

681 of Title 63 of the Oklahoma Statutes. All students and employees shall participate in the drills, with the extent of student involvement to be determined by the district.

The State Board of Education shall adopt rules to implement the provisions of this section. **(70-5-148)**

Section 192. School Safety Drills.

A. In addition to the two lockdown drills required pursuant to Section 5-148 of this title, all public schools shall conduct a minimum of eight safety drills as follows:

1. Two fire drills per school year. Each fire drill shall be conducted within the first fifteen (15) days of each semester. The fire drills shall include the sounding of a distinctive audible signal designated as the fire alarm signal;

2. Two intruder drills per school year. Intruder drills are conducted for the purpose of mitigating injuries or deaths by executing a plan as an alternative to the lockdown method. Each intruder drill shall be conducted within the first fifteen (15) days of each semester;

3. Two tornado drills per school year with at least one drill being conducted in the months of September and March; and

4. The principal and superintendent of a public school district shall utilize the remaining required safety drills in any manner provided in this section or Section 5-148 of this title or by developing a drill that is consistent with the risks assessed for the appropriate facility or any recommendations submitted by the Safe School Committee as authorized pursuant to Section 24-100.5 of this title or any assisting fire or law enforcement department.

B. It shall be the duty of the principal, under the direction of the superintendent of the school district, to conform to the written plans and procedures adopted by the district as required by Section 681 of Title 63 of the Oklahoma Statutes. All students and teachers at the public schools shall participate; provided, however, that the extent of student involvement required in paragraph 2 of subsection A of this section be determined by the district.

C. Each public school district shall document each fire drill in writing by public school site. The records for each fire drill shall be preserved for at least three years and made available to the State Fire Marshal or the marshal's agent upon request. In addition to the fire drill documentation provided in this subsection, the school district shall document all other safety drills in writing and by school site with a copy of the report remaining at the school, a copy filed with the district administrative office and a copy with the Institute for School Security Resources as created by the Oklahoma Office of Homeland Security. **(70-5-149)**

Section 193. School District Budget Act.

This act shall be known and may be cited as the "School District Budget Act". **(70-5-150)**

Section 194. Purpose of School District Budget Act.

The purpose of the School District Budget Act is to provide an alternate budget procedure for school districts which will:

1. Establish standard and sound fiscal procedures for the adoption and administration of budgets;

2. Make available to the public and investors sufficient information as to the financial conditions, requirements and expectations of the school district; and

3. Assist school districts to improve and implement generally accepted standards of financial management as promulgated by the Governmental Accounting Standards Board (GASB). **(70-5-151)**

Section 195. Applicability of School District Budget Act.

The School District Budget Act shall be optional and shall apply only to a school district which, by resolution of the governing body, votes to comply with the provisions of the School District Budget Act. If the governing body of a school district votes to comply with the School District Budget Act to govern its budget procedures, the provisions of the School District Budget Act shall take precedence over any other state laws applicable to school budgets, except as otherwise provided by the School District Budget Act. Any action of a school district governing body to implement or repeal budgeting procedures in compliance with the School District Budget Act shall be effective only at the beginning or end of a budget year respectively pursuant to the School District Budget Act. **(70-5-152)**

Section 195.1. Definitions.

As used in the School District Budget Act:

1. "Account" means an entity for recording specific revenues or expenditures, or for grouping related or similar classes of revenues and expenditures and recording them within a fund;
2. "Appropriation" means an authorization and allocation of money to be expended for a purpose;
3. "Budget" means a plan of financial operations for a fiscal year, including an estimate of proposed expenditures for given purposes and the proposed means for financing them;
4. "Budget summary" means a tabular listing of revenues by source and expenditures by fund for the budget year;
5. "Budget year" means the fiscal year for which a budget is prepared or is being prepared;
6. "Chief executive officer" means the superintendent of an independent school district or the elementary superintendent of a dependent school district;
7. "Current year" means the year in which the budget is prepared and adopted, or the fiscal year immediately preceding the budget year;
8. "Deficit" means the excess of the liabilities of a fund over its assets as reflected by its books of record;
9. "Estimated revenue" means the amount of revenues estimated to be received during the budget year in each fund for which a budget is prepared;
10. "Fiscal year" means the annual period for reporting fiscal operations which begins and ends on dates as the Legislature provides;
11. "Fund" means an independent fiscal and accounting entity with a self-balancing set of accounts to record cash and other financial resources, together with all liabilities, which are segregated for the purpose of carrying on specific activities for attaining certain objectives;
12. "Fund balance" means the excess of the assets of a fund over its liabilities, as reflected by its books of record;
13. "Governing body" means the board of education of the school district;
14. "Immediate prior fiscal year" means the year preceding the current year;
15. "Levy" means to impose ad valorem taxes or the total amount of ad valorem taxes for a purpose or entity;
16. "Operating reserve" means that portion of the fund balance which has not been appropriated in a budget year;
and

17. "School district" means any independent or dependent school district or a technology center school district. (70-5-153)

Section 196. Preparation of Budget.

For a school district acting in accordance with the School District Budget Act, within the thirty-day period preceding the beginning of each fiscal year, a budget for the school district shall be approved by the governing body. The chief executive officer may require any other officer or employee who is charged with the management or control of any department or office of the school district to furnish estimates for the fiscal year covering estimated revenues and expenditures of the department or office on or before a date set by the chief executive officer. (70-5-154)

Section 197. Budget Summary - Public Hearings.

A. The school district budget shall represent a complete plan for the school district and shall present information necessary and proper to disclose the financial position and condition of the school district and the revenues and expenditures thereof, both past and anticipated.

B. A school district budget shall contain a budget summary. It shall also be accompanied by a budget message which shall explain the budget and describe its important features. It shall contain at least the following in tabular form for each fund:

1. Actual revenues and expenditures for the immediate prior fiscal year;
2. Revenues and expenditures for the current fiscal year as shown by the budget for the current year as adopted or amended; and
3. Estimates of revenues and expenditures for the budget year.

C. The school district governing body shall hold a public hearing on the proposed budget within forty-five (45) days preceding the beginning of the budget year. Notice of the date, time and place of the hearing, together with the proposed budget summary, shall be published in a newspaper of general circulation in the school district not less than five (5) days before the date of the hearing. The clerk of the board shall make available a sufficient number of copies of the proposed budget as the governing body shall determine and shall have them available for review or for distribution at the office of the chief financial officer. At the public hearing on the budget any person may present to the governing body comments, recommendations or information on any part of the proposed budget.

D. The adopted budget shall be in effect no later than the first day of the fiscal year to which it applies. The budget as adopted and filed with the State Auditor and Inspector shall constitute an appropriation for each fund, and the appropriation thus made shall not be used for any other purpose except as provided by law.

E. Each school district shall amend the original budget after June 30 of each year after the June financial activity has been recorded, the annual Foundation and Salary Incentive Aid allocation has been released, and the property tax valuations have been certified for all affected counties within the school district. The amended budget shall include all of the following information which is applicable:

1. Valuation of the school district by county and classification, excluding homestead exemptions;
2. Bonded debt and judgments outstanding, including interest rates by maturity;
3. Matured debt and judgments;
4. Sinking fund balance, including cash and investments;
5. Sinking fund levy calculations, including surplus/deficit, principal accrual, annual interest, judgment installment and interest, total net levy and delinquency;

6. Levies in millage for general fund, building fund and sinking fund;
7. Millage adjustment factor, if applicable;
8. Previous year sinking fund collections, including total proceeds as certified, additions or deductions, reserve for delinquent tax, reserve for protest pending, tax apportioned, net balance in process of collection, and excess collections; and
9. Surplus analysis, including itemized sources of excess and deductions.

F. At the time required by law, the county excise board shall levy the taxes necessary for the school district general fund, building fund and sinking fund for the budget year pursuant to Sections 397 and 399 of Title 62 of the Oklahoma Statutes, and for the school district general and building funds for the budget year pursuant to Section 9 of Article X of the Oklahoma Constitution. **(70-5-155)**

Section 198. Taxpayer Protests.

Within fifteen (15) days after the filing of any school district budget with the county excise board of each county in which the school district is located and with the State Auditor and Inspector, any taxpayer may file protests with the State Auditor and Inspector against any alleged illegality of the budget in the manner provided by this section and Sections 3023 through 3031 of Title 68 of the Oklahoma Statutes. The fifteen-day protest period begins upon the date the budget is received in the Office of the State Auditor and Inspector as filed by the county excise board. After receipt of a taxpayer protest, the State Auditor and Inspector shall transmit by certified mail one copy of each protest to the clerk of the board of education, and one copy of each protest to the school district treasurer and the excise board of each county in which the school district is located. The taxpayer protest shall specify the alleged illegality in the budget and the grounds upon which the alleged illegality is based. Any protest filed by any taxpayer shall inure to the benefit of all taxpayers. If no protest is filed by any taxpayer within the fifteen-day period, the budget and any appropriations thereof shall be deemed legal and final until amended by the governing body or the county excise board as authorized by law. Taxpayers shall have the right at all reasonable times to examine the budget on file with the clerk of the board of education, the county excise board, or the State Auditor and Inspector for the purpose of checking illegalities in the budget or for filing protests in accordance with this section and Sections 3023 through 3031 of Title 68 of the Oklahoma Statutes. **(70-5-156)**

Section 199. Expenditures - Obligations.

A. No expenditure may be authorized or made by any officer or employee of a school district which exceeds the appropriation for any fund of the budget as adopted or amended. Any balance remaining in a fund at the end of the budget year shall be carried forward to the credit of the fund for the next budget year pursuant to law.

B. It shall be unlawful for any officer or employee of the school district in any budget year:

1. To create or authorize creation of a deficit in any fund; or
2. To authorize, make or incur expenditures or encumbrances in excess of one hundred percent (100%) of the appropriation for any fund of the budget as adopted or amended until revenues in an amount equal to at least one hundred percent (100%) of the appropriation for the fund have been collected. Any fund balance which is included in the appropriation for the fund is considered revenue in the budget year for which it is appropriated. Expenditures may then be made and authorized so long as any expenditure does not exceed any fund balance.

C. Any obligation that is contracted or authorized by any officer or employee in violation of this act shall become the obligation of the officer or employee himself and shall not be valid or enforceable against the school district. Any officer or employee who violates this act shall forfeit his office or position and shall be subject to such civil and criminal punishments as are provided by law. Any obligation, authorization for expenditure or expenditure made in violation of this act shall be illegal and void. **(70-5-157)**

Section 200. Funds - Accounts.

A school district shall establish funds consistent with legal and operating requirements. Each school district shall maintain according to its own needs some or all of the following funds or ledgers in its system of accounts:

1. A general fund, to account for all monies received and disbursed for general school district purposes, including all assets, liabilities, reserves, fund balances, revenues and expenditures which are not accounted for in any other fund or special ledger account;

2. Special revenue funds, as required, to account for the proceeds of specific revenue sources that are restricted by law to expenditures for specified purposes;

3. Debt service fund, which shall include the school district sinking fund, established to account for the retirement of general obligation bonds, building bonds, transportation bonds or other long term debt and payment of interest thereon and judgments as provided by law. Any monies pledged to service general obligation bonds, building bonds, transportation bonds or other long term debt must be deposited in the debt service fund;

4. Capital improvement fund, to account for financial resources segregated for acquisition, construction or other improvement related to capital facilities other than those financed by general long term debt;

5. Enterprise funds, to account for operations that are financial and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation), of providing goods or services on a continuing basis be financed or recovered primarily through user charges or where there is a periodic need to determine revenues earned, expenses incurred or net income for a service or program;

6. Trust and agency funds, to account for assets held by the school district as trustee or agent for individuals, private organizations or other governmental units or purposes, such as a retirement fund, employee health insurance fund or a school activity fund;

7. Internal service funds, to account for the financing of goods or services provided by one department or agency of the school district to another department or agency, or to another government, on a cost reimbursement basis;

8. A ledger or group of accounts in which to record the details relating to the general fixed assets of the school district;

9. A ledger or group of accounts in which to record the details relating to the general obligation bonds, building bonds, transportation bonds or other long term debt of the school district; or

10. Such other funds or ledgers as may be established by the board of education. **(70-5-158)**

Section 201. Classifications of Revenues and Expenditures.

Each fund shall be made up of accounts for classifying revenues and expenditures. Revenues shall be classified separately by source. Expenditures shall be classified into the dimensions required by the State Department of Education or, for technology center schools, the Oklahoma Department of Career and Technology Education. **(70-5-159)**

Section 202. Transfers Between Funds or Accounts.

The chief executive officer, or designee, as authorized by the governing body, may transfer any unexpended and unencumbered appropriation or any portion thereof from one account to another within the same fund; except that no appropriation for debt service or other appropriation required by law or regulation may be reduced below the minimums required. Other interfund transfers may be made only as authorized by this act or as provided in the budget as adopted or amended according to this act. Whenever the necessity for maintaining any special fund of a school district has ceased to exist and a balance remains in the fund, the governing body may authorize the transfer of the balance to the general fund. Applicable law shall govern the use or transfer of any remaining balance in any debt service or bond fund. **(70-5-160)**

Section 203. Amendment of Budget.

A. The governing body may amend the budget to make supplemental appropriations to any fund up to the amount of additional revenues which are available for current expenses as shown by a fund balance for the fund due to:

1. Revenues received or allocated from sources not anticipated in the budget for that year;
2. Revenues received or allocated from anticipated sources but in excess of the budget estimates therefor; or

3. Unexpended unencumbered cash balances on hand at the end of the preceding fiscal year which had not been anticipated in the budget. Any appropriation authorizing the creating of an indebtedness shall be governed by the applicable provisions of Article X of the Oklahoma Constitution.

B. If at any time during the budget year it appears probable that revenues available will be insufficient to meet the amount appropriated, or that due to unforeseen emergencies there temporarily is insufficient money in a particular fund to meet the requirements of appropriation for the fund, the governing body may amend the budget to reduce one or more appropriations or it may amend the budget to transfer money from one fund to another fund, but no appropriation for debt service may be reduced and no appropriation may be reduced by more than the amount of the unencumbered and unexpended balance. No transfer shall be made from the debt service fund to any other fund except as may be permitted by the terms of the bond issue or by law.

C. Any budget amendment, as provided in this section, authorizing supplemental appropriations or a decrease or change in appropriation or funds shall be adopted by the governing body at a meeting held in accordance with the Oklahoma Open Meeting Act and filed with the clerk of the board of education, the county excise board of each county in which the school district is located, and the State Auditor and Inspector. **(70-5-161)**

Section 204. Transfer of Appropriations.

For the fiscal year ending June 30, 2004, the superintendent of a school district or designee may transfer any unexpended or unencumbered appropriation in an amount not to exceed twenty-five percent (25%) of the total appropriation from one account, fund, or program category to another account, fund, or program category. The amount to be transferred, together with all previous transfers, shall not exceed twenty-five percent (25%) of the total appropriation to the account, fund or program category from which the transfer is being made. Provided, funds shall not be transferred between the general fund and building fund of any school district. The State Department of Education shall be notified in writing or electronically of all transfers at the time the transfers are made. **(70-5-170)**

Section 205. Registering Certificates of Indebtedness.

The treasurer of a school district to whom a certificate of indebtedness or bond is directed for payment shall register the certificate of indebtedness or bond by entering the number, the date, the name of the payee, the fund upon which it is drawn and the amount and shall write on the certificate or bond the date of registration and the name of the treasurer. Certificates of indebtedness or bonds shall be registered in the numerical order in which they are issued and, after registration, shall be given to the encumbrance clerk. No certificate of indebtedness or bond shall be a valid charge until registration by the treasurer. A board of education may contract for and pay a registrar or transfer agent to transfer ownership or change of payee of any certificate of indebtedness or bond issued by the school district and to maintain relevant books and records. The treasurer shall record payment of certificates of indebtedness or bonds and mark "paid" on the face of paid certificates of indebtedness or bonds. **(70-5-181)**

Section 206. Warrants in Excess of Estimated and Approved Expenses.

It shall be unlawful for any school district officer to issue, approve, sign, or attest any check, warrant or certificate of indebtedness in any form in excess of the estimate of expenses made and approved for the current fiscal year or authorized for such a purpose by a bond issue and any such check, warrant or certificate of indebtedness issued, approved, or authorized by a bond issue shall not be a charge against the school district upon which it is issued, but may

be collected by civil action from any officer issuing, drawing, approving, signing, or attesting the same, or from either or all of them, or from their bondsmen. (70-5-182)

Section 207. Penalties Against Treasurer.

Any treasurer who shall willfully or knowingly register or pay a warrant, check or certificate of indebtedness, issued in excess of the estimate made and approved by the excise board for the current fiscal year or in excess of a bond issue for such purpose, shall be guilty of a misdemeanor and, upon conviction, shall be punished by a fine of not less than One Thousand Dollars (\$1,000.00) or by imprisonment in the county jail not exceeding one (1) year or by both the fine and imprisonment. (70-5-183)

Section 208. Penalties Against School Officer.

Any school district officer willfully or knowingly contracting, incurring, acknowledging, authorizing, allowing, or approving any indebtedness or any officer issuing, drawing, or attesting any check, warrant or certificate of indebtedness in excess of the estimate made and approved by the excise board for such purpose for the current fiscal year or in excess of the specific amount authorized for such purpose by a bond issue, shall be deemed guilty of a misdemeanor and, upon conviction, shall be punished by a fine of not less than One Thousand Dollars (\$1,000.00) or by imprisonment in the county jail for not to exceed one (1) year or by both the fine and imprisonment, and shall forfeit and be removed from office pursuant to state law. (70-5-184)

Section 209. Statute of Limitations on Warrants.

Without regard to the time when funds may be collected and are available to pay a check or warrant issued by a school district, any school district check or warrant shall be due one (1) year after the close of the fiscal year for which the check or warrant was issued and action may be commenced in any court of competent jurisdiction to enforce the liability evidenced by the check or warrant. Any action to enforce the liability evidenced by the check or warrant shall thereafter be barred, and the lapse of time need not be asserted as defense in any action for the school district to be relieved of liability. (70-5-185)

Section 210. Warrants in Excess of Appropriations.

It shall be unlawful for the governing board of education to issue any check, warrant or certificate of indebtedness, in any form, in payment of, or representing or acknowledging any account, claim, or indebtedness against the school district, or to make any contracts for, or incur any indebtedness against the school district in excess of the amount then unexpended and unencumbered of the sum appropriated for the specific item of estimated needs for such purpose theretofore made, submitted, and approved, or authorized for such purpose by a bond issue. The signature of the board president and clerk shall be notification to the public that the check or warrant is for the purpose and within the amount of the appropriation charged. (70-5-186)

Section 211. Publishing Notices of Claims.

All unencumbered balances, if any, as shown by the officer charged with keeping the appropriation and expenditure records of the school district on hand at the close of day June 30, may remain as a credit for said fiscal year up to the close of day September 30. If a date earlier than September 30 is established, the encumbrance clerk shall publish, on the district's web site for two consecutive times if also published in a daily newspaper and once if published in a weekly newspaper of general circulation in the school district, notice of the date set by the board of education for the submission of all claims against unencumbered balances of the prior fiscal year in the following form:

PUBLIC NOTICE

All having a claim against the ___ Public School District are notified that all invoices and required documentation pertaining to an approved purchase order for services rendered or goods or materials delivered pursuant to that purchase order must be recorded with the encumbrance clerk of the district on or before the ___ day of ___, 20___, covering

all debts now unpaid and incurred during the period of the prior fiscal year beginning on July 1, 20___, and ending on June 30 20___, or the claim upon which the invoice or purchase order is based shall be void and forever barred.

District Encumbrance Clerk

This section shall not permit the incurring of new indebtedness chargeable to the appropriation account of the immediately preceding fiscal year. (70-5-187)

Section 212. Supplemental Appropriation.

Provided all fund balances reserved for unencumbered balance of appropriations for the prior fiscal year on hand at the close of day set by the board of education in the current fiscal year, but in no event later than September 30, may be appropriated by supplemental appropriation to current expense purposes in the current fiscal year in the manner now provided by law. In the event of the recording of an estimated encumbrance or in the event of an increase in the cost of supplies, equipment, material, or services, these underestimations may be provided for during the time period set by the board by the cancellation of appropriations made by the county excise board prior to June 30, subject to the approval of both the governing board and the officer in charge of the department or appropriation account only in instances as set forth and only in amounts sufficient to pay the increased encumbrances, and by reapportionment to the appropriation accounts in which an underestimated encumbrance was made, all in the manner as now provided by law for the making of supplemental appropriations. (70-5-188)

Section 213. Duplicate Warrants.

A school district may issue a second or duplicate check or warrant in lieu of any check or warrant that has been issued and subsequently lost or destroyed. No second or duplicate check or warrant shall be issued until the school district has stopped payment on said item by the payor bank or, in the alternative, until an affidavit setting forth the facts as to the loss or destruction of the original check or warrant has been received by the school district from the payee, which affidavit may be received by facsimile transmission. The district board of each school district shall establish policies and procedures as will, as nearly as possible, preclude any loss being sustained by the school district on account of the issuance of any second or duplicate check or warrant. (70-5-189)

Section 214. Required Training for School Finance Officers.

A. Before July 1, 2007, every school district treasurer shall complete at least twelve (12) hours of instruction on school finance laws of this state, accounting, ethics, and the duties and responsibilities of a school district treasurer.

B. Before July 1, 2007, every school district encumbrance clerk shall complete at least twelve (12) hours of instruction on school finance laws of this state, accounting, ethics, and the duties and responsibilities of a school district encumbrance clerk.

C. Every school district treasurer and encumbrance clerk employed after July 1, 2007, shall be required, within nine (9) months after employment in the position by a school district, to complete the instruction required pursuant to subsections A and B of this section.

D. Every school district treasurer and encumbrance clerk shall be required to complete a minimum of twelve (12) hours of continuing education every three (3) years, in addition to the requirements of subsections A and B of this section.

The requirements of this section shall not apply to any county treasurer who also acts as a school district treasurer; however, nothing herein shall prevent a county treasurer from attending such training or continuing education. (70-5-190)

TEACHERS

Section 215. Teachers - Contracts.