

1 STATE OF OKLAHOMA

2 2nd Session of the 59th Legislature (2024)

3 SUBCOMMITTEE RECOMMENDATION  
4 FOR

5 HOUSE BILL NO. 3403

6 By: Lowe (Dick)

7 SUBCOMMITTEE RECOMMENDATION

8 An Act relating to schools; amending 70 O.S. 2021,  
9 Section 1-118, which relates to school district  
10 building funds; including purchase and maintenance of  
11 school buses as authorized expenditure; amending 70  
12 O.S. 2021, Section 3-104, as amended by Section 1,  
13 Chapter 290, O.S.L. 2023 (70 O.S. Supp. 2023, Section  
14 3-104), which relates to State Board of Education  
15 powers and duties; modifying definition; providing an  
16 effective date; and declaring an emergency.

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

18 SECTION 1. AMENDATORY 70 O.S. 2021, Section 1-118, is  
19 amended to read as follows:

20 Section 1-118. The building fund of any school district shall  
21 consist of all monies derived from the proceeds of a building fund  
22 levy of not to exceed five (5) mills in any year, voted by the  
23 people of a school district pursuant to the provisions of Article X,  
24 Section 10 of the Oklahoma Constitution, monies appropriated by the  
state for the purpose of capital expenditures or projects, monies  
allocated to a school district by the State Board of Education from

1 the State Public Common School Building Equalization Fund, and  
2 monies donated to a school district for the purpose of capital  
3 projects or improvements and may be used for erecting, remodeling,  
4 repairing, or maintaining school buildings, for purchasing  
5 furniture, equipment, and computer software to be used on or for  
6 school district property, for repairing and maintaining computer  
7 systems and equipment, for paying energy and utility costs, for  
8 purchasing telecommunications utilities and services, for paying  
9 fire and casualty insurance premiums for school facilities, for  
10 purchasing security systems, for paying salaries of security  
11 personnel, for purchasing school buses, or for one or more, or all,  
12 of such purposes. Proceeds of such levies shall not be required to  
13 be used during the year for which a levy is made but may accumulate  
14 from year to year until adequate for the purposes intended. The  
15 building fund may also consist of monies allocated to a school  
16 district via the federal Coronavirus Response and Relief  
17 Supplemental Appropriation Act of 2021 (CRRSA) and the federal  
18 American Rescue Plan Act of 2021 (ARP). The building fund  
19 hereinabove defined is hereby declared to be a current expense fund,  
20 but shall not be considered a part of the general operating fund.  
21 No monies derived from the proceeds of the school levies made  
22 pursuant to the provisions of Article X, Section 9 of the Oklahoma  
23 Constitution may be placed in the building fund provided by this  
24 section.

1 SECTION 2. AMENDATORY 70 O.S. 2021, Section 3-104, as  
2 amended by Section 1, Chapter 290, O.S.L. 2023 (70 O.S. Supp. 2023,  
3 Section 3-104), is amended to read as follows:

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

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

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

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

21 a. State Aid to schools,

22 b. the supervision of all other functions of general and  
23 special education including general control, free  
24 textbooks, school lunch, Indian education, and all

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

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

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

- c. recommendations for the improvement of the public school system of the state,
- d. a statement of the receipts and expenditures of the State Board of Education for the past year, and
- e. a statement of plans and recommendations for the management and improvement of public schools and such other information relating to the educational interests of the state as may be deemed necessary and desirable;

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

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

1 a. the State Department of Education shall not issue a  
2 certificate to and shall revoke the certificate of any  
3 person who has been convicted, whether upon a verdict  
4 or plea of guilty or upon a plea of nolo contendere,  
5 or received a suspended sentence or any probationary  
6 term for a crime or an attempt to commit a crime  
7 provided for in Section 843.5 of Title 21 of the  
8 Oklahoma Statutes if the offense involved sexual abuse  
9 or sexual exploitation as those terms are defined in  
10 Section 1-1-105 of Title 10A of the Oklahoma Statutes,  
11 Section 741, 843.1, if the offense included sexual  
12 abuse or sexual exploitation, 865 et seq., 885, 888,  
13 891, 1021, 1021.2, 1021.3, 1040.13a, 1087, 1088,  
14 1111.1, 1114 or 1123 of Title 21 of the Oklahoma  
15 Statutes or who enters this state and who has been  
16 convicted, received a suspended sentence, or received  
17 a deferred judgment for a crime or attempted crime  
18 which, if committed or attempted in this state, would  
19 be a crime or an attempt to commit a crime provided  
20 for in any of the laws,

21 b. all funds collected by the State Department of  
22 Education for the issuance of certificates to  
23 instructional, supervisory, and administrative  
24 personnel in the public schools of the state shall be

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

22 7. Promulgate rules governing the classification, inspection,  
23 supervision, and accrediting of all public nursery, kindergarten,  
24 elementary and secondary schools, and on-site educational services

1 provided by public school districts or state-accredited private  
2 schools in partial hospitalization programs, day treatment programs,  
3 and day hospital programs as defined in this act for persons between  
4 the ages of three (3) and twenty-one (21) years of age in the state.  
5 However, no school shall be denied accreditation solely on the basis  
6 of average daily attendance.

7 Any school district which maintains an elementary school and  
8 faces the necessity of relocating its school facilities because of  
9 construction of a lake, either by state or federal authority, which  
10 will inundate the school facilities, shall be entitled to receive  
11 probationary accreditation from the State Board of Education for a  
12 period of five (5) years after September 5, 1975, and any school  
13 district, otherwise qualified, shall be entitled to receive  
14 probationary accreditation from the State Board of Education for a  
15 period of two (2) consecutive years to attain the minimum average  
16 daily attendance. The Head Start and public nurseries or  
17 kindergartens operated from Community Action Program funds shall not  
18 be subjected to the accrediting rules of the State Board of  
19 Education. Neither will the State Board of Education make rules  
20 affecting the operation of the public nurseries and kindergartens  
21 operated from federal funds secured through Community Action  
22 Programs even though they may be operating in the public schools of  
23 the state. However, any of the Head Start or public nurseries or  
24 kindergartens operated under federal regulations may make



1 application for accrediting from the State Board of Education but  
2 will be accredited only if application for the approval of the  
3 programs is made. The status of no school district shall be changed  
4 which will reduce it to a lower classification until due notice has  
5 been given to the proper authorities thereof and an opportunity  
6 given to correct the conditions which otherwise would be the cause  
7 of such reduction.

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

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

21 9. Be and is specifically hereby designated as the agency of  
22 this state to cooperate and deal with any officer, board, or  
23 authority of the United States Government under any law of the  
24 United States which may require or recommend cooperation with any

1 state board having charge of the administration of public schools  
2 unless otherwise provided by law;

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

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

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

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

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

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

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

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

15 18. Provide for the supervision of the transportation of  
16 pupils;

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

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

1           21. Administer the State Public Common School Building  
2 Equalization Fund established by Section 32 of Article X of the  
3 Oklahoma Constitution. Any monies as may be appropriated or  
4 designated by the Legislature, other than ad valorem taxes, any  
5 other funds identified by the State Department of Education, which  
6 may include, but not be limited to, grants-in-aid from the federal  
7 government for building purposes, the proceeds of all property that  
8 shall fall to the state by escheat, penalties for unlawful holding  
9 of real estate by corporations, and capital gains on assets of the  
10 permanent school funds, shall be deposited in the State Public  
11 Common School Building Equalization Fund. The fund shall be used to  
12 aid school districts and charter schools in acquiring buildings,  
13 subject to the limitations fixed by Section 32 of Article X of the  
14 Oklahoma Constitution. It is hereby declared that the term  
15 "acquiring buildings" as used in Section 32 of Article X of the  
16 Oklahoma Constitution shall mean acquiring or improving school  
17 sites~~;~~ constructing, repairing, remodeling, or equipping buildings~~;~~  
18 ~~or~~ acquiring school furniture, fixtures, or equipment; or any  
19 expenditure which qualifies as a "building fund" expenditure as used  
20 in Section 1-118 of this title. It is hereby declared that the term  
21 "school districts" as used in Section 32 of Article X of the  
22 Oklahoma Constitution shall mean school districts and eligible  
23 charter schools as defined in subsection B of this section. The  
24 State Board of Education shall disburse redbud school grants

1 annually from the State Public Common School Building Equalization  
2 Fund to public schools and eligible charter schools pursuant to  
3 subsection B of this section. The Board shall promulgate rules for  
4 the implementation of disbursing redbud school grants pursuant to  
5 this section. The State Board of Education shall prescribe rules  
6 for making grants of aid from, and for otherwise administering, the  
7 fund pursuant to the provisions of this paragraph, and may employ  
8 and fix the duties and compensation of technicians, aides, clerks,  
9 stenographers, attorneys, and other personnel deemed necessary to  
10 carry out the provisions of this paragraph. The cost of  
11 administering the fund shall be paid from monies appropriated to the  
12 State Board of Education for the operation of the State Department  
13 of Education. From monies apportioned to the fund, the State  
14 Department of Education may reserve not more than one-half of one  
15 percent (1/2 of 1%) for purposes of administering the fund;

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

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

14       B. 1. The redbud school grants shall be determined by the  
15 State Department of Education as follows:

- 16           a. divide the county four-mill levy revenue by four to  
17           determine the nonchargeable county four-mill revenue  
18           for each school district,
- 19           b. determine the amount of new revenue generated by the  
20           five-mill building fund levy as authorized by Section  
21           10 of Article X of the Oklahoma Constitution for each  
22           school district as reported in the Oklahoma Cost  
23           Accounting System for the preceding fiscal year,

24

- 1 c. add the amounts calculated in subparagraphs a and b of  
2 this paragraph to determine the nonchargeable millage  
3 for each school district,
- 4 d. add the nonchargeable millage in each district  
5 statewide as calculated in subparagraph c of this  
6 paragraph and divide the total by the average daily  
7 membership in public schools statewide based on the  
8 preceding school year's average daily membership,  
9 according to the provisions of Section 18-107 of this  
10 title. This amount is the statewide nonchargeable  
11 millage per student, known as the baseline local  
12 funding per student,
- 13 e. all eligible charter schools shall be included in  
14 these calculations as unique school districts,  
15 separate from the school district that may sponsor the  
16 eligible charter school, and the total number of  
17 districts shall be used to determine the statewide  
18 average baseline local funding per student,
- 19 f. for each school district or eligible charter school  
20 which is below the baseline local funding per student,  
21 the Department shall subtract the baseline local  
22 funding per student from the average nonchargeable  
23 millage per student of the school district or eligible  
24



1 charter school to determine the nonchargeable millage  
2 per student shortfall for each district,

3 g. the nonchargeable millage per student shortfall for a  
4 school district or eligible charter school shall be  
5 multiplied by the average daily membership of the  
6 preceding school year of the eligible school district  
7 or eligible charter school. This amount shall be the  
8 redbud school grant amount for the school district or  
9 eligible charter school, and

10 h. if the appropriation for each fiscal year by the  
11 Legislature to the State Public Common School Building  
12 Equalization Fund created in Section 32, Article X of  
13 the Oklahoma Constitution exceeds the amount necessary  
14 to provide the redbud school grants in the amounts as  
15 calculated pursuant to the provisions of subparagraph  
16 g of this paragraph, the redbud school grant amounts  
17 shall be determined by:

18 (1) calculating the highest possible percentile to  
19 the hundredth decimal place of the nonchargeable  
20 millage per student shortfall for all school  
21 districts and eligible charter schools with the  
22 available funds, and

23 (2) the nonchargeable millage per student shortfall  
24 for each district shall be subtracted by the

1 highest possible percentile to the hundredth  
2 decimal place. The total of this calculation  
3 shall be multiplied by the preceding school  
4 year's average daily membership, according to the  
5 provisions of Section 18-107 of this title.

6 This amount shall be the redbud school grant amount  
7 for the school district or eligible charter school for  
8 that fiscal year.

9 2. For fiscal year 2022, monies for the redbud school grants  
10 shall be expended from the funds apportioned pursuant to Section 426  
11 of Title 63 of the Oklahoma Statutes. If funds are insufficient,  
12 the Department shall promulgate rules to permit a decrease to the  
13 baseline local funding per student to the highest amount allowed  
14 with the funding available.

15 3. As used in this section, "eligible charter school" shall  
16 mean a charter school which is sponsored pursuant to the provisions  
17 of the Oklahoma Charter Schools Act. Provided, however, "eligible  
18 charter school" shall not include a charter school sponsored by the  
19 Statewide Virtual Charter School Board but shall only include those  
20 which provide in-person or blended instruction, as provided by  
21 Section 1-111 of this title, to not less than two-thirds (2/3) of  
22 students as the primary means of instructional service delivery.

23 4. The Department shall develop a program to acknowledge the  
24 redbud school grant recipients and shall include elected members of

1 the House of Representatives and Senate who represent the school  
2 districts and eligible charter schools.

3 5. The Department shall create a dedicated page on its website  
4 listing annual redbud school grant recipients, amount awarded to  
5 each recipient, and other pertinent information about the Redbud  
6 School Funding Act.

7 6. The Department shall provide the Chair of the House  
8 Appropriations and Budget Committee and the Chair of the Senate  
9 Appropriations Committee no later than February 1 of each year with  
10 an estimate of the upcoming year's redbud school grant allocation as  
11 prescribed by this section.

12 7. In the event of a failure of revenue pursuant to the  
13 Oklahoma State Finance Act, the redbud grants otherwise authorized  
14 in subsection B of this section shall be reduced proportionately to  
15 the reduction in the amount of money appropriated to the State Board  
16 of Education for the financial support of public schools for the  
17 fiscal year in which the failure of revenue occurs.

18 SECTION 3. This act shall become effective July 1, 2024.

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

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