

WARNING

IT IS A FELONY FOR ANYONE TO SIGN AN INITIATIVE OR REFERENDUM PETITION WITH ANY NAME OTHER THAN HIS OWN, OR KNOWINGLY TO SIGN HIS NAME MORE THAN ONCE FOR THE MEASURE, OR TO SIGN THE PETITION WHEN HE IS NOT A LEGAL VOTER.

INITIATIVE PETITION

To the Honorable Mary Fallin, Governor of Oklahoma:

We, the undersigned legal voters of the State of Oklahoma, respectfully order that the following proposed amendment to the Constitution shall be submitted to the legal voters of the State of Oklahoma for their approval or rejection at the regular general election, to be held on the 8th day of November, 2016 (or at a special election as may be called by the Governor), and each for himself says: I have personally signed this petition; I am a legal voter of the State of Oklahoma; my residence or post office are correctly written after my name. The time for filing this petition expires ninety (90) days from February 16, 2016. The question we herewith submit to our fellow voters is:

Shall the following proposed new Article XIII-C to the Constitution be approved?

BE IT ENACTED BY THE PEOPLE OF OKLAHOMA THAT A NEW ARTICLE XIII-C TO THE OKLAHOMA CONSTITUTION BE APPROVED:

**CONSTITUTION OF OKLAHOMA, ARTICLE XIII-C --
OKLAHOMA EDUCATION IMPROVEMENT FUND**

§ 1. CREATION OF OKLAHOMA EDUCATION IMPROVEMENT FUND

There is hereby created in the State Treasury a limited purpose fund to be known as the "Oklahoma Education Improvement Fund." The fund shall consist of the proceeds of the sales tax levy and the use tax levy provided in Section 2 of this Article XIII-C, and any monies or assets contributed to the fund from any other source, public or private.

§ 2. LEVY OF ONE CENT SALES TAX AND USE TAX FOR OKLAHOMA EDUCATION IMPROVEMENT FUND

There is hereby levied upon all sales, not otherwise exempted in the Oklahoma Sales Tax Code, an additional excise tax of one percent (1.0%) of the gross receipts or gross proceeds of each sale of tangible personal property, or of other goods and services subject to the sales tax as provided in the Oklahoma Sales Tax Code. Except as otherwise provided herein, this tax shall be collected, reported, and remitted or paid in accordance with the Oklahoma Sales Tax Code.

There is hereby levied and there shall be paid by every person storing, using, or otherwise consuming within this state, tangible personal property purchased or brought into this state, an additional excise tax on the storage, use, or other consumption in this state of such property at the rate of one percent (1.0%) of the purchase price of such property. Said tax shall be levied on the storage, use or consumption of personal property as provided in the Oklahoma Use Tax Code. Except as otherwise provided herein, this tax shall be collected, reported, and remitted or paid in accordance with the Oklahoma Use Tax Code.

This sales tax levy shall be in addition to, and shall not supplant, the general sales tax levied in the Oklahoma Sales Tax Code or any other sales tax authorized by Oklahoma law and this use

tax levy shall be in addition to, and shall not supplant, the general use tax levied in the Oklahoma Use Tax Code or any other use tax authorized by Oklahoma law.

All revenue from the sales tax and the use tax levied pursuant to this Article XIII-C, and penalties and interest thereon, collected by the Oklahoma Tax Commission shall be paid to the State Treasurer and deposited into the Oklahoma Education Improvement Fund.

§ 3. ALLOCATION OF MONIES IN OKLAHOMA EDUCATION IMPROVEMENT FUND - PURPOSES - USES - ETC.

A. Monies in the Oklahoma Education Improvement Fund shall be apportioned by the State Treasurer, appropriated by the Legislature, and distributed monthly for the educational purposes established herein, as follows:

1. Common Education: Sixty-nine and one-half percent (69.5%) of said monies shall be apportioned among and between all the several common school districts of the State in proportion to the school population of the several districts, on the basis of the state aid formula for common education then in effect.

(a) Monies from the Oklahoma Education Improvement Fund shall be specifically identified and segregated from other monies appropriated and apportioned among the several common school districts of the State on the basis of said state aid formula.

(b) The common school districts shall use eighty-six and one-third percent (86.33%) of the additional funds provided to them under this Article XIII-C to increase teacher salaries as required by Section 4 of this Article, and to otherwise address and prevent teacher and certified instructional staff shortages in the manner most suited to local district circumstances and needs, including but not limited to differentiated compensation methods or performance pay.

(c) The common school districts shall use thirteen and two-thirds percent (13.67%) of the additional funds provided to them under this Article XIII-C to adopt or to expand programs, opportunities, or reforms to improve reading in the early grades, to improve high school graduation rates, and to increase college and career readiness. The common school districts may use the amount apportioned to them under this Section 3(A)(1)(c) only to adopt or to expand said programs, opportunities or reforms, and may not use the amount apportioned to them under this Section 3(A)(1)(c) to maintain programs, opportunities or reforms established prior to the effective date of this Article XIII-C.

(d) The State Auditor and Inspector shall approve auditors who shall annually audit the use made of the monies distributed to the school districts under this Article XIII-C to ensure that it is used only for the purposes specified in this Article XIII-C.

2. Higher Education: Nineteen and one-quarter percent (19.25%) of said monies shall be paid to the education and general operating budgets of the institutions under the authority of the Oklahoma State Regents for Higher Education, for use in improving college affordability, or otherwise in the improvement of higher education.

3. Career and Technology Education: Three and one-quarter percent (3.25%) of said monies shall be paid to the Oklahoma Department of Career and Technology Education, for use in the improvement of career and technology education.

4. Early Childhood Education: Eight percent (8%) of said monies shall be paid to the State Department of Education, for use in increasing access to and enhancing the quality of voluntary early learning opportunities for low-income and at-risk children prior to entry into the common education system.

B. Monies expended or distributed from the Oklahoma Education Improvement Fund as provided herein shall be used only for the purposes specified in this Article XIII-C, Section 3.

C. None of these monies distributed from the Oklahoma Education Improvement Fund to common school districts may be used to add superintendent positions or increase superintendents' salaries.

§ 4. INCREASE IN TEACHER SALARIES

Each common school district of the State of Oklahoma shall pay each teacher employed by such district a salary at a rate that is at least \$5,000 greater than the salary schedule transmitted by such district in the most recent year prior to the adoption of this Article XIII-C.

§ 5. FUNDS NOT TO SUPPLANT OTHER EDUCATION FUNDING

A. Monies expended or distributed from the Oklahoma Education Improvement Fund shall supplement, and shall not be used to supplant or replace, other state funds supporting common education, early childhood education, higher education, or career and technology education, including but not limited to the Permanent School Fund, the Oklahoma Education Lottery Trust Fund, the Education Reform Revolving Fund, the Common Education Technology Revolving Fund, the Higher Education Capital Revolving Fund, the Oklahoma Tuition Scholarship Revolving Fund, the Common School Fund, appropriations from the Legislature as provided in Article XIII, Section 1a of the Constitution, and any other appropriations from the Legislature used for educational purposes.

B. The Legislature shall appropriate the monies from the Oklahoma Education Improvement Fund solely to supplement other funds supporting common education, early childhood education, higher education, or career and technology education. The Legislature shall not appropriate such monies to supplant or replace any other state funds supporting common education, early childhood education, higher education, or career and technology education.

C. In order to ensure that the monies from the Oklahoma Education Improvement Fund are used to enhance and not supplant funding for education, the State Board of Equalization shall examine and investigate appropriations from the Fund each year. At the meeting of the State Board of Equalization held within five (5) days after the monthly apportionment in February of each year, the State Board of Equalization shall issue a finding and report that shall state whether appropriations from the Oklahoma Education Improvement Fund were used to enhance or supplant education funding. If the State Board of Equalization finds that education funding was supplanted by monies from the Oklahoma Education Improvement Fund, the State Board of Equalization shall specify the amount by which education funding was supplanted. In this event, the Legislature shall not make any appropriations for the ensuing fiscal year until an appropriation in that amount is made to replenish the Oklahoma Education Improvement Fund.

§ 6. EFFECTIVE DATE, CONSTRUCTION

A. This Article XIII-C shall become effective on July 1 immediately following its passage.

B. Nothing in this Article XIII-C shall be construed as conflicting with Article X, Section 23 of the Constitution.

§ 7. SEVERABILITY

The provisions hereof are severable, and if any part or provision hereof shall be void, invalid, or unconstitutional, the decision of the court so holding shall not affect or impair any of the remaining parts or provisions hereof, and the remaining provisions hereof shall continue in full force and effect.