

1 **SENATE FLOOR VERSION**

2 February 21, 2023

3 SENATE BILL NO. 329

By: Bergstrom

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5  
6 An Act relating to school finance; amending 70 O.S.  
7 2021, Section 3-104, which relates to powers and  
8 duties of the State Board of Education; updating  
9 statutory language; modifying language regarding the  
10 Board's duty regarding federal funds and programs;  
11 clarifying that a school district board of education  
12 or any educational agency may make direct application  
13 for certain federal funds; updating statutory  
14 references; amending 70 O.S. 2021, Section 13-107,  
15 which relates to acceptance of certain federal funds;  
16 clarifying that a school district board of education  
17 or any educational agency may make direct application  
18 for certain federal funds; amending 70 O.S. 2021,  
19 Section 18-104, which relates to the purpose of  
20 certain federal funds; updating statutory language;  
21 adding reference to certain funds received directly  
22 by a school district; allowing a school district  
23 board of education to apply for, receive, and expend  
24 certain federal funds beginning on certain date;  
directing certain transactions to be reported using  
certain system; directing the State Department of  
Education to review certain audit report and notify  
certain administrator of deficiencies; directing  
certain action to be filed with certain audit report;  
providing for codification; and providing an  
effective date.

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

SECTION 1. AMENDATORY 70 O.S. 2021, Section 3-104, is  
amended to read as follows:

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

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

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

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

- 19 a. State Aid to schools,  
20 b. the supervision of all other functions of general and  
21 special education including general control, free  
22 textbooks, school lunch, Indian education, and all  
23 other functions of the Board and an amount sufficient  
24 to adequately staff and administer these services, and

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

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

14 a. detailed statistics and other information concerning  
15 enrollment, attendance, expenditures including State  
16 Aid, and other pertinent data for all public schools  
17 in this state,

18 b. reports from each and every division within the State  
19 Department of Education as submitted by the ~~State~~  
20 Superintendent of Public Instruction and any other  
21 division, department, institution, or other agency  
22 under the supervision of the Board,

23 c. recommendations for the improvement of the public  
24 school system of the state,

- 1           d. a statement of the receipts and expenditures of the  
2           State Board of Education for the past year, and  
3           e. a statement of plans and recommendations for the  
4           management and improvement of public schools and such  
5           other information relating to the educational  
6           interests of the state as may be deemed necessary and  
7           desirable;

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

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

- 23           a. the State Department of Education shall not issue a  
24           certificate to and shall revoke the certificate of any

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

19 b. all funds collected by the State Department of  
20 Education for the issuance of certificates to  
21 instructional, supervisory, and administrative  
22 personnel in the public schools of the state shall be  
23 deposited in the "Teachers' Certificate Fund" in the  
24 State Treasury and may be expended by the State Board

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

20 7. Promulgate rules governing the classification, inspection,  
21 supervision, and accrediting of all public nursery, kindergarten,  
22 elementary and secondary schools, and on-site educational services  
23 provided by public school districts or state-accredited private  
24 schools in partial hospitalization programs, day treatment programs,

1 and day hospital programs as defined in this act for persons between  
2 the ages of three (3) and twenty-one (21) years of age in the state.  
3 However, no school shall be denied accreditation solely on the basis  
4 of average daily attendance.

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

1 programs is made. The status of no school district shall be changed  
2 which will reduce it to a lower classification until due notice has  
3 been given to the proper authorities thereof and an opportunity  
4 given to correct the conditions which otherwise would be the cause  
5 of such reduction.

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

12 ~~8. Be the legal agent of the State of Oklahoma to accept, in~~  
13 ~~its discretion, the provisions of any Act of Congress appropriating~~  
14 ~~or apportioning funds which are now, or may hereafter be, provided~~  
15 ~~for use in connection with any phase of the system of public~~  
16 ~~education in Oklahoma. It shall prescribe such rules as it finds~~  
17 ~~necessary to provide for the proper distribution of such funds in~~  
18 ~~accordance with the state and federal laws~~ Be the "state education  
19 agency" in the event the designation of a state education agency is  
20 required by federal laws which make available federal funds for  
21 educational purposes. The Board shall be the agency through which  
22 applications, reports, agreements, and federal funds are to be  
23 channeled, and the Board is hereby authorized and empowered to do  
24 all things necessary to comply with and carry out any such federal



1 law or the rules and regulations promulgated thereunder by the  
2 federal government or any agency thereof. Provided, however,  
3 nothing in this paragraph shall be construed as preventing any  
4 school district board of education or any educational agency of this  
5 state from making direct applications for or receiving directly  
6 federal funds made available for educational purposes in those cases  
7 where federal law permits direct applications for and receipt of  
8 federal funds by any school district board of education or  
9 educational agency of this state;

10 9. Be and is specifically hereby designated as the agency of  
11 this state to cooperate and deal with any officer, board, or  
12 authority of the United States Government under any law of the  
13 United States which may require or recommend cooperation with any  
14 state board having charge of the administration of public schools  
15 unless otherwise provided by law;

16 10. Be and is hereby designated as the "State Educational  
17 Agency" referred to in Public Law 396 of the 79th Congress of the  
18 United States, which law states that ~~said~~ the act may be cited as  
19 the "National School Lunch Act", and ~~said~~ the State Board of  
20 Education is hereby authorized and directed to accept the terms and  
21 provisions of ~~said~~ the act and to enter into such agreements, not in  
22 conflict with the Constitution of Oklahoma or the Constitution and  
23 Statutes of the United States, as may be necessary or appropriate to  
24

1 secure for ~~the State of Oklahoma~~ this state the benefits of the  
2 school lunch program established and referred to in ~~said~~ the act;

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

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

15 13. Have authority to require persons having administrative  
16 control of all school districts in Oklahoma to make such regular and  
17 special reports regarding the activities of the schools in ~~said~~ the  
18 districts as the Board may deem needful for the proper exercise of  
19 its duties and functions. Such authority shall include the right of  
20 the State Board of Education to withhold all state funds under its  
21 control, to withhold official recognition, including accrediting,  
22 until such required reports have been filed and accepted in the  
23 office of ~~said~~ the Board and to revoke the certificates of persons  
24 failing or refusing to make such reports;

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

16        15. Prescribe all forms for school district and county officers  
17 to report to the State Board of Education where required. The State  
18 Board of Education shall also prescribe a list of appropriation  
19 accounts by which the funds of school districts shall be budgeted,  
20 accounted for, and expended; and it shall be the duty of the State  
21 Auditor and Inspector in prescribing all budgeting, accounting, and  
22 reporting forms for school funds to conform to such lists;

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

1 17. Have authority to provide for the health and safety of  
2 school children and school personnel while under the jurisdiction of  
3 school authorities;

4 18. Provide for the supervision of the transportation of  
5 pupils;

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

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

14 21. Administer the State Public Common School Building  
15 Equalization Fund established by Section 32 of Article X of the  
16 Oklahoma Constitution. Any monies as may be appropriated or  
17 designated by the Legislature, other than ad valorem taxes, any  
18 other funds identified by the State Department of Education, which  
19 may include, but not be limited to, grants-in-aid from the federal  
20 government for building purposes, the proceeds of all property that  
21 shall fall to the state by escheat, penalties for unlawful holding  
22 of real estate by corporations, and capital gains on assets of the  
23 permanent school funds, shall be deposited in the State Public  
24 Common School Building Equalization Fund. The fund shall be used to

1 aid school districts and charter schools in acquiring buildings,  
2 subject to the limitations fixed by Section 32 of Article X of the  
3 Oklahoma Constitution. It is hereby declared that the term  
4 "acquiring buildings" as used in Section 32 of Article X of the  
5 Oklahoma Constitution shall mean acquiring or improving school  
6 sites, constructing, repairing, remodeling, or equipping buildings,  
7 or acquiring school furniture, fixtures, or equipment. It is hereby  
8 declared that the term "school districts" as used in Section 32 of  
9 Article X of the Oklahoma Constitution shall mean school districts  
10 and eligible charter schools as defined in subsection B of this  
11 section. The State Board of Education shall disburse redbud school  
12 grants annually from the State Public Common School Building  
13 Equalization Fund to public schools and eligible charter schools  
14 pursuant to subsection B of this section. The Board shall  
15 promulgate rules for the implementation of disbursing redbud school  
16 grants pursuant to this section. The State Board of Education shall  
17 prescribe rules for making grants of aid from, and for otherwise  
18 administering, the fund pursuant to the provisions of this  
19 paragraph, and may employ and fix the duties and compensation of  
20 technicians, aides, clerks, stenographers, attorneys, and other  
21 personnel deemed necessary to carry out the provisions of this  
22 paragraph. The cost of administering the fund shall be paid from  
23 monies appropriated to the State Board of Education for the  
24 operation of the State Department of Education. From monies

1 apporportioned to the fund, the State Department of Education may  
2 reserve not more than one-half of one percent (1/2 of 1%) for  
3 purposes of administering the fund;

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

12 23. Have authority to administer a revolving fund which is  
13 hereby created in the State Treasury, to be designated the  
14 Statistical Services Revolving Fund. The fund shall consist of all  
15 monies received from the various school districts of the state, the  
16 United States Government, and other sources for the purpose of  
17 furnishing or financing statistical services and for any other  
18 purpose as designated by the Legislature. The State Board of  
19 Education is hereby authorized to enter into agreements with school  
20 districts, municipalities, the United States Government,  
21 foundations, and other agencies or individuals for services,  
22 programs, or research projects. The Statistical Services Revolving  
23 Fund shall be administered in accordance with Section 155 of Title  
24 62 of the Oklahoma Statutes.

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

3 a. divide the county four-mill levy revenue by four to  
4 determine the nonchargeable county four-mill revenue  
5 for each school district,

6 b. determine the amount of new revenue generated by the  
7 five-mill building fund levy as authorized by Section  
8 10 of Article X of the Oklahoma Constitution for each  
9 school district as reported in the Oklahoma Cost  
10 Accounting System for the preceding fiscal year,

11 c. add the amounts calculated in subparagraphs a and b of  
12 this paragraph to determine the nonchargeable millage  
13 for each school district,

14 d. add the nonchargeable millage in each district  
15 statewide as calculated in subparagraph c of this  
16 paragraph and divide the total by the average daily  
17 membership in public schools statewide based on the  
18 preceding school year's average daily membership,  
19 according to the provisions of Section 18-107 of this  
20 title. This amount is the statewide nonchargeable  
21 millage per student, known as the baseline local  
22 funding per student,

23 e. all eligible charter schools shall be included in  
24 these calculations as unique school districts,

1 separate from the school district that may sponsor the  
2 eligible charter school, and the total number of  
3 districts shall be used to determine the statewide  
4 average baseline local funding per student,

5 f. for each school district or eligible charter school  
6 which is below the baseline local funding per student,  
7 the Department shall subtract the baseline local  
8 funding per student from the average nonchargeable  
9 millage per student of the school district or eligible  
10 charter school to determine the nonchargeable millage  
11 per student shortfall for each district, and

12 g. the nonchargeable millage per student shortfall for a  
13 school district or eligible charter school shall be  
14 multiplied by the average daily membership of the  
15 preceding school year of the eligible school district  
16 or eligible charter school. This amount shall be the  
17 redbud school grant amount for the school district or  
18 eligible charter school.

19 2. For fiscal year 2022, monies for the redbud school grants  
20 shall be expended from the funds apportioned pursuant to ~~Section 2~~  
21 Section 426 of this act Title 63 of the Oklahoma Statutes. For  
22 fiscal year 2023 and each subsequent fiscal year, monies for the  
23 redbud school grants shall be appropriated pursuant to ~~Section 2~~  
24 Section 426 of this act Title 63 of the Oklahoma Statutes, not to



1 exceed three-fourths (3/4) of the tax collected in the preceding  
2 fiscal year pursuant to Section 426 of Title 63 of the Oklahoma  
3 Statutes as determined by the Oklahoma Tax Commission. For fiscal  
4 year 2023 and each subsequent fiscal year, if such appropriated  
5 funds are insufficient to fund the redbud school grants, then an  
6 additional apportionment of funds shall be made from sales tax  
7 collections as provided by subsection D of ~~Section 3~~ Section 1353 of  
8 ~~this act~~ Title 68 of the Oklahoma Statutes. If both funds are  
9 insufficient, the Department shall promulgate rules to permit a  
10 decrease to the baseline local funding per student to the highest  
11 amount allowed with the funding available.

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

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

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

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

10           SECTION 2.           AMENDATORY           70 O.S. 2021, Section 13-107, is  
11 amended to read as follows:

12           Section 13-107. The State Board of Education is hereby  
13 empowered to accept and disburse any grants or funds that may be  
14 matched by or received from the federal government for the education  
15 of exceptional children and to make necessary rules and regulations  
16 for such purpose. Provided, however, nothing in this section shall  
17 be construed as preventing any school district board of education or  
18 any educational agency of this state from making direct applications  
19 for or receiving directly federal funds made available for the  
20 education of exceptional children in those cases where the federal  
21 law permits direct applications for and receipt of federal funds by  
22 any school district board of education or educational agency of this  
23 state.

24

1 SECTION 3. AMENDATORY 70 O.S. 2021, Section 18-104, is  
2 amended to read as follows:

3 Section 18-104. A. The funds apportioned and disbursed to the  
4 several school districts of the state shall be for the purpose of  
5 aiding each school district receiving the same to finance its school  
6 budget for each fiscal year. The State Board of Education shall  
7 notify the county clerk, the board of education, superintendent of  
8 each school district, and the school district treasurer of the  
9 tentative amount ~~said~~ the district is to receive from the funds  
10 apportioned under the provisions of this article and disbursed  
11 according to the provisions hereof. After such allocation of State  
12 Aid has been made by the State Board of Education and certified to  
13 the treasurer of the school district and district superintendent of  
14 schools, ~~such~~ the amount of aid may be included as probable income  
15 by the board of education in its ~~Estimate of Needs and Financial~~  
16 ~~Statement~~ financial statement and estimate of needs as submitted to  
17 the county excise board, and ~~said~~ the excise board shall include  
18 ~~such~~ the amount in the approved appropriations, and in addition  
19 thereto any federal aid certified or allocated by the State Board of  
20 Education or received directly by the school district shall be  
21 included in the appropriation made by the excise board if requested  
22 by the board of education; provided, no such federal aid estimate  
23 shall be used in any way to reduce the State Foundation Aid or  
24 Incentive Aid for ~~such~~ the school district or sustain a protest for

1 the reduction of a tax levy. If ~~such~~ the allocation of aid is not  
2 included in the board of education's estimate of needs, it shall be  
3 added by the county clerk to the items of appropriation designated  
4 by the board of education of the school district. Funds received  
5 under the provisions of this article shall be deposited in the  
6 general fund of ~~such~~ the school district. Provided, funds received  
7 from the federal government for current expense purposes shall  
8 likewise be added to the appropriation of the general fund if so  
9 designated by the board of education of ~~such~~ the school district.  
10 Provided, further, that the board of education of a school district  
11 may enter into agreements with federal agencies for educational  
12 projects and programs to be maintained in ~~such districts~~ the  
13 district; and federal funds received by the district in pursuance  
14 thereof shall, consistent with the agreement and requirements of the  
15 federal agency, be kept, administered and disbursed in such manner  
16 as may be prescribed by rules and regulations of the board of  
17 education.

18 B. If the State Board of Education should ascertain that  
19 allocation of State Aid to any school district has so changed as to  
20 reduce its State Aid, then the State Board of Education shall  
21 forthwith notify the district superintendent, the clerk of the board  
22 of education, and the treasurer thereof, as to the amount of  
23 reduction in the allocation of State Aid. If there has been an  
24 overpayment, the same shall be returned to the State Treasurer and

1 credited to a refund account which shall be available for further  
2 payment of State Aid. Whenever it becomes necessary for a school  
3 district to refund any overpayment of monies previously received,  
4 the school district shall issue ~~such~~ a warrant against a properly  
5 approved encumbrance in the manner provided by law. ~~Such~~ The claim  
6 or encumbrance shall be coded as a refund of prior revenue and paid  
7 from the current expense appropriation of the general fund or ~~such~~  
8 ~~either~~ another fund or account from which ~~such~~ the refund may  
9 properly be paid by the school district.

10 SECTION 4. NEW LAW A new section of law to be codified  
11 in the Oklahoma Statutes as Section 18-126 of Title 70, unless there  
12 is created a duplication in numbering, reads as follows:

13 A. Beginning October 1, 2024, a school district board of  
14 education may make and file applications for federal funds  
15 appropriated and made available for school purposes by federal law.  
16 A school district may receive from the federal government, or any of  
17 its agencies, and expend any funds made available under existing  
18 law, rules, or regulations or that may hereafter be made available  
19 for any and all school purposes.

20 B. School districts shall report financial transactions for  
21 federal funds received pursuant to subsection A of this section  
22 using the Oklahoma Cost Accounting System.

23 C. The State Department of Education shall review each audit  
24 report submitted pursuant to the Oklahoma Public School Audit Law

1 and notify the appropriate federal program administrator of any  
2 deficiencies reported by the independent auditor regarding federal  
3 programs. The administrator shall implement the procedures deemed  
4 necessary to resolve the exceptions noted by the auditor. The final  
5 result of the action taken will be filed with the audit report no  
6 later than ninety (90) days after the program administrator has been  
7 advised of the auditor's findings.

8 D. The State Board of Education shall promulgate rules to  
9 implement the provisions of this section.

10 SECTION 5. This act shall become effective July 1, 2024.

11 COMMITTEE REPORT BY: COMMITTEE ON EDUCATION  
12 February 21, 2023 - DO PASS

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