

An Act

ENROLLED SENATE
BILL NO. 229

By: Montgomery, Taylor, Garvin,
Stephens, Rogers and
Pemberton of the Senate

and

Hilbert, Fetgatter, Lawson,
Caldwell (Trey), Baker,
Lowe (Dick), Davis, Moore,
Hasenbeck, Cornwell, Boles,
Pae, Rosecrants, Phillips,
Waldron, Johns, Conley,
West (Tammy), Hill,
McEntire, Randleman, Burns,
Pittman and Russ of the
House

An Act relating to school funding; creating the Redbud School Funding Act; amending Section 7, State Question No. 788, Initiative Petition No. 412 (63 O.S. Supp. 2020, Section 426), which relates to taxes on medical marijuana retail sales; modifying apportionment; amending 68 O.S. 2011, Section 1353, as last amended by Section 1 of Enrolled House Bill No. 2894 of the 1st Session of the 58th Oklahoma Legislature, which relates to sales tax revenue; directing apportionment to State Public Common School Building Equalization Fund if certain conditions apply; setting maximum apportionment amount; amending 70 O.S. 2011, Section 1-111, as last amended by Section 1, Chapter 135, O.S.L. 2016 (70 O.S. Supp. 2020, Section 1-111), which relates to school day instruction; providing for blended instruction; defining term; amending 70 O.S. 2011, Section 3-104, as last amended by Section 1, Chapter 271, O.S.L. 2013 (70 O.S. Supp. 2020, Section 3-104), which relates to the State Board of Education; removing limitation on certain use of funds; updating

definition; removing certain grant procedures; directing the State Board of Education to disburse redbud school grants annually; requiring promulgation of rules; permitting reservation of certain funds for administrative purposes; establishing calculation for redbud school grants; providing for apportionment to fund redbud school grants; specifying procedures for insufficient funds; defining term; directing the State Department of Education to acknowledge grant recipients; directing the Department to publish certain information on its website; requiring certain annual notification of grant allocation estimate; amending 70 O.S. 2011, Section 3-104.4, as last amended by Section 64, Chapter 161, O.S.L. 2020 (70 O.S. Supp. 2020, Section 3-104.4), which relates to school accreditation standards; including certain funds in calculation of certain appropriations; amending 70 O.S. 2011, Section 3-142, as last amended by Section 9 of Enrolled Senate Bill No. 1064 of the 1st Session of the 58th Oklahoma Legislature (70 O.S. Supp. 2020, Section 3-142), which relates to charter school funding; modifying calculation of State Aid for a charter school; directing the student membership and attendance of a charter school be considered separate from that of its sponsor; providing for charter school to receive its State Aid allocation and federal funds directly; removing distinction between different types of charter school sponsors authorized to retain certain fee; providing exception for charter school aid eligibility; requiring charter school to be considered a local education agency for funding purposes; amending 70 O.S. 2011, Section 10-103.1, which relates to legal average daily attendance calculation; excluding the average daily attendance of charter school students in calculating the legal average daily attendance for certain distributions; providing for noncodification; and declaring an emergency.

SUBJECT: Redbud School Funding Act

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

SECTION 1. NEW LAW A new section of law not to be codified in the Oklahoma Statutes reads as follows:

This act shall be known and may be cited as the "Redbud School Funding Act".

SECTION 2. AMENDATORY Section 7, State Question No. 788, Initiative Petition No. 412 (63 O.S. Supp. 2020, Section 426), is amended to read as follows:

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

B. This tax will be collected at the point of sale. ~~Tax~~ Except as provided for in subsection D, tax proceeds will be applied primarily to finance the regulatory office.

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

D. For fiscal year 2022, proceeds from the levy authorized by subsection A of this section shall be apportioned as follows:

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

a. fifty-nine and twenty-three hundredths percent (59.23%) to the State Public Common School Building Equalization Fund,

b. thirty-four and sixty-two hundredths percent (34.62%) to the Oklahoma Medical Marijuana Authority, a division within the Oklahoma State Department of Health, and

c. six and fifteen hundredths percent (6.15%) to the Oklahoma State Department of Health and earmarked for drug and alcohol rehabilitation; and

2. Any surplus collections shall be apportioned to the General Revenue Fund of the State Treasury.

SECTION 3. AMENDATORY 68 O.S. 2011, Section 1353, as last amended by Section 1 of Enrolled House Bill No. 2894 of the 1st Session of the 58th Oklahoma Legislature, is amended to read as follows:

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

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

Fiscal Year	Amount
FY 2003 and FY 2004	86.04%
FY 2005	85.83%
FY 2006	85.54%

FY 2007	85.04%
FY 2008 through FY 2022	83.61%
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%

FY 2007	4.5%
FY 2008 through FY 2020	5.0%
FY 2021:	
a. for the month beginning July 1, 2020, through the month ending August 31, 2020	5.0%
b. for the month beginning September 1, 2020, through the month ending June 30, 2021	3.5%
FY 2022	5.0%
FY 2023 through FY 2027	5.25%
FY 2028 and each fiscal year thereafter	5.0%;

4. a. except as otherwise provided in subparagraph b of this paragraph, for the fiscal year beginning July 1, 2015, and for each fiscal year thereafter, eighty-seven one-hundredths percent (0.87%) shall be paid to the State Treasurer to be further apportioned as follows:

- (1) thirty-six percent (36%) shall be placed to the credit of the Oklahoma Tourism Promotion Revolving Fund, but in no event shall such apportionment exceed Five Million Dollars (\$5,000,000.00) in any fiscal year, and
- (2) sixty-four percent (64%) shall be placed to the credit of the Oklahoma Tourism Capital Improvement Revolving Fund, but in no event shall such apportionment exceed Nine Million Dollars (\$9,000,000.00) in any fiscal year, and

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

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

B. Provided, for the fiscal year beginning July 1, 2007, and every fiscal year thereafter, an amount of revenue shall be apportioned to each municipality or county which levies a sales tax subject to the provisions of Section 1357.10 of this title and subsection F of Section 2701 of this title equal to the amount of sales tax revenue of such municipality or county exempted by the provisions of Section 1357.10 of this title and subsection F of Section 2701 of this title. The Oklahoma Tax Commission shall promulgate and adopt rules necessary to implement the provisions of this subsection.

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

1. For the month ending August 31, 2019:
 - a. Nine Million Six Hundred Thousand Dollars (\$9,600,000.00) to the credit of the State Highway Construction and Maintenance Fund created in Section 1501 of Title 69 of the Oklahoma Statutes, and
 - b. Two Million Dollars (\$2,000,000.00) to the credit of the Oklahoma Railroad Maintenance Revolving Fund created in Section 309 of Title 66 of the Oklahoma Statutes;
2. For the month ending September 30, 2019:

- a. Twenty Million Dollars (\$20,000,000.00) to the credit of the State Highway Construction and Maintenance Fund created in Section 1501 of Title 69 of the Oklahoma Statutes, and
 - b. Two Million Dollars (\$2,000,000.00) to the credit of the Oklahoma Railroad Maintenance Revolving Fund created in Section 309 of Title 66 of the Oklahoma Statutes;
3. For the month ending October 31, 2019:
 - a. Twenty Million Dollars (\$20,000,000.00) to the credit of the State Highway Construction and Maintenance Fund created in Section 1501 of Title 69 of the Oklahoma Statutes, and
 - b. Two Million Dollars (\$2,000,000.00) to the credit of the Oklahoma Railroad Maintenance Revolving Fund created in Section 309 of Title 66 of the Oklahoma Statutes;
4. For the month ending November 30, 2019:
 - a. Twenty Million Dollars (\$20,000,000.00) to the credit of the State Highway Construction and Maintenance Fund created in Section 1501 of Title 69 of the Oklahoma Statutes, and
 - b. Two Million Dollars (\$2,000,000.00) to the credit of the Oklahoma Railroad Maintenance Revolving Fund created in Section 309 of Title 66 of the Oklahoma Statutes; and
5. For the month ending December 31, 2019:
 - a. Twenty Million Dollars (\$20,000,000.00) to the credit of the State Highway Construction and Maintenance Fund created in Section 1501 of Title 69 of the Oklahoma Statutes, and

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

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

SECTION 4. AMENDATORY 70 O.S. 2011, Section 1-111, as last amended by Section 1, Chapter 135, O.S.L. 2016 (70 O.S. Supp. 2020, Section 1-111), is amended to read as follows:

Section 1-111. A. Except as otherwise provided for by law, a school day shall consist of not less than six (6) hours devoted to school activities. A district board of education may elect to extend the length of one (1) or more school days to more than six (6) hours and reduce the number of school days as long as the total amount of classroom instruction time is not less than one thousand eighty (1,080) hours per year as required pursuant to Section 1-109 of this title.

B. A school day for nursery, early childhood education, kindergarten, and alternative education programs shall be as otherwise defined by law or as defined by the State Board of Education. Except as otherwise provided for in this subsection, not more than one (1) school day shall be counted for attendance purposes in any twenty-four-hour period. Two (2) school days, each consisting of not less than six (6) hours, may be counted for attendance purposes in any twenty-four-hour period only if one of the school days is for the purpose of parent-teacher conferences held as provided for in Section 1-109 of this title.

C. Students absent from school in which they are regularly enrolled may be considered as being in attendance if the reason for such absence is to participate in scheduled school activities under the direction and supervision of a regular member of the faculty or

to participate in an online course approved by the district board of education. The State Board of Education shall adopt rules to provide for the implementation of supplemental online courses which shall include, but not be limited to, provisions addressing the following:

1. Criteria for student admissions eligibility;
2. A student admission process administered through the district of residence, which provides the ability for the student to enroll in individual courses;
3. A process by which students are not denied the opportunity to enroll in educationally appropriate courses by school districts. For the purposes of this section, "educationally appropriate" means any instruction that is not substantially a repeat of a course or portion of a course that the student has successfully completed, regardless of the grade of the student, and regardless of whether a course is similar to or identical to the instruction that is currently offered in the school district;
4. Creation of a system which provides ongoing enrollment access for students throughout the school year;
5. A grace period of fifteen (15) calendar days from the first day of an online course for student withdrawal from an online course without academic penalty;
6. Mastery of competencies for course completion rather than Carnegie units;
7. Student participation in extracurricular activities in accordance with school district eligibility rules and policies and any rules and policies of a private organization or association which provides the coordination, supervision, and regulation of the interscholastic activities and contests of schools;
8. Parent authorization for release of state test results to online course providers, on a form developed by the State Department of Education; and

9. A review process to identify and certify online course providers and a uniform payment processing system.

D. Each district board of education shall adopt policies and procedures that conform to rules for online courses as adopted by the State Board. Such policies shall include criteria for approval of the course, the appropriateness of the course for a particular student, authorization for full-time students to enroll in online courses, and establishing fees or charges. No district shall be liable for payment of any fees or charges for any online course for a student who has not complied with the district's policies and procedures. School districts shall not deny students the opportunity to enroll in educationally appropriate courses and shall provide an admissions process which includes input from the student, the parent or guardian of the student, and school faculty.

E. Districts shall require students enrolled in online courses to participate in the Oklahoma School Testing Program Act. Students participating in online courses from a remote site will be responsible for providing their own equipment and Internet access, unless the district chooses to provide the equipment. Credit may not be granted for such courses except upon approval of the State Board of Education and the district board of education.

F. Districts may provide students with opportunities for blended instruction. "Blended instruction" shall mean a combination of brick-and-mortar learning and virtual learning environments that includes elements of a student's control over place, pace and path of learning. A student in blended instruction may work on virtual courses at home or at school in a blended flex lab but shall participate in at least one unit or set of competencies as defined by Section 11-103.6 of this title at a physical school building in a traditional classroom setting which is the academic equivalent of one (1) hour per day for each instructional day in the school year as defined by Section 1-109 of this title.

G. The school day for kindergarten may consist of six (6) hours devoted to school activities.

SECTION 5. AMENDATORY 70 O.S. 2011, Section 3-104, as last amended by Section 1, Chapter 271, O.S.L. 2013 (70 O.S. Supp. 2020, Section 3-104), is amended to read as follows:

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

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

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

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

- a. State Aid to schools,
- b. the supervision of all other functions of general and special education including general control, free textbooks, school lunch, Indian education and all other functions of the Board and an amount sufficient to adequately staff and administer these services, and
- c. the Board shall determine the details by which the budget and the appropriations are administered. Annually, the Board shall make preparations to consolidate all of the functions of the Department in such a way that the budget can be based on two items, administration and aid to schools. A maximum amount for administration shall be designated as a part of the total appropriation;

4. On the first day of December preceding each regular session of the Legislature, prepare and deliver to the Governor and the

Legislature a report for the year ending June 30 immediately preceding the regular session of the Legislature. The report shall contain:

- a. detailed statistics and other information concerning enrollment, attendance, expenditures including State Aid, and other pertinent data for all public schools in this state,
- b. reports from each and every division within the State Department of Education as submitted by the State Superintendent of Public Instruction and any other division, department, institution or other agency 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:

- a. the State Department of Education shall not issue a certificate to and shall revoke the certificate of any person who has been convicted, whether upon a verdict or plea of guilty or upon a plea of nolo contendere, or received a suspended sentence or any probationary term for a crime or an attempt to commit a crime provided for in Section 843.5 of Title 21 of the Oklahoma Statutes if the offense involved sexual abuse or sexual exploitation as those terms are defined in Section 1-1-105 of Title 10A of the Oklahoma Statutes, ~~Sections~~ Section 741, 843.1, if the offense included sexual abuse or sexual exploitation, 865 et seq., 885, 888, 891, 1021, 1021.2, 1021.3, 1040.13a, 1087, 1088, 1111.1, 1114 or 1123 of Title 21 of the Oklahoma Statutes or who enters this state and who has been convicted, received a suspended sentence or received a deferred judgment for a crime or attempted crime which, if committed or attempted in this state, would be a crime or an attempt to commit a crime provided for in any of said laws,
- b. all funds collected by the State Department of Education for the issuance of certificates to instructional, supervisory and administrative personnel in the public schools of the state shall be deposited in the "Teachers' Certificate Fund" in the State Treasury and may be expended by the State Board of Education to finance the activities of the State Department of Education necessary to administer the program, for consultative services, publication costs, actual and necessary travel expenses as provided in the State Travel Reimbursement Act incurred by persons performing research work, and other expenses found necessary by the State Board of Education for the improvement of the preparation and certification of teachers in Oklahoma. Provided, any unobligated balance in the Teachers' Certificate Fund in excess of Ten Thousand Dollars (\$10,000.00) on June 30 of any fiscal year shall be transferred to the General

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

7. Promulgate rules governing the classification, inspection, supervision and accrediting of all public nursery, kindergarten, elementary and secondary schools and on-site educational services provided by public school districts or state-accredited private schools in partial hospitalization programs, day treatment programs, and day hospital programs as defined in this act for persons between the ages of three (3) and twenty-one (21) years of age in the state. However, no school shall be denied accreditation solely on the basis of average daily attendance.

Any school district which maintains an elementary school and faces the necessity of relocating its school facilities because of construction of a lake, either by state or federal authority, which will inundate the school facilities, shall be entitled to receive probationary accreditation from the State Board of Education for a period of five (5) years after the effective date of this act and any school district, otherwise qualified, shall be entitled to receive probationary accreditation from the State Board of Education for a period of two (2) consecutive years to attain the minimum average daily attendance. The Head Start and public nurseries or kindergartens operated from Community Action Program funds shall not be subjected to the accrediting rules of the State Board of Education. Neither will the State Board of Education make rules affecting the operation of the public nurseries and kindergartens operated from federal funds secured through Community Action Programs even though they may be operating in the public schools of the state. However, any of the Head Start or public nurseries or kindergartens operated under federal regulations may make application for accrediting from the State Board of Education but will be accredited only if application for the approval of the programs is made. The status of no school district shall be changed which will reduce it to a lower classification until due notice has been given to the proper authorities thereof and an opportunity

given to correct the conditions which otherwise would be the cause of such reduction.

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

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

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

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

11. Have authority to secure and administer the benefits of the National School Lunch Act, Public Law 396 of the 79th Congress of the United States, in the State of Oklahoma and is hereby authorized to employ or appoint and fix the compensation of such additional officers or employees and to incur such expenses as may be necessary for the accomplishment of the above purpose, administer the

distribution of any state funds appropriated by the Legislature required as federal matching to reimburse on children's meals;

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

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

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

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

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

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

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

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

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

21. Administer the State Public Common School Building Equalization Fund established by Section 32 of Article X of the Oklahoma Constitution. Any monies as may be appropriated or designated by the Legislature, other than ad valorem taxes, any other funds identified by the State Department of Education, which may include, but not be limited to, grants-in-aid from the federal government for building purposes, the proceeds of all property that shall fall to the state by escheat, penalties for unlawful holding of real estate by corporations, and capital gains on assets of the permanent school funds, shall be deposited in the State Public Common School Building Equalization Fund. The fund shall be used to aid school districts and charter schools in acquiring buildings, subject to the limitations fixed by Section 32 of Article X of the Oklahoma Constitution. It is hereby declared that the term "acquiring buildings" as used in Section 32 of Article X of the Oklahoma Constitution shall mean acquiring or improving school sites, constructing, repairing, remodeling or equipping buildings, or acquiring school furniture, fixtures, or equipment. ~~For charter schools, the fund shall only be used to acquire buildings in which students enrolled in the charter school will be attending.~~ It is hereby declared that the term "school districts" as used in Section

~~32 of Article X of the Oklahoma Constitution shall mean school districts and charter schools created pursuant to the provisions of the Oklahoma Charter Schools Act. If sufficient monies are available in the fund, the Board shall solicit proposals for grants from school districts and charter schools and shall determine the process for consideration of proposals. Grants shall be awarded only to school districts which have a total assessed property valuation per average daily membership that is less than the state average total assessed property valuation per average daily membership and, at the time of application, the district has voted the five-mill building fund levy authorized in Section 10 of Article X of the Oklahoma Constitution, and has voted indebtedness through the issuance of new bonds for at least fifty percent (50%) within the last three (3) years of the maximum allowable pursuant to the provisions of Section 26 of Article X of the Oklahoma Constitution as shown on the school district budget filed with the State Board of Equalization for the current school year and certifications by the Attorney General prior to April 1 of the school year. Grants shall be awarded only to charter schools which have secured matching funds for the specific purpose of acquiring buildings in an amount of not less than ten percent (10%) of the total grant amount. The amount of each grant awarded by the Board each year shall not exceed Four Million Dollars (\$4,000,000.00). From the total amount available to provide grants to public schools and charter schools, charter schools shall be allocated the greater of ten percent (10%) of the total amount or the percent of students enrolled in charter schools that are not sponsored by the Statewide Virtual Charter School Board as compared to the student enrollment in school districts which have a total assessed property valuation per average daily membership that is equal to or less than twenty five percent (25%) of the state total assessed property valuation per average daily membership. The Board shall give priority consideration to school districts which have a total assessed property valuation per average daily membership that is equal to or less than twenty five percent (25%) of the state average total assessed property valuation per average daily membership. The Board is authorized to prorate grants awarded if monies are not sufficient in the fund to award grants to qualified districts and charter schools. The State Board of Education shall make available to eligible charter schools any unused grant funds that remain after the initial allocation to all eligible public school districts and charter schools of this state eligible charter schools as defined in subsection B of this section.~~

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

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

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

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

- a. divide the county four-mill levy revenue by four to determine the nonchargeable county four-mill revenue for each school district,
- b. determine the amount of new revenue generated by the five-mill building fund levy as authorized by Section 10 of Article X of the Oklahoma Constitution for each school district as reported in the Oklahoma Cost Accounting System for the preceding fiscal year,
- c. add the amounts calculated in subparagraphs a and b of this paragraph to determine the nonchargeable millage for each school district,
- d. add the nonchargeable millage in each district statewide as calculated in subparagraph c of this paragraph and divide the total by the average daily membership in public schools statewide based on the preceding school year's average daily membership, according to the provisions of Section 18-107 of this title. This amount is the statewide nonchargeable millage per student, known as the baseline local funding per student,
- e. all eligible charter schools shall be included in these calculations as unique school districts, separate from the school district that may sponsor the eligible charter school, and the total number of districts shall be used to determine the statewide average baseline local funding per student,
- f. for each school district or eligible charter school which is below the baseline local funding per student, the Department shall subtract the baseline local funding per student from the average nonchargeable millage per student of the school district or eligible charter school to determine the nonchargeable millage per student shortfall for each district, and
- g. the nonchargeable millage per student shortfall for a school district or eligible charter school shall be

multiplied by the average daily membership of the preceding school year of the eligible school district or eligible charter school. This amount shall be the redbud school grant amount for the school district or eligible charter school.

2. For fiscal year 2022, monies for the redbud school grants shall be expended from the funds apportioned pursuant to Section 2 of this act. For fiscal year 2023 and each subsequent fiscal year, monies for the redbud school grants shall be appropriated pursuant to Section 2 of this act, not to exceed three-fourths (3/4) of the tax collected in the preceding fiscal year pursuant to Section 426 of Title 63 of the Oklahoma Statutes as determined by the Oklahoma Tax Commission. For fiscal year 2023 and each subsequent fiscal year, if such appropriated funds are insufficient to fund the redbud school grants, then an additional apportionment of funds shall be made from sales tax collections as provided by subsection D of Section 3 of this act. If both funds are insufficient, the Department shall promulgate rules to permit a decrease to the baseline local funding per student to the highest amount allowed with the funding available.

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

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

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

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

SECTION 6. AMENDATORY 70 O.S. 2011, Section 3-104.4, as last amended by Section 64, Chapter 161, O.S.L. 2020 (70 O.S. Supp. 2020, Section 3-104.4), is amended to read as follows:

Section 3-104.4. A. The State Board of Education shall adopt standards for the accreditation of the public schools in this state according to the requirements of Section 3-104.3 et seq. of this title, to be effective as set forth in Section 3-104.3 et seq. of this title. The accreditation standards shall incorporate the curricular standards established pursuant to Section 11-103.6 of this title. The accreditation standards shall equal or exceed nationally recognized accreditation standards to the extent that the standards are consistent with an academic results oriented approach to accreditation. The accreditation adopted by the State Board shall encompass accreditation for elementary schools, middle schools, junior high schools, and high schools. The accreditation standards shall be made available for public inspection at the offices of the State Department of Education.

B. Standards for accreditation adopted by the State Board of Education shall include standards relating to the provision of school counselors to the public school children of this state. The State Board of Education shall require each local school district to provide information regarding the number of counselors serving each school site, the duties of all such counselors including all administrative duties, the number of students served by each counselor, and information regarding the number of counselors employed per elementary school, middle school, junior high school and high school.

C. Except as otherwise provided, schools shall meet the accreditation standards as a condition of continued accreditation. Nothing herein shall be construed as preventing changes to the adopted standards by the State Board of Education pursuant to the Administrative Procedures Act. The accreditation standards shall provide for warnings, probation or nonaccredited status for schools

that fail to meet the standards. The Department shall investigate a complaint of failure to provide educational services or failure to comply with accreditation standards within thirty (30) days of receiving the complaint. If the Department determines that a school has failed to comply with the accreditation standards, the Department shall report the recommended warning, probation or nonaccredited accreditation status to the State Board of Education within ninety (90) days. If a school does not take action to comply with the accreditation standards within ninety (90) days after a report is filed by the Department, the Board shall withdraw accreditation for the school. The State Board accreditation regulations shall provide for warnings and for assistance to schools and school districts whenever there is reason to believe a school is in danger of losing its state accreditation.

D. If one or more school sites fail to receive accreditation as required pursuant to this section or subsequently lose accreditation, the State Board of Education shall close the school and reassign the students to accredited schools within the district or shall annex the district to one or more other districts in which the students can be educated in accredited schools.

E. Standards for accreditation adopted by the State Board of Education shall include standards relating to the provision of educational services provided in partial hospitalization programs, day treatment programs, day hospital programs, residential treatment programs and emergency shelter programs for persons between the ages of three (3) and twenty-one (21) years of age. The accreditation standards shall apply to on-site and off-site educational services provided by public school districts or state-accredited private schools. Each school which is providing or is required to provide educational services for students placed in a program as described in this subsection shall be actively monitored by the State Department of Education. The Department shall determine on an ongoing basis if the educational program and services are in compliance with the accreditation standards.

F. The State Board shall provide assistance to districts in considering the possibility of meeting accreditation requirements through the use of nontraditional means of instruction. The State Board shall also assist districts in forming cooperatives and making arrangements for the use of satellite instruction or other

instructional technologies to the extent that use of such instructional means meets accreditation standards.

G. 1. Accreditation shall not be withdrawn from or denied nor shall a penalty be assessed against a school or school district for failing to meet the media materials and equipment standards, media program expenditure standards and media personnel standards as set forth in the accreditation standards adopted by the Board.

2. The provisions of paragraph 1 of this subsection shall cease to be effective during the fiscal year which begins on the July 1 immediately succeeding the legislative session during which the measure appropriating monies to the State Board of Education for the financial support of public schools is enacted as law and such appropriation amount is at least Fifty Million Dollars (\$50,000,000.00) greater than the amount of money appropriated to the State Board of Education for the financial support of public schools for the fiscal year ending June 30, 2019, pursuant to Chapter 146, O.S.L. 2018. Provided, the Fifty Million Dollars (\$50,000,000.00) shall not include any amount of appropriations dedicated for support or certified employee salary increases. Accreditation shall not be withdrawn from or denied nor shall a penalty be assessed against a school or school district for failing to meet the media personnel standards as set forth in accreditation standards adopted by the Board.

H. 1. The State Board shall not assess a financial penalty against any school district which is given a deficiency in accreditation status during any fiscal year as provided for in this subsection.

2. Beginning with the fiscal year which begins July 1, 2021, if the amount of money appropriated to the State Board of Education for the financial support of public schools including funds apportioned pursuant to Section 2 of this act, is at least One Hundred Million Dollars (\$100,000,000.00) greater than the amount of money appropriated to the State Board of Education for the financial support of public schools for the fiscal year ending June 30, 2019, pursuant to Chapter 146, O.S.L. 2018, a financial penalty shall be assessed against any school districts that do not comply with the class size limitations for kindergarten as provided for in Section 18-113.2 of this title and class size limitations for grade one as

provided for in subsection A of Section 18-113.1 of this title. Provided, the One Hundred Million Dollars (\$100,000,000.00) shall not include any amount of appropriations dedicated for support or certified employee salary increases.

3. The State Department of Education shall submit a report on statewide classroom sizes to the President Pro Tempore of the Oklahoma State Senate and the Speaker of the Oklahoma House of Representatives no later than January 1, 2022.

I. Except as provided for in subsection J of this section, beginning with the 2019-2020 school year, evaluations of schools to determine whether they meet the accreditation standards set forth in accordance with this section shall occur once every four (4) years on a schedule adopted by the State Board of Education. The Board may interrupt the evaluation schedule provided in this subsection for reasons including a change in the superintendent of the school district; determination that one or more school district board members have not met the continuing education requirements as defined by this title; determination that the school district falsified information submitted to any public city, county, state or federal official or agency; initiation of an investigation by the Board or a law enforcement agency; or other determination by the Board that standards for accreditation are not being met by the school district. The schedule adopted by the Board shall allow for school districts receiving no deficiencies for two (2) consecutive years to be reviewed for accreditation less than annually. Provided, however, that schools shall be evaluated annually for the purposes of:

1. Local, state and federal funding;
2. Health and safety;
3. Certification requirements for teachers, principals and superintendents;
4. School board governance, including instructional and continuing education requirements for school board members; and
5. Any other requirements under state or federal law.

J. Beginning with the 2019-2020 school year, if a public school receives a deficiency on its accreditation report, the public school shall be evaluated annually to determine if it meets the accreditation standards set forth in accordance with this section. If the public school receives no deficiencies for two (2) consecutive years, the public school shall be subject to the evaluation timeline established in subsection I of this section.

SECTION 7. AMENDATORY 70 O.S. 2011, Section 3-142, as last amended by Section 9 of Enrolled Senate Bill No. 1064 of the 1st Session of the 58th Oklahoma Legislature (70 O.S. Supp. 2020, Section 3-142), is amended to read as follows:

Section 3-142. A. ~~For purposes of funding, a charter school sponsored by a board of education of a school district shall be considered a site within the school district in which the charter school is located.~~ The student membership and attendance of the charter school shall be considered separate from the student membership and attendance of the ~~district in which the charter school is located~~ sponsor for the purpose of calculating enrollment and funding including weighted average daily membership pursuant to Section 18-201.1 of this title and State Aid pursuant to Section 18-200.1 of this title. ~~For charter schools sponsored by a board of education of a school district, the sum of the separate calculations for the charter school and the school district shall be used to determine the total State Aid allocation for the district in which the charter school is located. A charter school shall receive from the sponsoring school district, the State Aid allocation, federal funds to which it is eligible and qualifies for and any other state-appropriated revenue generated by its students for the applicable year, less up to. Not more than three percent (3%) of the State Aid allocation, which may be retained charged by the school district sponsor as a fee for administrative services rendered. For charter schools sponsored by the board of education of a technology center school district, a higher education institution, the State Board of Education, or a federally recognized Indian tribe and for statewide virtual charter schools sponsored by the Statewide Virtual Charter School Board, the State Aid allocation for the charter school shall be distributed by the State Board of Education and not more than three percent (3%) of the State Aid allocation may be charged by the sponsor as a fee for administrative services rendered. The State Board of Education shall determine the policy and procedure for~~

making payments to a charter school. The fee for administrative services as authorized in this subsection shall only be assessed on the State Aid allocation amount and shall not be assessed on any other appropriated amounts. A sponsor of a charter school shall not ~~retain~~ charge any additional State Aid allocation or charge the charter school any additional fee above the amounts allowed by this subsection unless the additional fees are for additional services rendered. The charter school sponsor shall provide to the State Department of Education financial records documenting any state funds ~~retained~~ charged by the sponsor for administrative services rendered for the previous year.

B. 1. The weighted average daily membership for the first year of operation of a charter school shall be determined initially by multiplying the actual enrollment of students as of August 1 by 1.333. The charter school shall receive revenue equal to that which would be generated by the estimated weighted average daily membership calculated pursuant to this paragraph. At midyear, the allocation for the charter school shall be adjusted using the first quarter weighted average daily membership for the charter school calculated pursuant to subsection A of this section.

2. For the purpose of calculating weighted average daily membership pursuant to Section 18-201.1 of this title and State Aid pursuant to Section 18-200.1 of this title, the weighted average daily membership for the first year of operation of a full-time statewide virtual charter school sponsored by the Statewide Virtual Charter School Board shall be determined by multiplying the actual enrollment of students as of August 1 by 1.333. The full-time virtual charter school shall receive revenue equal to that which would be generated by the estimated weighted average daily membership calculated pursuant to this paragraph. At midyear, the allocation for the full-time statewide virtual charter school shall be adjusted using the first quarter weighted average daily membership for the virtual charter school calculated pursuant to subsection A of this section.

C. ~~A charter school shall~~ Except as explicitly authorized by state law, a charter school shall not be eligible to receive state-dedicated, local or county revenue; provided, a charter school may be eligible to receive any other aid, grants or revenues allowed to other schools. A charter school ~~sponsored by the board of education~~

~~of a technology center school district, a higher education institution, the State Board of Education, or a federally recognized Indian tribe shall be considered a local education agency for purposes of funding. A charter school sponsored by a board of education of a school district shall be considered a local education agency for purposes of federal funding.~~

D. ~~A charter school, in addition to the money received from the state, may receive money from any other source.~~ Any unexpended funds received by a charter school may be reserved and used for future purposes. The governing body of a charter school shall not levy taxes or issue bonds. If otherwise allowed by law, the governing body of a charter school may enter into private contracts for the purposes of borrowing money from lenders. If the governing body of the charter school borrows money, the charter school shall be solely responsible for repaying the debt, and the state or the sponsor shall not in any way be responsible or obligated to repay the debt.

E. Any charter school which chooses to lease property shall be eligible to receive current government lease rates.

F. Except as otherwise provided in this subsection, each charter school shall pay to the Charter School Closure Reimbursement Revolving Fund created in subsection G of this section an amount equal to Five Dollars (\$5.00) per student based on average daily membership, as defined by paragraph 2 of Section 18-107 of this title, during the first nine (9) weeks of the school year. Each charter school shall complete the payment every school year within thirty (30) days after the first nine (9) weeks of the school year. If the Charter School Closure Reimbursement Revolving Fund has a balance of One Million Dollars (\$1,000,000.00) or more on July 1, no payment shall be required the following school year.

G. There is hereby created in the State Treasury a revolving fund for the State Department of Education to be designated the "Charter School Closure Reimbursement Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all monies received by the State Department of Education from charter schools as provided in subsection F of this section. All monies accruing to the credit of said fund are hereby appropriated and may be budgeted and expended by the State

Department of Education for the purpose of reimbursing charter school sponsors for costs incurred due to the closure of a charter school. Expenditures from said fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of the Office of Management and Enterprise Services for approval and payment. The State Department of Education may promulgate rules regarding sponsor eligibility for reimbursement.

SECTION 8. AMENDATORY 70 O.S. 2011, Section 10-103.1, is amended to read as follows:

Section 10-103.1. A. The school population, scholastic population, scholastic enumeration, and enumeration of a district shall be the legal average daily attendance. The legal average daily attendance shall be the average number of pupils present in a school district during a year or other specified period of time. The State Board of Education shall determine the legal average daily attendance for each school district by dividing the aggregate days of pupils present in each school district by the number of days taught in each school district.

B. The legal average daily attendance for purposes of the distributions contained in subsection (b) of Section 9 of Article X of the Oklahoma Constitution, Section 1004 of Title 68 of the Oklahoma Statutes, Section 1104 of Title 47 of the Oklahoma Statutes and Sections 10-104 and 615 of this title shall not include the average daily attendance for students enrolled in a charter school.

SECTION 9. It being immediately necessary for the preservation of the public peace, health or safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

Passed the Senate the 20th day of May, 2021.

Presiding Officer of the Senate

Passed the House of Representatives the 24th day of May, 2021.

Presiding Officer of the House
of Representatives

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____

Approved by the Governor of the State of Oklahoma this _____

day of _____, 20_____, at _____ o'clock _____ M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____