STATE OF OKLAHOMA
1st Session of the 56th Legislature (2017)

SENATE BILL 396

By: Loveless

AS INTRODUCED

An Act relating to schools; creating the Oklahoma Parental Empowerment Act of 2017; providing short title; providing definitions; creating the Oklahoma Parental Empowerment Account Program; directing the Office of the State Treasurer to administer the program; requiring the parent or legal guardian of an eligible student to sign certain agreement; establishing requirements for participation; allowing early termination of agreement; providing end date for participation; requiring annual renewal of agreement; providing for an agreement to meet certain compulsory attendance requirement; limiting participation to certain percentage each year; requiring verification of percentage eligible to participate; providing for calculation of amount to be deposited into parental empowerment account if an eligible student receives a portion of education from a resident district; providing for expenditure of unused funds; requiring certain calculation of amount to be transferred into a parental empowerment account; requiring transfer of certain percentage of funds; requiring certain percentage of funds to be distributed to certain resident districts; allowing the Office of the State Treasurer to retain certain amount for administrative services; creating the Oklahoma Parental Empowerment Account Revolving Fund; providing for expenditure of fund; requiring parents and legal guardians of eligible students to submit certain receipts; prohibiting the recipient of parental empowerment account funds from sharing, refunding or rebating any such funds except under certain circumstances; directing the Office of the State Treasurer to conduct random audits; providing procedures for a parent or legal guardian to be removed from the program; providing for suspension of
account; providing for notification in writing; providing for appeal of removal; providing for notification of State Department of Education; allowing referral of certain cases for investigation; directing the State Board of Education and the Office of the State Treasurer to promulgate rules; 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 28-101 of Title 70, unless there is created a duplication in numbering, reads as follows:

This act shall be known and may be cited as the "Oklahoma Parental Empowerment Act of 2017".

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 28-102 of Title 70, unless there is created a duplication in numbering, reads as follows:

As used in the Oklahoma Parental Empowerment Act of 2017:

1. "Eligible student" means a resident of the state other than a student who is being provided an education by other means and:
   a. who otherwise is eligible to enroll in pre-kindergarten in a public school district in a county having more than fifty thousand (50,000) population according to the latest Federal Decennial Census, or
   b. who is eligible to enroll in grades kindergarten through twelve in a public school district who
previously was enrolled the first one hundred (100) days of the prior school year in an Oklahoma public school district in a county having more than fifty thousand (50,000) population according to the latest Federal Decennial Census, and
c. whose parent(s) or legal guardian(s) has an annual income from taxable and nontaxable sources of less than Two Hundred Fifty Thousand Dollars ($250,000.00);

2. "Qualified expenditure" means an expenditure that serves an educational purpose, including but not limited to:

   a. online curriculum,

   b. tuition at a private school accredited or in the process of obtaining accreditation by the Oklahoma Private School Accrediting Council,

   c. educational services from a public school district, including a charter school, that is not the resident district for the student,

   d. co-curricular and extracurricular activities such as athletics, drama, music, student clubs and other such activities,

   e. textbooks,

   f. tutoring,

   g. testing for college entrance examinations,

   h. college tuition and fees for concurrent enrollment,
3. "Program" means the Oklahoma Parental Empowerment Account Program; and

4. "Resident district" means the public school district in which the student resides as defined in Section 1-113 of Title 70 of the Oklahoma Statutes.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 28-103 of Title 70, unless there is created a duplication in numbering, reads as follows:

A. There is hereby created the Oklahoma Parental Empowerment Account Program to be administered by the Office of the State Treasurer to provide a parental empowerment account for qualified expenditures to support the education of an eligible student in this state.

B. To enroll in the Program, the parent or legal guardian of an eligible student shall enter into a written agreement with the Office of the State Treasurer in a manner and on a form provided by the Office of the State Treasurer. The agreement shall provide that:

1. The eligible student will receive an education in at least the subjects of reading, English language arts, mathematics, social
studies and science for the school year for which the agreement applies;

2. Parental empowerment account funds shall be used only on qualified expenditures;

3. The parent or legal guardian of the eligible student shall sign a document releasing the resident school district from all obligations to educate the eligible student, except as otherwise provided for in subsection G of this section; and

4. The parent or legal guardian shall not enroll the eligible student in the Lindsey Nicole Henry Scholarships for Students with Disabilities Program.

C. An agreement entered into pursuant to subsection B of this section may be terminated early if:

1. The parent or legal guardian of an eligible student notifies the State Board of Education of the date the eligible student enrolls or re-enrolls on a full-time basis in a resident district; or

2. The eligible student no longer resides in the state.

D. An eligible student shall no longer be eligible for a parental empowerment account upon high school graduation or upon reaching age twenty-one (21), whichever comes first.

E. An agreement entered into pursuant to subsection B of this section may be renewed on an annual basis by submitting a renewal request to the Office of the State Treasurer.
F. An agreement entered into pursuant to subsection B of this section shall be deemed school attendance and shall constitute compliance with the compulsory attendance requirements of Section 10-105 of Title 70 of the Oklahoma Statutes.

G. If an eligible student receives a portion of his or her instruction from a resident district and a portion from another entity that is a qualified expenditure, the amount of funds deposited into the parental empowerment account of the eligible student shall be based on the percentage of instruction provided by an entity other than the resident district.

H. All parental empowerment account funds that are unused by the end of the school year shall be carried forward to the next school year if the agreement entered into pursuant to subsection B of this section is renewed. If the agreement entered into pursuant to subsection B of this section terminates or is not renewed or if an eligible student graduates or reaches the age of twenty-one (21), whichever comes first, any unused parental empowerment account funds shall revert to the State Board of Education to be used for the financial support of public schools.

I. The number of new students eligible to participate in the Program shall be limited to not more than one percent (1%) of the total number of students enrolled in public schools statewide each year. The State Department of Education shall verify the total number of students enrolled in public schools the preceding school
year by July 1 of each year to determine the number of eligible
students for the Program for that school year. Applicants shall be
granted on a first-come, first-serve basis.

SECTION 4. NEW LAW A new section of law to be codified
in the Oklahoma Statutes as Section 28-104 of Title 70, unless there
is created a duplication in numbering, reads as follows:

A. 1. For each eligible student who is accepted into the
Oklahoma Parental Empowerment Account Program pursuant to Section 3
of this act, the State Department of Education shall calculate the
amount required to fund the parental empowerment account for the
following fiscal year. The calculated amount shall be equivalent to
the total State Aid factors multiplied by the grade level weight and
the student category weights that would be generated by the eligible
student for the applicable school year.

2. The State Department of Education shall calculate the total
cost of all parental empowerment accounts for all eligible students
in the state. The State Department of Education shall then reserve
or retain from the total amount appropriated to the State Board of
Education for State Aid purposes and any other revenue available for
allocation for State Aid purposes the total cost for all parental
empowerment accounts.

3. The State Department of Education shall transfer to the
Office of the State Treasurer an amount equal to ninety percent
(90%) of the amount calculated pursuant to paragraph 2 of this
subsection in equal allocations pursuant to a schedule established by the Office of the State Treasurer. Of the funds transferred to the Office of the State Treasurer for the Program, an amount not exceeding three percent (3%) may be retained by the Office of the State Treasurer for administration of the Program.

4. The remaining ten percent (10%) of total state funding from the State Department of Education shall be distributed by the State Board of Education to the resident district which the eligible student would otherwise attend to be expended in a manner decided by the local school district board of education.

B. There is hereby created in the State Treasury a revolving fund for the Office of the State Treasurer to be designated the "Oklahoma Parental Empowerment Account Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all monies received by the Office of the State Treasurer from the State Department of Education pursuant to subsection A of this section. All monies accruing to the credit of the fund are hereby appropriated and may be budgeted and expended by the Office of the State Treasurer for the purpose of funding parental empowerment accounts. Expenditures from the fund shall be made upon warrants issued by the Office of 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.
C. The parent or legal guardian of an eligible student shall submit receipts for qualified expenditures to the Office of the State Treasurer.

D. A recipient of parental empowerment account funds shall not share, refund or rebate any amount expended from a parental empowerment account with the parent or legal guardian of an eligible student or the eligible student, unless the refund is for an item that is being returned or an item or service that has not been provided.

E. The Office of the State Treasurer shall audit parental empowerment accounts randomly each year. The Office of the State Treasurer may provide for additional audits of parental empowerment accounts as it determines necessary.

F. 1. The Office of the State Treasurer may remove any parent or legal guardian of an eligible student from eligibility for the Program if the parent or legal guardian fails to comply with the terms of the agreement executed pursuant to Section 3 of this act or applicable laws, rules or orders or misuses monies or fails to comply with the terms of the agreement with the intent to defraud.

2. The Office of the State Treasurer shall suspend the parental empowerment account of the parent or legal guardian and shall notify the parent or legal guardian in writing that the parental empowerment account has been suspended and that no further transactions shall be allowed. The notification shall specify the
reason for the suspension and state that the parent or legal
guardian has ten (10) days, not including weekends, to respond and
take corrective action. If the parent or legal guardian refuses or
fails to contact the Office of the State Treasurer, furnish any
information or make any report that may be required for
reinstatement within the ten-day period, the Office of the State
Treasurer may remove the parent or legal guardian of the eligible
student from participation in the Program.

3. The parent or legal guardian of an eligible student may
appeal the Office of the State Treasurer's decision pursuant to the
Administrative Procedures Act.

4. The Office of the State Treasurer shall notify the State
Department of Education of the removal of a parent or legal guardian
of an eligible student from participation in the Program.

5. The Office of the State Treasurer may refer cases of
substantial misuse of monies to the attorney general for
investigation if evidence of fraudulent use of a parental
empowerment account is obtained.

SECTION 5. NEW LAW A new section of law to be codified
in the Oklahoma Statutes as Section 28-105 of Title 70, unless there
is created a duplication in numbering, reads as follows:

The State Board of Education and the Office of the State
Treasurer shall promulgate rules necessary to implement the
provisions of this act.
SECTION 6. This act shall become effective July 1, 2017.

SECTION 7. 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.

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