

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 59th Legislature (2023)

4 COMMITTEE SUBSTITUTE
5 FOR ENGROSSED
6 SENATE BILL NO. 758

By: Rosino of the Senate

and

Hilbert of the House

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10 COMMITTEE SUBSTITUTE

11 An Act relating to medical marijuana; amending 63
12 O.S. 2021, Sections 426, as amended by Section 27,
13 Chapter 228, O.S.L. 2022, and 427.5 (63 O.S. Supp.
14 2022, Section 426), which relate to medical
15 marijuana; deleting certain apportionments;
16 establishing new apportionment schedule; modifying
17 fund characteristics; renaming fund; limiting
18 expenditure to appropriated amounts; creating the
19 DMHSAS Medical Marijuana Programming Revolving Fund,
20 the OMMA Marijuana Oversight Revolving Fund, and the
21 SDH Drug and Alcohol Rehabilitation Revolving Fund;
22 establishing fund characteristics; limiting and
23 providing for budgeting and expenditure of funds;
24 requiring certain approval of expenditures; amending
25 68 O.S. 2021, Section 255.2, which relates to tax on
26 retail sales; clarifying statutory references;
27 amending 68 O.S. 2021, Section 1353, as last amended
28 by Section 3, Chapter 412, O.S.L. 2022 (68 O.S. Supp.
29 2022, Section 1353), which relates to sales tax;
30 modifying certain apportionments; amending 70 O.S.
31 2021, Section 3-104, which relates to the State Board
32 of Education; modifying certain apportionment;
33 updating statutory references; clarifying language;
34 providing for codification; providing an effective
35 date; and declaring an emergency.

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

2 SECTION 1. AMENDATORY 63 O.S. 2021, Section 426, as
3 amended by Section 27, Chapter 228, O.S.L. 2022 (63 O.S. Supp. 2022,
4 Section 426), is amended to read as follows:

5 Section 426. A. The tax on retail medical marijuana sales
6 shall be established at seven percent (7%) of the gross amount
7 received by the seller.

8 B. This tax shall be collected at the point of sale. ~~Except as~~
9 and shall be apportioned as provided for in subsection D, tax
10 ~~proceeds will be applied primarily to finance the regulatory office~~
11 of this section.

12 C. ~~Except as provided for in subsection D, if proceeds from the~~
13 ~~levy authorized by subsection A of this section exceed the budgeted~~
14 ~~amount for running the regulatory office, any surplus shall be~~
15 ~~apportioned with seventy-five percent (75%) going to the General~~
16 ~~Revenue Fund and may only be expended for common education including~~
17 ~~funding redbud school grants pursuant to Section 3-104 of Title 70~~
18 ~~of the Oklahoma Statutes. Twenty-five percent (25%) shall be~~
19 ~~apportioned to the State Department of Health and earmarked for drug~~
20 ~~and alcohol rehabilitation and prevention.~~

21 ~~D. Pursuant to Section 14 of this act~~ Section 255.2 of Title 68
22 of the Oklahoma Statutes, the Oklahoma Tax Commission shall have
23 authority to assess, collect and enforce the tax specified in
24

1 subsection A of this section including any interest and penalty
2 thereon.

3 ~~E. D.~~ For state fiscal year ~~2022~~ 2024 and thereafter, proceeds
4 from the levy authorized by subsection A of this section shall be
5 apportioned as follows:

6 1. ~~The first Sixty-five Million Dollars (\$65,000,000.00) shall~~
7 ~~be apportioned as follows:~~

8 a. ~~fifty-nine and twenty-three hundredths percent~~
9 ~~(59.23%)~~

10 Forty and five-tenths percent (40.5%) to the State Public Common
11 School Building Equalization Fund;r;

12 b. ~~thirty-four and sixty-two hundredths percent (34.62%)~~

13 2. Thirty percent (30%) to the OMMA Marijuana Oversight
14 Revolving Fund created in Section 4 of this act;

15 3. Thirteen and thirty-five hundredths percent (13.35%) to the
16 ~~Oklahoma Medical Marijuana Authority, a division within the Oklahoma~~
17 ~~State Department of Health, and~~

18 e. ~~six and fifteen hundredths percent (6.15%)~~ DMHSAS
19 Medical Marijuana Programming Revolving Fund created
20 in Section 3 of this act;

21 4. Ten percent (10.0%) to the ~~Oklahoma State Department of~~
22 ~~Health and earmarked for drug and alcohol rehabilitation; and~~

23 ~~2. Any surplus collections shall be apportioned to the General~~
24 ~~Revenue Fund of the State Treasury~~ County Sheriff Public Safety

1 Grant Revolving Fund created in Section 427.3a of Title 63 of the
2 Oklahoma Statutes; and

3 5. Six and fifteen hundredths percent (6.15%) to the SDH Drug
4 and Alcohol Rehabilitation Revolving Fund created in Section 5 of
5 this act.

6 SECTION 2. AMENDATORY 63 O.S. 2021, Section 427.5, is
7 amended to read as follows:

8 Section 427.5 There is hereby created in the State Treasury a
9 ~~revolving fund for the State Department of Health~~ to be designated
10 the "Oklahoma Medical Marijuana Authority ~~Revolving~~ Fund". The fund
11 shall be a continuing fund, not subject to fiscal year limitations,
12 and shall consist of all monies received by the ~~Department~~ Oklahoma
13 Medical Marijuana Authority from fees and fines collected pursuant
14 to ~~this act and all monies received by the Oklahoma Tax Commission~~
15 ~~from tax proceeds collected pursuant to Section 426 of Title 63 of~~
16 ~~the Oklahoma Statutes. All monies accruing to the credit of the~~
17 ~~fund are hereby appropriated and may be budgeted and expended by the~~
18 ~~Department for the purposes set forth in Section 426 of Title 63 of~~
19 ~~the Oklahoma Statutes. Expenditures from the fund shall be made~~
20 ~~upon warrants issued by the State Treasurer against claims filed as~~
21 ~~prescribed by law with the Director of the Office of Management and~~
22 ~~Enterprise Services for approval and payment~~ the Oklahoma Medical
23 Marijuana and Patient Protection Act. All monies accruing to the
24 credit of the fund shall be appropriated at the discretion of the

1 Legislature for the purpose of funding the medical marijuana
2 regulatory office and operations.

3 SECTION 3. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 527.5a of Title 63, unless there
5 is created a duplication in numbering, reads as follows:

6 There is hereby created in the State Treasury a revolving fund
7 for the Department of Mental Health and Substance Abuse Services to
8 be designated the "DMHSAS Medical Marijuana Programming Revolving
9 Fund". The fund shall be a continuing fund, not subject to fiscal
10 year limitations, and shall consist of all monies designated for
11 deposit to the fund in accordance with law. All monies accruing to
12 the credit of said fund are hereby appropriated and may be budgeted
13 and expended by the Department of Mental Health and Substance Abuse
14 Services to perform the duties imposed upon the Department by law.
15 Expenditures from said fund shall be made upon warrants issued by
16 the State Treasurer against claims filed as prescribed by law with
17 the Director of the Office of Management and Enterprise Services for
18 approval and payment.

19 SECTION 4. NEW LAW A new section of law to be codified
20 in the Oklahoma Statutes as Section 527.5b of Title 63, unless there
21 is created a duplication in numbering, reads as follows:

22 There is hereby created in the State Treasury a revolving fund
23 for the Oklahoma Medical Marijuana Authority to be designated the
24 "OMMA Marijuana Oversight Revolving Fund". The fund shall be a

1 continuing fund, not subject to fiscal year limitations, and shall
2 consist of all monies designated for deposit to the fund in
3 accordance with law. All monies accruing to the credit of said fund
4 are hereby appropriated and may be budgeted and expended by the
5 Oklahoma Medical Marijuana Authority to perform the duties imposed
6 upon the Authority by law. Expenditures from said fund shall be
7 made upon warrants issued by the State Treasurer against claims
8 filed as prescribed by law with the Director of the Office of
9 Management and Enterprise Services for approval and payment.

10 SECTION 5. NEW LAW A new section of law to be codified
11 in the Oklahoma Statutes as Section 527.5c of Title 63, unless there
12 is created a duplication in numbering, reads as follows:

13 There is hereby created in the State Treasury a revolving fund
14 for the State Department of Health to be designated the "SDH Drug
15 and Alcohol Rehabilitation Revolving Fund". The fund shall be a
16 continuing fund, not subject to fiscal year limitations, and shall
17 consist of all monies designated for deposit to the fund in
18 accordance with law. All monies accruing to the credit of said fund
19 are hereby appropriated and may be budgeted and expended by the
20 State Department of health for the purpose of providing or
21 facilitating drug and alcohol rehabilitation. Expenditures from
22 said fund shall be made upon warrants issued by the State Treasurer
23 against claims filed as prescribed by law with the Director of the

24

1 Office of Management and Enterprise Services for approval and
2 payment.

3 SECTION 6. AMENDATORY 68 O.S. 2021, Section 255.2, is
4 amended to read as follows:

5 Section 255.2 As provided in Section 426 of Title 63 of the
6 Oklahoma Statutes, the ~~State Department of Health~~ Oklahoma Medical
7 Marijuana Authority and the Oklahoma Tax Commission shall enter into
8 a contract whereby the Tax Commission shall have authority to
9 assess, collect and enforce the seven percent (7%) tax on retail
10 medical marijuana sales and any penalties and interest thereon.
11 Such assessment, collection and enforcement authority shall apply to
12 any tax and any penalty or interest liability on retail medical
13 marijuana sales existing at the time of contracting. The contract
14 shall provide for the assessment, collection and enforcement of the
15 tax on retail medical marijuana sales in the same manner as the
16 administration, collection and enforcement of any tax payable by any
17 taxpayer subject to taxation under any state tax law. For providing
18 such collection assistance, the Tax Commission shall charge the
19 ~~State Department of Health~~ Oklahoma Medical Marijuana Authority a
20 fee of one and five-tenths percent (1.5%) of the gross collection
21 proceeds. All funds retained by the Tax Commission for the
22 collection services shall be deposited in the Tax Commission
23 Reimbursement Fund in the State Treasury.

24

1 SECTION 7. AMENDATORY 68 O.S. 2021, Section 1353, as
2 last amended by Section 3, Chapter 412, O.S.L. 2022 (68 O.S. Supp.
3 2022, Section 1353), is amended to read as follows:

4 Section 1353. A. It is hereby declared to be the purpose of
5 the Oklahoma Sales Tax Code to provide funds for the financing of
6 the program provided for by the Oklahoma Social Security Act and to
7 provide revenues for the support of the functions of the state
8 government of Oklahoma, and for this purpose it is hereby expressly
9 provided that, revenues derived pursuant to the provisions of the
10 Oklahoma Sales Tax Code, subject to the apportionment requirements
11 for the Oklahoma Tax Commission and Office of Management and
12 Enterprise Services Joint Computer Enhancement Fund provided by
13 Section 265 of this title, shall be apportioned as follows:

14 1. Except as provided in ~~subsections~~ subsection C and D of this
15 section, the following amounts shall be paid to the State Treasurer
16 to be placed to the credit of the General Revenue Fund to be paid
17 out pursuant to direct appropriation by the Legislature:

18 Fiscal Year	Amount
19 FY 2003 and FY 2004	86.04%
20 FY 2005	85.83%
21 FY 2006	85.54%
22 FY 2007	85.04%
23 FY 2008 through FY 2022	83.61%
24 FY 2023 through FY 2027	83.36%

FY 2028 and each fiscal year thereafter 83.61%;

2. The following amounts shall be paid to the State Treasurer to be placed to the credit of the Education Reform Revolving Fund of the State Department of Education:

a. for FY 2003, FY 2004 and FY 2005, ten and forty-two one-hundredths percent (10.42%),

b. for FY 2006 through FY 2020, ten and forty-six one-hundredths percent (10.46%),

c. for FY 2021:

(1) for the month beginning July 1, 2020, through the month ending August 31, 2020, ten and forty-six one-hundredths percent (10.46%), and

(2) for the month beginning September 1, 2020, through the month ending June 30, 2021, eleven and ninety-six one-hundredths percent (11.96%),

d. for FY 2022 and each fiscal year thereafter, ten and forty-six one-hundredths percent (10.46%);

3. 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%

1	FY 2007	4.5%
2	FY 2008 through FY 2020	5.0%
3	FY 2021:	
4	a. for the month beginning July	
5	1, 2020, through the month	
6	ending August 31, 2020	5.0%
7	b. for the month beginning	
8	September 1, 2020, through	
9	the month ending June 30,	
10	2021	3.5%
11	FY 2022	5.0%
12	FY 2023 through FY 2027	5.25%
13	FY 2028 and each fiscal year thereafter	5.0%;
14	4. a. except as otherwise provided in subparagraph b of this	
15	paragraph, for the fiscal year beginning July 1, 2022,	
16	and for each fiscal year thereafter, eighty-seven one-	
17	hundredths percent (0.87%) shall be paid to the State	
18	Treasurer to be further apportioned as follows:	
19	(1) twenty-four percent (24%) shall be placed to the	
20	credit of the Oklahoma Tourism Promotion	
21	Revolving Fund, but in no event shall such	
22	apportionment exceed Five Million Dollars	
23	(\$5,000,000.00) in any fiscal year,	
24		

1 (2) forty-four percent (44%) shall be placed to the
2 credit of the Oklahoma Tourism Capital
3 Improvement Revolving Fund, but in no event shall
4 such apportionment exceed Nine Million Dollars
5 (\$9,000,000.00) in any fiscal year, and

6 (3) thirty-two percent (32%) shall be placed to the
7 credit of the Oklahoma Route 66 Commission
8 Revolving Fund, but in no event shall such
9 apportionment exceed Six Million Six Hundred
10 Thousand Dollars (\$6,600,000.00) in any fiscal
11 year, and

12 b. any amounts which exceed the limitations of
13 subparagraph a of this paragraph shall be placed to
14 the credit of the General Revenue Fund; and

15 5. For the fiscal year beginning July 1, 2015, and for each
16 fiscal year thereafter, six one-hundredths percent (0.06%) shall be
17 placed to the credit of the Oklahoma Historical Society Capital
18 Improvement and Operations Revolving Fund, but in no event shall
19 such apportionment exceed the total amount apportioned pursuant to
20 this paragraph for the fiscal year ending on June 30, 2015. Any
21 amounts which exceed the limitations of this paragraph shall be
22 placed to the credit of the General Revenue Fund.

23 B. Provided, for the fiscal year beginning July 1, 2007, and
24 every fiscal year thereafter, an amount of revenue shall be

1 apportioned to each municipality or county which levies a sales tax
2 subject to the provisions of Section 1357.10 of this title and
3 subsection F of Section 2701 of this title equal to the amount of
4 sales tax revenue of such municipality or county exempted by the
5 provisions of Section 1357.10 of this title and subsection F of
6 Section 2701 of this title. The Oklahoma Tax Commission shall
7 promulgate and adopt rules necessary to implement the provisions of
8 this subsection.

9 C. From the monies that would otherwise be apportioned to the
10 General Revenue Fund pursuant to subsection A of this section, there
11 shall be apportioned the following amounts:

12 1. For the month ending August 31, 2019:

13 a. Nine Million Six Hundred Thousand Dollars
14 (\$9,600,000.00) to the credit of the State Highway
15 Construction and Maintenance Fund created in Section
16 1501 of Title 69 of the Oklahoma Statutes, and

17 b. Two Million Dollars (\$2,000,000.00) to the credit of
18 the Oklahoma Railroad Maintenance Revolving Fund
19 created in Section 309 of Title 66 of the Oklahoma
20 Statutes;

21 2. For the month ending September 30, 2019:

22 a. Twenty Million Dollars (\$20,000,000.00) to the credit
23 of the State Highway Construction and Maintenance Fund
24

1 created in Section 1501 of Title 69 of the Oklahoma
2 Statutes, and

3 b. Two Million Dollars (\$2,000,000.00) to the credit of
4 the Oklahoma Railroad Maintenance Revolving Fund
5 created in Section 309 of Title 66 of the Oklahoma
6 Statutes;

7 3. For the month ending October 31, 2019:

8 a. Twenty Million Dollars (\$20,000,000.00) to the credit
9 of the State Highway Construction and Maintenance Fund
10 created in Section 1501 of Title 69 of the Oklahoma
11 Statutes, and

12 b. Two Million Dollars (\$2,000,000.00) to the credit of
13 the Oklahoma Railroad Maintenance Revolving Fund
14 created in Section 309 of Title 66 of the Oklahoma
15 Statutes;

16 4. For the month ending November 30, 2019:

17 a. Twenty Million Dollars (\$20,000,000.00) to the credit
18 of the State Highway Construction and Maintenance Fund
19 created in Section 1501 of Title 69 of the Oklahoma
20 Statutes, and

21 b. Two Million Dollars (\$2,000,000.00) to the credit of
22 the Oklahoma Railroad Maintenance Revolving Fund
23 created in Section 309 of Title 66 of the Oklahoma
24 Statutes; and

1 5. For the month ending December 31, 2019:

2 a. Twenty Million Dollars (\$20,000,000.00) to the credit
3 of the State Highway Construction and Maintenance Fund
4 created in Section 1501 of Title 69 of the Oklahoma
5 Statutes, and

6 b. Two Million Dollars (\$2,000,000.00) to the credit of
7 the Oklahoma Railroad Maintenance Revolving Fund
8 created in Section 309 of Title 66 of the Oklahoma
9 Statutes.

10 D. For fiscal year ~~2023~~ 2024, and each subsequent fiscal year,
11 during the month of May before any other apportionment otherwise
12 required by this section is made to the General Revenue Fund, there
13 shall be apportioned to the State Public Common School Building
14 Equalization Fund an amount, if any, as required pursuant to Section
15 3-104 of Title 70 of the Oklahoma Statutes, not to exceed the
16 estimated state sales tax generated by medical marijuana sales in
17 the preceding fiscal year as reported by the Oklahoma Tax
18 Commission.

19 SECTION 8. AMENDATORY 70 O.S. 2021, Section 3-104, is
20 amended to read as follows:

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

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

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

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

15 a. State Aid to schools,

16 b. the supervision of all other functions of general and
17 special education including general control, free
18 textbooks, school lunch, Indian education, and all
19 other functions of the Board and an amount sufficient
20 to adequately staff and administer these services, and

21 c. the Board shall determine the details by which the
22 budget and the appropriations are administered.

23 Annually, the Board shall make preparations to

24 consolidate all of the functions of the Department in

1 such a way that the budget can be based on two items,
2 administration and aid to schools. A maximum amount
3 for administration shall be designated as a part of
4 the total appropriation;

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

- 10 a. detailed statistics and other information concerning
11 enrollment, attendance, expenditures including State
12 Aid, and other pertinent data for all public schools
13 in this state,
- 14 b. reports from each and every division within the State
15 Department of Education as submitted by the ~~State~~
16 Superintendent of Public Instruction and any other
17 division, department, institution, or other agency
18 under the supervision of the Board,
- 19 c. recommendations for the improvement of the public
20 school system of the state,
- 21 d. a statement of the receipts and expenditures of the
22 State Board of Education for the past year, and
- 23 e. a statement of plans and recommendations for the
24 management and improvement of public schools and such

1 other information relating to the educational
2 interests of the state as may be deemed necessary and
3 desirable;

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

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

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

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

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

1 the State Travel Reimbursement Act incurred by persons
2 performing research work, and other expenses found
3 necessary by the State Board of Education for the
4 improvement of the preparation and certification of
5 teachers in Oklahoma. Provided, any unobligated
6 balance in the Teachers' Certificate Fund in excess of
7 Ten Thousand Dollars (\$10,000.00) on June 30 of any
8 fiscal year shall be transferred to the General
9 Revenue Fund of ~~the State of Oklahoma~~ this state.

10 Until July 1, 1997, the State Board of Education shall
11 have authority for approval of teacher education
12 programs. The State Board of Education shall also
13 have authority for the administration of teacher
14 residency and professional development, subject to the
15 provisions of the Oklahoma Teacher Preparation Act;

16 7. Promulgate rules governing the classification, inspection,
17 supervision, and accrediting of all public nursery, kindergarten,
18 elementary and secondary schools, and on-site educational services
19 provided by public school districts or state-accredited private
20 schools in partial hospitalization programs, day treatment programs,
21 and day hospital programs as defined in this act for persons between
22 the ages of three (3) and twenty-one (21) years of age in the state.
23 However, no school shall be denied accreditation solely on the basis
24 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~~
7 September 5, 1975, and any school district, otherwise qualified,
8 shall be entitled to receive probationary accreditation from the
9 State Board of Education for a period of two (2) consecutive years
10 to attain the minimum average daily attendance. The Head Start and
11 public nurseries or kindergartens operated from Community Action
12 Program funds shall not be subjected to the accrediting rules of the
13 State Board of Education. Neither will the State Board of Education
14 make rules affecting the operation of the public nurseries and
15 kindergartens operated from federal funds secured through Community
16 Action Programs even though they may be operating in the public
17 schools of the state. However, any of the Head Start or public
18 nurseries or kindergartens operated under federal regulations may
19 make application for accrediting from the State Board of Education
20 but 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

24

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~~ the act may be cited as

1 the "National School Lunch Act", and ~~said~~ the State Board of
2 Education is hereby authorized and directed to accept the terms and
3 provisions of ~~said~~ the act and to enter into such agreements, not in
4 conflict with the Constitution of Oklahoma or the Constitution and
5 Statutes of the United States, as may be necessary or appropriate to
6 secure for ~~the State of Oklahoma~~ this state the benefits of the
7 school lunch program established and referred to in ~~said~~ the 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~~ this state and is hereby
11 authorized to employ or appoint and fix the compensation of such
12 additional officers or employees and to incur such expenses as may
13 be necessary for the accomplishment of the above purpose, administer
14 the 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
18 may be offered or bequeathed to the schools under the supervision or
19 control of ~~said~~ the 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~~ the
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~~ the 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
10 bulletins to be used in ~~such~~ the school lunch programs. There is
11 hereby created in the State Treasury a revolving fund for the Board,
12 to be designated the School Lunch Workshop Revolving Fund. The fund
13 shall consist of all fees derived from or on behalf of any
14 participant in any such workshop sponsored by the State Board of
15 Education, or from the sale of any materials, books, and bulletins,
16 and ~~such~~ funds shall be disbursed for expenses of such workshops and
17 for developing, printing, and distributing of ~~such~~ the materials,
18 books, and bulletins relating to the school lunch program. The fund
19 shall be administered in accordance with Section 155 of Title 62 of
20 the 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. It is hereby
13 declared that the term "school districts" as used in Section 32 of
14 Article X of the Oklahoma Constitution shall mean school districts
15 and eligible charter schools as defined in subsection B of this
16 section. The State Board of Education shall disburse redbud school
17 grants annually from the State Public Common School Building
18 Equalization Fund to public schools and eligible charter schools
19 pursuant to subsection B of this section. The Board shall
20 promulgate rules for the implementation of disbursing redbud school
21 grants pursuant to this section. The State Board of Education shall
22 prescribe rules for making grants of aid from, and for otherwise
23 administering, the fund pursuant to the provisions of this
24 paragraph, and may employ and fix the duties and compensation of

1 technicians, aides, clerks, stenographers, attorneys, and other
2 personnel deemed necessary to carry out the provisions of this
3 paragraph. The cost of administering the fund shall be paid from
4 monies appropriated to the State Board of Education for the
5 operation of the State Department of Education. From monies
6 apportioned to the fund, the State Department of Education may
7 reserve not more than one-half of one percent (1/2 of 1%) for
8 purposes of administering the fund;

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

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

1 districts, municipalities, the United States Government,
2 foundations, and other agencies or individuals for services,
3 programs, or research projects. The Statistical Services Revolving
4 Fund shall be administered in accordance with Section 155 of Title
5 62 of the Oklahoma Statutes.

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

8 a. divide the county four-mill levy revenue by four to
9 determine the nonchargeable county four-mill revenue
10 for each school district,

11 b. determine the amount of new revenue generated by the
12 five-mill building fund levy as authorized by Section
13 10 of Article X of the Oklahoma Constitution for each
14 school district as reported in the Oklahoma Cost
15 Accounting System for the preceding fiscal year,

16 c. add the amounts calculated in subparagraphs a and b of
17 this paragraph to determine the nonchargeable millage
18 for each school district,

19 d. add the nonchargeable millage in each district
20 statewide as calculated in subparagraph c of this
21 paragraph and divide the total by the average daily
22 membership in public schools statewide based on the
23 preceding school year's average daily membership,
24 according to the provisions of Section 18-107 of this

1 title. This amount is the statewide nonchargeable
2 millage per student, known as the baseline local
3 funding per student,

4 e. all eligible charter schools shall be included in
5 these calculations as unique school districts,
6 separate from the school district that may sponsor the
7 eligible charter school, and the total number of
8 districts shall be used to determine the statewide
9 average baseline local funding per student,

10 f. for each school district or eligible charter school
11 which is below the baseline local funding per student,
12 the Department shall subtract the baseline local
13 funding per student from the average nonchargeable
14 millage per student of the school district or eligible
15 charter school to determine the nonchargeable millage
16 per student shortfall for each district, and

17 g. the nonchargeable millage per student shortfall for a
18 school district or eligible charter school shall be
19 multiplied by the average daily membership of the
20 preceding school year of the eligible school district
21 or eligible charter school. This amount shall be the
22 redbud school grant amount for the school district or
23 eligible charter school.

24

1 2. For fiscal year 2022, monies for the redbud school grants
2 shall be expended primarily from the funds apportioned pursuant to
3 ~~Section 2~~ Section 426 of this act Title 63 of the Oklahoma Statutes.
4 ~~For fiscal year 2023 and each subsequent fiscal year, monies for the~~
5 ~~redbud school grants shall be appropriated pursuant to Section 2 of~~
6 ~~this act, not to exceed three-fourths (3/4) of the tax collected in~~
7 ~~the preceding fiscal year pursuant to Section 426 of Title 63 of the~~
8 ~~Oklahoma Statutes as determined by the Oklahoma Tax Commission. For~~
9 fiscal year ~~2023~~ 2024 and each subsequent fiscal year, if such
10 ~~appropriated funds~~ apportionment combined with related
11 appropriation, if any, are insufficient to fund the redbud school
12 grants, then an additional apportionment of funds shall be made from
13 sales tax collections as provided by subsection D of Section ~~3~~ 1353
14 of ~~this act~~ Title 68 of the Oklahoma Statutes. If both funds are
15 insufficient, the Department shall promulgate rules to permit a
16 decrease to the baseline local funding per student to the highest
17 amount allowed with the funding available.

18 3. As used in this section, "eligible charter school" shall
19 mean a charter school which is sponsored pursuant to the provisions
20 of the Oklahoma Charter ~~School~~ Schools Act. Provided, however,
21 "eligible charter school" shall not include a charter school
22 sponsored by the Statewide Virtual Charter School Board but shall
23 only include those which provide in-person or blended instruction,
24 as provided by Section 1-111 of this title, to not less than two-

1 thirds (2/3) of students as the primary means of instructional
2 service delivery.

3 4. The Department shall develop a program to acknowledge the
4 redbud school grant recipients and shall include elected members of
5 the ~~Oklahoma~~ House of Representatives and ~~Oklahoma State~~ Senate who
6 represent the school districts and eligible charter schools.

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

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

16 SECTION 9. This act shall become effective July 1, 2023.

17 SECTION 10. It being immediately necessary for the preservation
18 of the public peace, health or safety, an emergency is hereby
19 declared to exist, by reason whereof this act shall take effect and
20 be in full force from and after its passage and approval.

21

22 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET, dated
23 04/17/2023 - DO PASS, As Amended.

24