this section is made to the General Revenue Fund, there
12 shall be apportioned to the State Public Common School Building
13 Equalization Fund an amount, if any, as required pursuant to the
14 provisions of Section 3-104 of Title 70 of the Oklahoma Statutes.

15 SECTION 2. AMENDATORY 70 O.S. 2011, Section 3-104, as
16 last amended by Section 1, Chapter 271, O.S.L. 2013 (70 O.S. Supp.
17 2020, Section 3-104), is amended to read as follows:

18 Section 3-104. A. The supervision of the public school system
19 of Oklahoma shall be vested in the State Board of Education and,
20 subject to limitations otherwise provided by law, the State Board of
21 Education shall:

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

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

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

- 13 a. State Aid to schools,
- 14 b. the supervision of all other functions of general and
15 special education including general control, free
16 textbooks, school lunch, Indian education and all
17 other functions of the Board and an amount sufficient
18 to adequately staff and administer these services, and
- 19 c. the Board shall determine the details by which the
20 budget and the appropriations are administered.
21 Annually, the Board shall make preparations to
22 consolidate all of the functions of the Department in
23 such a way that the budget can be based on two items,
24 administration and aid to schools. A maximum amount

1 for administration shall be designated as a part of
2 the total appropriation;

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

8 a. detailed statistics and other information concerning
9 enrollment, attendance, expenditures including State
10 Aid, and other pertinent data for all public schools
11 in this state,

12 b. reports from each and every division within the State
13 Department of Education as submitted by the State
14 Superintendent of Public Instruction and any other
15 division, department, institution or other agency
16 under the supervision of the Board,

17 c. recommendations for the improvement of the public
18 school system of the state,

19 d. a statement of the receipts and expenditures of the
20 State Board of Education for the past year, and

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

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

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

18 a. the State Department of Education shall not issue a
19 certificate to and shall revoke the certificate of any
20 person who has been convicted, whether upon a verdict
21 or plea of guilty or upon a plea of nolo contendere,
22 or received a suspended sentence or any probationary
23 term for a crime or an attempt to commit a crime
24 provided for in Section 843.5 of Title 21 of the

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

14 b. all funds collected by the State Department of
15 Education for the issuance of certificates to
16 instructional, supervisory and administrative
17 personnel in the public schools of the state shall be
18 deposited in the "Teachers' Certificate Fund" in the
19 State Treasury and may be expended by the State Board
20 of Education to finance the activities of the State
21 Department of Education necessary to administer the
22 program, for consultative services, publication costs,
23 actual and necessary travel expenses as provided in
24 the State Travel Reimbursement Act incurred by persons

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

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

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

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

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

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

22 10. Be and is hereby designated as the "State Educational
23 Agency" referred to in Public Law 396 of the 79th Congress of the
24 United States, which law states that said act may be cited as the

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

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

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

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

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

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

21 15. Prescribe all forms for school district and county officers
22 to report to the State Board of Education where required. The State
23 Board of Education shall also prescribe a list of appropriation
24 accounts by which the funds of school districts shall be budgeted,

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

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

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

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

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

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

19 21. Administer the State Public Common School Building
20 Equalization Fund established by Section 32 of Article X of the
21 Oklahoma Constitution. Any monies as may be appropriated or
22 designated by the Legislature, other than ad valorem taxes, any
23 other funds identified by the State Department of Education, which
24 may include, but not be limited to, grants-in-aid from the federal

1 government for building purposes, the proceeds of all property that
2 shall fall to the state by escheat, penalties for unlawful holding
3 of real estate by corporations, and capital gains on assets of the
4 permanent school funds, shall be deposited in the State Public
5 Common School Building Equalization Fund. The fund shall be used to
6 aid school districts and charter schools in acquiring buildings,
7 subject to the limitations fixed by Section 32 of Article X of the
8 Oklahoma Constitution. It is hereby declared that the term
9 "acquiring buildings" as used in Section 32 of Article X of the
10 Oklahoma Constitution shall mean acquiring or improving school
11 sites, constructing, repairing, remodeling or equipping buildings,
12 or acquiring school furniture, fixtures, or equipment. For charter
13 schools, the fund shall only be used to acquire buildings in which
14 students enrolled in the charter school will be attending. It is
15 hereby declared that the term "school districts" as used in Section
16 32 of Article X of the Oklahoma Constitution shall mean school
17 districts and charter schools created pursuant to the provisions of
18 the Oklahoma Charter Schools Act. ~~If sufficient monies are~~
19 ~~available in the fund, the Board shall solicit proposals for grants~~
20 ~~from school districts and charter schools and shall determine the~~
21 ~~process for consideration of proposals.~~ Grants shall be awarded
22 only to school districts which have a total assessed property
23 valuation per average daily membership that is less than the state
24 average total assessed property valuation per average daily

1 membership and, at the time of application, the district has voted
2 the five-mill building fund levy authorized in Section 10 of Article
3 X of the Oklahoma Constitution, and has voted indebtedness through
4 the issuance of new bonds for at least fifty percent (50%) within
5 the last three (3) years of the maximum allowable pursuant to the
6 provisions of Section 26 of Article X of the Oklahoma Constitution
7 as shown on the school district budget filed with the State Board of
8 Equalization for the current school year and certifications by the
9 Attorney General prior to April 1 of the school year. ~~Grants shall~~
10 ~~be awarded only to charter schools which have secured matching funds~~
11 ~~for the specific purpose of acquiring buildings in an amount of not~~
12 ~~less than ten percent (10%) of the total grant amount.~~ The State
13 Board of Education shall disburse funds annually from the charter
14 portion of the State Public Common School Building Equalization Fund
15 to charter schools not sponsored by the Statewide Virtual Charter
16 School Board on a per-student basis. Charter schools and charter
17 schools sponsored by the Statewide Virtual Charter School Board
18 shall not be eligible for any grants from the State Public Common
19 School Building Equalization Fund. The Board shall promulgate rules
20 for the implementation of disbursing funds pursuant to this section.
21 The amount of each grant awarded by the Board each year shall not
22 exceed Four Million Dollars (\$4,000,000.00). ~~From the total amount~~
23 ~~available to provide grants to public schools and charter schools,~~
24 ~~charter schools shall be allocated the greater of ten percent (10%)~~

1 ~~of the total amount or the percent of students enrolled in charter~~
2 ~~schools that are not sponsored by the Statewide Virtual Charter~~
3 ~~School Board as compared to the student enrollment in school~~
4 ~~districts which have a total assessed property valuation per average~~
5 ~~daily membership that is equal to or less than twenty-five percent~~
6 ~~(25%) of the state total assessed property valuation per average~~
7 ~~daily membership.~~ The Board shall give priority consideration to
8 school districts which have a total assessed property valuation per
9 average daily membership that is equal to or less than twenty-five
10 percent (25%) of the state average total assessed property valuation
11 per average daily membership. The Board is authorized to prorate
12 grants awarded if monies are not sufficient in the fund to award
13 grants to qualified districts ~~and charter schools.~~ The State Board
14 ~~of Education shall make available to eligible charter schools any~~
15 ~~unused grant funds that remain after the initial allocation to all~~
16 ~~eligible public school districts and charter schools of this state.~~
17 The State Board of Education shall allocate the charter portion and
18 grants annually so that on June 30 of each year there is an amount
19 not greater than One Million Dollars (\$1,000,000.00) that is
20 unencumbered remaining in the fund. The State Board of Education
21 shall prescribe rules for making grants of aid from, and for
22 otherwise administering, the fund pursuant to the provisions of this
23 paragraph, and may employ and fix the duties and compensation of
24 technicians, aides, clerks, stenographers, attorneys and other

1 personnel deemed necessary to carry out the provisions of this
2 paragraph. The cost of administering the fund shall be paid from
3 monies appropriated to the State Board of Education for the
4 operation of the State Department of Education;

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

13 23. Have authority to administer a revolving fund which is
14 hereby created in the State Treasury, to be designated the
15 Statistical Services Revolving Fund. The fund shall consist of all
16 monies received from the various school districts of the state, the
17 United States Government, and other sources for the purpose of
18 furnishing or financing statistical services and for any other
19 purpose as designated by the Legislature. The State Board of
20 Education is hereby authorized to enter into agreements with school
21 districts, municipalities, the United States Government, foundations
22 and other agencies or individuals for services, programs or research
23 projects. The Statistical Services Revolving Fund shall be

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1 administered in accordance with Section 155 of Title 62 of the
2 Oklahoma Statutes.

3 B. As used in this section:

4 1. "Charter percentage" means the amount equal to the
5 percentage of students enrolled in charter schools not sponsored by
6 the Statewide Virtual Charter School Board based on the first nine
7 (9) weeks of the current school year, as determined by the
8 provisions of subsection A and paragraphs 1, 2, 3 and 4 of
9 subsection B of Section 18-201.1 of this title, compared to the
10 total number of students enrolled in public schools statewide based
11 on the first nine (9) weeks of the current school year, as
12 determined by the provisions of subsection A and paragraphs 1, 2, 3
13 and 4 of subsection B of Section 18-201.1 of this title;

14 2. "Charter portion" means the amount equal to the charter
15 percentage multiplied by the nonchargeable statewide local revenue
16 which shall be apportioned annually to the State Public Common
17 School Building Equalization Fund from the funds collected pursuant
18 to Section 426 of Title 63 of the Oklahoma Statutes. If such
19 apportioned funds are insufficient to fund the charter portion, then
20 an additional apportionment of funds shall be made from income tax
21 collections as provided by paragraph 4 of Section 2352 of Title 68
22 of the Oklahoma Statutes; and

23 3. "Nonchargeable statewide local revenue" means the total
24 amount of building funds received by all school districts in the

1 state in the immediately preceding school year in addition to one-
2 fourth (1/4) of the total number of county four-mill levy funds
3 received statewide in the immediately preceding school year.

4 SECTION 3. AMENDATORY 70 O.S. 2011, Section 3-104.4, as
5 last amended by Section 64, Chapter 161, O.S.L. 2020 (70 O.S. Supp.
6 2020, Section 3-104.4), is amended to read as follows:

7 Section 3-104.4 A. The State Board of Education shall adopt
8 standards for the accreditation of the public schools in this state
9 according to the requirements of Section 3-104.3 et seq. of this
10 title, to be effective as set forth in Section 3-104.3 et seq. of
11 this title. The accreditation standards shall incorporate the
12 curricular standards established pursuant to Section 11-103.6 of
13 this title. The accreditation standards shall equal or exceed
14 nationally recognized accreditation standards to the extent that the
15 standards are consistent with an academic results oriented approach
16 to accreditation. The accreditation adopted by the State Board
17 shall encompass accreditation for elementary schools, middle
18 schools, junior high schools, and high schools. The accreditation
19 standards shall be made available for public inspection at the
20 offices of the State Department of Education.

21 B. Standards for accreditation adopted by the State Board of
22 Education shall include standards relating to the provision of
23 school counselors to the public school children of this state. The
24 State Board of Education shall require each local school district to

1 provide information regarding the number of counselors serving each
2 school site, the duties of all such counselors including all
3 administrative duties, the number of students served by each
4 counselor, and information regarding the number of counselors
5 employed per elementary school, middle school, junior high school
6 and high school.

7 C. Except as otherwise provided, schools shall meet the
8 accreditation standards as a condition of continued accreditation.
9 Nothing herein shall be construed as preventing changes to the
10 adopted standards by the State Board of Education pursuant to the
11 Administrative Procedures Act. The accreditation standards shall
12 provide for warnings, probation or nonaccredited status for schools
13 that fail to meet the standards. The Department shall investigate a
14 complaint of failure to provide educational services or failure to
15 comply with accreditation standards within thirty (30) days of
16 receiving the complaint. If the Department determines that a school
17 has failed to comply with the accreditation standards, the
18 Department shall report the recommended warning, probation or
19 nonaccredited accreditation status to the State Board of Education
20 within ninety (90) days. If a school does not take action to comply
21 with the accreditation standards within ninety (90) days after a
22 report is filed by the Department, the Board shall withdraw
23 accreditation for the school. The State Board accreditation
24 regulations shall provide for warnings and for assistance to schools

1 and school districts whenever there is reason to believe a school is
2 in danger of losing its state accreditation.

3 D. If one or more school sites fail to receive accreditation as
4 required pursuant to this section or subsequently lose
5 accreditation, the State Board of Education shall close the school
6 and reassign the students to accredited schools within the district
7 or shall annex the district to one or more other districts in which
8 the students can be educated in accredited schools.

9 E. Standards for accreditation adopted by the State Board of
10 Education shall include standards relating to the provision of
11 educational services provided in partial hospitalization programs,
12 day treatment programs, day hospital programs, residential treatment
13 programs and emergency shelter programs for persons between the ages
14 of three (3) and twenty-one (21) years of age. The accreditation
15 standards shall apply to on-site and off-site educational services
16 provided by public school districts or state-accredited private
17 schools. Each school which is providing or is required to provide
18 educational services for students placed in a program as described
19 in this subsection shall be actively monitored by the State
20 Department of Education. The Department shall determine on an
21 ongoing basis if the educational program and services are in
22 compliance with the accreditation standards.

23 F. The State Board shall provide assistance to districts in
24 considering the possibility of meeting accreditation requirements

1 through the use of nontraditional means of instruction. The State
2 Board shall also assist districts in forming cooperatives and making
3 arrangements for the use of satellite instruction or other
4 instructional technologies to the extent that use of such
5 instructional means meets accreditation standards.

6 G. 1. Accreditation shall not be withdrawn from or denied nor
7 shall a penalty be assessed against a school or school district for
8 failing to meet the media materials and equipment standards, media
9 program expenditure standards and media personnel standards as set
10 forth in the accreditation standards adopted by the Board.

11 2. The provisions of paragraph 1 of this subsection shall cease
12 to be effective during the fiscal year which begins on the July 1
13 immediately succeeding the legislative session during which the
14 measure appropriating monies to the State Board of Education for the
15 financial support of public schools is enacted as law and such
16 appropriation amount is at least Fifty Million Dollars
17 (\$50,000,000.00) greater than the amount of money appropriated to
18 the State Board of Education for the financial support of public
19 schools for the fiscal year ending June 30, 2019, pursuant to
20 Chapter 146, O.S.L. 2018. Provided, the Fifty Million Dollars
21 (\$50,000,000.00) shall not include any amount of appropriations
22 dedicated for support or certified employee salary increases.
23 Accreditation shall not be withdrawn from or denied nor shall a
24 penalty be assessed against a school or school district for failing

1 to meet the media personnel standards as set forth in accreditation
2 standards adopted by the Board.

3 H. 1. The State Board shall not assess a financial penalty
4 against any school district which is given a deficiency in
5 accreditation status during any fiscal year as provided for in this
6 subsection.

7 2. Beginning with the fiscal year which begins July 1, 2021, if
8 the amount of money appropriated to the State Board of Education for
9 the financial support of public schools, including money apportioned
10 pursuant to Section 5 of this act, is at least One Hundred Million
11 Dollars (\$100,000,000.00) greater than the amount of money
12 appropriated to the State Board of Education for the financial
13 support of public schools for the fiscal year ending June 30, 2019,
14 pursuant to Chapter 146, O.S.L. 2018, a financial penalty shall be
15 assessed against any school districts that do not comply with the
16 class size limitations for kindergarten as provided for in Section
17 18-113.2 of this title and class size limitations for grade one as
18 provided for in subsection A of Section 18-113.1 of this title.
19 Provided, the One Hundred Million Dollars (\$100,000,000.00) shall
20 not include any amount of appropriations dedicated for support or
21 certified employee salary increases.

22 3. The State Department of Education shall submit a report on
23 statewide classroom sizes to the President Pro Tempore of the
24

1 Oklahoma State Senate and the Speaker of the Oklahoma House of
2 Representatives no later than January 1, 2022.

3 I. Except as provided for in subsection J of this section,
4 beginning with the 2019-2020 school year, evaluations of schools to
5 determine whether they meet the accreditation standards set forth in
6 accordance with this section shall occur once every four (4) years
7 on a schedule adopted by the State Board of Education. The Board
8 may interrupt the evaluation schedule provided in this subsection
9 for reasons including a change in the superintendent of the school
10 district; determination that one or more school district board
11 members have not met the continuing education requirements as
12 defined by this title; determination that the school district
13 falsified information submitted to any public city, county, state or
14 federal official or agency; initiation of an investigation by the
15 Board or a law enforcement agency; or other determination by the
16 Board that standards for accreditation are not being met by the
17 school district. The schedule adopted by the Board shall allow for
18 school districts receiving no deficiencies for two (2) consecutive
19 years to be reviewed for accreditation less than annually.
20 Provided, however, that schools shall be evaluated annually for the
21 purposes of:

- 22 1. Local, state and federal funding;
- 23 2. Health and safety;

24

1 3. Certification requirements for teachers, principals and
2 superintendents;

3 4. School board governance, including instructional and
4 continuing education requirements for school board members; and

5 5. Any other requirements under state or federal law.

6 J. Beginning with the 2019-2020 school year, if a public school
7 receives a deficiency on its accreditation report, the public school
8 shall be evaluated annually to determine if it meets the
9 accreditation standards set forth in accordance with this section.

10 If the public school receives no deficiencies for two (2)
11 consecutive years, the public school shall be subject to the
12 evaluation timeline established in subsection I of this section.

13 SECTION 4. AMENDATORY 70 O.S. 2011, Section 3-142, as
14 last amended by Section 1, Chapter 122, O.S.L. 2020 (70 O.S. Supp.
15 2020, Section 3-142), is amended to read as follows:

16 Section 3-142. A. ~~For purposes of funding, a charter school~~
17 ~~sponsored by a board of education of a school district shall be~~
18 ~~considered a site within the school district in which the charter~~
19 ~~school is located.~~ The student membership and attendance of the
20 charter school shall be considered separate from the student
21 membership and attendance of the ~~district in which the charter~~
22 ~~school is located~~ sponsor for the purpose of calculating enrollment
23 and funding, including weighted average daily membership pursuant to
24 Section 18-201.1 of this title and State Aid pursuant to Section 18-

1 200.1 of this title. ~~For charter schools sponsored by a board of~~
2 ~~education of a school district, the sum of the separate calculations~~
3 ~~for the charter school and the school district shall be used to~~
4 ~~determine the total State Aid allocation for the district in which~~
5 ~~the charter school is located.~~ A charter school shall receive from
6 ~~the sponsoring school district,~~ the State Aid allocation, federal
7 funds to which it is eligible and qualifies for and any other state-
8 appropriated revenue generated by its students for the applicable
9 year, less up to three percent (3%) of the State Aid allocation,
10 which may be retained by the ~~school district~~ sponsor as a fee for
11 administrative services rendered. ~~For charter schools sponsored by~~
12 ~~the board of education of a technology center school district, a~~
13 ~~higher education institution, the State Board of Education, or a~~
14 ~~federally recognized Indian tribe and for statewide virtual charter~~
15 ~~schools sponsored by the Statewide Virtual Charter School Board, the~~
16 ~~State Aid allocation for the charter school shall be distributed by~~
17 ~~the State Board of Education and not more than three percent (3%) of~~
18 ~~the State Aid allocation may be charged by the sponsor as a fee for~~
19 ~~administrative services rendered.~~ The State Board of Education
20 shall determine the policy and procedure for making payments to a
21 charter school. The fee for administrative services as authorized
22 in this subsection shall only be assessed on the State Aid
23 allocation amount and shall not be assessed on any other
24 appropriated amounts. A sponsor of a charter school shall not

1 retain any additional State Aid allocation or charge the charter
2 school any additional fee above the amounts allowed by this
3 subsection unless the additional fees are for additional services
4 rendered. The charter school sponsor shall provide to the State
5 Department of Education financial records documenting any state
6 funds retained by the sponsor for administrative services rendered
7 for the previous year.

8 B. 1. The weighted average daily membership for the first year
9 of operation of a charter school shall be determined initially by
10 multiplying the actual enrollment of students as of August 1 by
11 1.333. The charter school shall receive revenue equal to that which
12 would be generated by the estimated weighted average daily
13 membership calculated pursuant to this paragraph. At midyear, the
14 allocation for the charter school shall be adjusted using the first
15 quarter weighted average daily membership for the charter school
16 calculated pursuant to subsection A of this section.

17 2. For the purpose of calculating weighted average daily
18 membership pursuant to Section 18-201.1 of this title and State Aid
19 pursuant to Section 18-200.1 of this title, the weighted average
20 daily membership for the first year of operation and each year
21 thereafter of a full-time virtual charter school shall be determined
22 by multiplying the actual enrollment of students as of August 1 by
23 1.333. The full-time virtual charter school shall receive revenue
24 equal to that which would be generated by the estimated weighted

1 average daily membership calculated pursuant to this paragraph. At
2 midyear, the allocation for the full-time virtual charter school
3 shall be adjusted using the first quarter weighted average daily
4 membership for the virtual charter school calculated pursuant to
5 subsection A of this section.

6 C. A Except for state-dedicated and local and county revenue, a
7 charter school shall be eligible to receive any other aid, grants or
8 revenues allowed to other schools. A charter school ~~sponsored by~~
9 ~~the board of education of a technology center school district, a~~
10 ~~higher education institution, the State Board of Education, or a~~
11 ~~federally recognized Indian tribe~~ shall be considered a local
12 education agency for purposes of funding. ~~A charter school~~
13 ~~sponsored by a board of education of a school district shall be~~
14 ~~considered a local education agency for purposes of federal funding.~~

15 D. ~~A charter school, in addition to the money received from the~~
16 ~~state, may receive money from any other source.~~ Any unexpended
17 funds received by a charter school may be reserved and used for
18 future purposes. The governing body of a charter school shall not
19 levy taxes or issue bonds. If otherwise allowed by law, the
20 governing body of a charter school may enter into private contracts
21 for the purposes of borrowing money from lenders. If the governing
22 body of the charter school borrows money, the charter school shall
23 be solely responsible for repaying the debt, and the state or the

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1 sponsor shall not in any way be responsible or obligated to repay
2 the debt.

3 E. Any charter school which chooses to lease property shall be
4 eligible to receive current government lease rates.

5 F. Except as otherwise provided in this subsection, each
6 charter school shall pay to the Charter School Closure Reimbursement
7 Revolving Fund created in subsection G of this section an amount
8 equal to Five Dollars (\$5.00) per student based on average daily
9 membership, as defined by paragraph 2 of Section 18-107 of this
10 title, during the first nine (9) weeks of the school year. Each
11 charter school shall complete the payment every school year within
12 thirty (30) days after the first nine (9) weeks of the school year.
13 If the Charter School Closure Reimbursement Revolving Fund has a
14 balance of One Million Dollars (\$1,000,000.00) or more on July 1, no
15 payment shall be required the following school year.

16 G. There is hereby created in the State Treasury a revolving
17 fund for the State Department of Education to be designated the
18 "Charter School Closure Reimbursement Revolving Fund". The fund
19 shall be a continuing fund, not subject to fiscal year limitations,
20 and shall consist of all monies received by the State Department of
21 Education from charter schools as provided in subsection F of this
22 section. All monies accruing to the credit of said fund are hereby
23 appropriated and may be budgeted and expended by the State
24 Department of Education for the purpose of reimbursing charter

1 school sponsors for costs incurred due to the closure of a charter
2 school. Expenditures from said fund shall be made upon warrants
3 issued by the State Treasurer against claims filed as prescribed by
4 law with the Director of the Office of Management and Enterprise
5 Services for approval and payment. The State Department of
6 Education may promulgate rules regarding sponsor eligibility for
7 reimbursement.

8 SECTION 5. AMENDATORY 70 O.S. 2011, Section 10-103.1, is
9 amended to read as follows:

10 Section 10-103.1 A. The school population, scholastic
11 population, scholastic enumeration, and enumeration of a district
12 shall be the legal average daily attendance. The legal average
13 daily attendance shall be the average number of pupils present in a
14 school district during a year or other specified period of time.
15 The State Board of Education shall determine the legal average daily
16 attendance for each school district by dividing the aggregate days
17 of pupils present in each school district by the number of days
18 taught in each school district.

19 B. The legal average daily attendance for purposes of the
20 distributions contained in subsection (b) of Section 9 of Article X
21 of the Oklahoma Constitution, Section 1004 of Title 68 of the
22 Oklahoma Statutes, Section 1104 of Title 47 of the Oklahoma Statutes
23 and Sections 10-104 and 615 of this title shall not include the
24 average daily attendance for students enrolled in a charter school.

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

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