

1 **SENATE FLOOR VERSION**

2 February 13, 2024

3 SENATE BILL NO. 1713

By: Jech

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6 An Act relating to interlocal cooperative agreements;
7 amending 70 O.S. 2021, Section 5-117b, which relates
8 to interlocal cooperative agreements between boards
9 of education of two or more school districts;
10 requiring certain boards of directors to maintain
11 certain positions on board; updating statutory
12 language; providing an effective date; and declaring
13 an emergency.

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

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

17 Section 5-117b. A. The boards of education of any two or more
18 school districts may enter into an interlocal cooperative agreement
19 for the purpose of jointly and comparatively performing any of the
20 services, duties, functions, activities, obligations, or
21 responsibilities which are authorized or required by law to be
22 performed by school districts of this state. Two or more school
23 districts may enter into an interlocal cooperative agreement for the
24 purpose of forming buying pools and purchasing cooperatives. As
used in this section, "interlocal cooperative agreement" means an
agreement which is entered into by the boards of education of two or

1 more school districts pursuant to the provisions of this section.
2 This section shall not prohibit school districts from entering into
3 cooperative agreements authorized under Section 5-117 of this title
4 or interfere with existing cooperative agreements between school
5 districts. If the boards of education of any two or more school
6 districts enter into an interlocal cooperative agreement the
7 following conditions may apply:

8 1. An interlocal cooperative agreement shall establish a board
9 of directors which shall be responsible for administering the joint
10 or cooperative undertaking. The agreement shall specify the
11 organization, terms, and composition of, and manner of appointment
12 to, the board of directors and shall make provision for
13 restructuring or terminating the board upon partial or complete
14 termination of the agreement. The board of directors shall be
15 selected by the board of education of each contracting school
16 district and may include but not be limited to a board member,
17 administrator, or teacher from each contracting school district.
18 Vacancies in the membership of the board of directors shall be
19 filled within thirty (30) days from the date of the vacancy in the
20 manner specified in the agreement. Provided, however, an interlocal
21 cooperative agreement entered into pursuant to this act for the
22 purpose of providing insurance for Oklahoma educational institutions
23 shall maintain at least one of each of the following positions on
24 the board of directors:

- 1 a. an individual who is a member of the American Academy
2 of Actuaries, and
3 b. an individual with more than ten (10) years of
4 professional experience in property and casualty
5 insurance;

6 2. An interlocal cooperative agreement which is optional to
7 school districts and shall be effective only after it is approved by
8 the State Board of Education and the board of directors may be
9 designated as a local education agency for some or all state and
10 federal application, reporting, and auditing procedures. An
11 interlocal cooperative board of directors that has been designated
12 as a local education agency shall comply with state and federal law
13 and the regulations of the State Board of Education;

14 3. An interlocal cooperative agreement shall be subject to
15 change or termination by a recommendation of the State Board of
16 Education;

17 4. The duration of an interlocal cooperative agreement for
18 joint or cooperative action in performing any of the services,
19 duties, functions, activities, obligations, or responsibilities,
20 other than the provision of special education services, which are
21 authorized or required by law of school districts in this state,
22 shall be for a term of not less than one (1) year. Notice of intent
23 of a school district to withdraw from the cooperative agreement must
24 be given no later than March 15 for the ensuing school year;

1 5. An interlocal cooperative agreement shall specify the method
2 or methods to be employed for disposing of property upon partial or
3 complete termination of the agreement;

4 6. Within the limitations provided by law, an interlocal
5 cooperative agreement may be changed or modified by majority consent
6 of the interlocal cooperative board of directors;

7 7. Except as otherwise specifically provided in this section,
8 any powers, privileges, or authority exercised or capable of being
9 exercised by any school district of this state, or by any board of
10 education thereof, may be jointly exercised pursuant to the
11 provisions of an interlocal cooperative agreement. Federal grant
12 money, applied for on behalf of a school district, may be disbursed
13 directly to ~~a~~ an interlocal cooperative with the consent of the
14 school districts comprising the interlocal cooperative. No powers,
15 privileges, or authority with respect to the levy and collection of
16 taxes or the application for or receipt of State Aid formula money,
17 or the issuance of bonds shall be created or effectuated for joint
18 exercise pursuant to the provisions of an interlocal cooperative
19 agreement; and

20 8. Payments from the general fund of each school district which
21 enters into any interlocal cooperative agreement for the purpose of
22 financing the joint or cooperative undertaking provided for by the
23 agreement shall be operating expenses.

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1 B. Nothing contained in this section shall be construed to
2 abrogate, interfere with, impair, qualify, or affect in any manner
3 the exercise and enjoyment of all the powers, privileges, and
4 authority conferred upon school districts and boards of education by
5 law, except that boards of education and school districts are
6 required to comply with the provisions of this section when entering
7 into an interlocal cooperative agreement that meets the definition
8 of an interlocal cooperative agreement.

9 SECTION 2. This act shall become effective July 1, 2024.

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

14 COMMITTEE REPORT BY: COMMITTEE ON RETIREMENT AND INSURANCE
15 February 13, 2024 - DO PASS
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