

STATE OF OKLAHOMA

2nd Session of the 59th Legislature (2024)

HOUSE BILL 3112

By: Gann

AS INTRODUCED

An Act relating to schools; prohibiting schools from receiving financial donations or gifts from certain countries; amending 70 O.S. 2021, Section 5-135.2, which relates to school district financial transactions reports; mandating school districts to annually report receipt of certain donations or gifts; requiring reporting through the Oklahoma Cost Accounting System; directing the State Department of Education to develop new reporting codes; prescribing reduction in State Aid funding for noncompliance; defining term; providing for codification; providing an effective date; and declaring an emergency.

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 135.1 of Title 70, unless there is created a duplication in numbering, reads as follows:

No school or school district shall receive any financial donation or gift from a country designated by the United States Secretary of State as hostile or a "Country of Particular Concern (CPC)".

1 SECTION 2. AMENDATORY 70 O.S. 2021, Section 5-135.2, is  
2 amended to read as follows:

3 Section 5-135.2 A. For the ~~1991-92~~ 1991-1992 school year,  
4 school districts shall report financial transactions for all funds,  
5 except for the school activity fund, using the Oklahoma Cost  
6 Accounting System, as adopted by the State Board of Education  
7 pursuant to Section 5-135 of this title. Costs shall be reported by  
8 curricular subject area where applicable. For the ~~1992-93~~ 1992-1993  
9 school year and in each subsequent school year, school districts  
10 shall report financial transactions for all funds using the Oklahoma  
11 Cost Accounting System. Costs shall be reported by curricular  
12 subject area where applicable.

13 B. For the 2024-2025 school year and in each subsequent school  
14 year, school districts shall include any financial donations or  
15 gifts of or exceeding the amount of the annual exclusion under  
16 Section 2503(b) of the Internal Revenue Code of 1986, as amended,  
17 received from a nonpublic entity on their yearly financial  
18 transaction report submitted to the State Department of Education.  
19 School districts shall report the specific use or expenditure of the  
20 financial donation or gift using the Oklahoma Cost Accounting  
21 System.

22 1. The State Department of Education shall develop new codes in  
23 the Oklahoma Cost Accounting System as necessary to allow school  
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1 districts to report the use or expenditure of such financial  
2 donation or gift;

3 2. A school district that fails to comply with the requirements  
4 of this subsection shall receive a five percent (5%) reduction in  
5 State Aid funding; and

6 3. As used in this subsection, "nonpublic entity" shall be  
7 defined as any entity that is not part of the federal government of  
8 the United States and not part of any state or local governments  
9 within the United States.

10 C. Beginning July 1, 1991, and in each subsequent school year,  
11 the State Department of Education shall reduce the monthly payment  
12 of a district's State Aid funds if, at the time of such payment, the  
13 district is not operating pursuant to the Oklahoma Cost Accounting  
14 System. The amount of the reduction shall be one percent (1%) for  
15 the first payment, two percent (2%) for the second payment, three  
16 percent (3%) for the third payment, four percent (4%) for the fourth  
17 payment, and five percent (5%) for each subsequent payment. The  
18 reduction may be waived by the State Board of Education if the  
19 district can demonstrate that failure to operate pursuant to such  
20 system was due to circumstances beyond the control of the district  
21 and that every effort is being made by the district to operate  
22 pursuant to such system as quickly as possible.

23 ~~C.~~ D. No later than September 1 each year, every district board  
24 of education shall prepare a statement of actual income and  
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1 expenditures of the district for the fiscal year that ended on the  
2 preceding June 30. The statement of expenditures shall include  
3 functional categories as defined in rules adopted by the State Board  
4 of Education to implement the Oklahoma Cost Accounting System  
5 pursuant to Section 5-135 of this title.

6 ~~D.~~ E. No later than September 1 each year, every school  
7 district shall transmit a copy of the income and expenditures data  
8 required pursuant to subsection C of this section to the State  
9 Department of Education. The Department shall post the income and  
10 expenditure data on the Internet web site for the Department in a  
11 form that is accessible to the public.

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

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

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18 59-2-8765 EK 12/30/23  
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