

STATE OF OKLAHOMA

1st Session of the 43rd Legislature (1991)

COMMITTEE SUBSTITUTE  
FOR ENGROSSED  
HOUSE BILL NO. 1236

BY: HAMILTON (James) and  
STEIDLEY of the HOUSE

and

TAYLOR and HANEY of the  
SENATE

COMMITTEE SUBSTITUTE

( STATE BOARD OF EDUCATION - STATE DEPARTMENT  
OF EDUCATION - APPROPRIATIONS - AMENDING 70  
O.S., SECTIONS 18-200, 7-203, 7-204, 7-205,  
8-101, 8-112, 13-114.1, 13-114.2, 13-114.3,  
13-114.4, 16-102, 16-114, 18-113.1, 18-113.2,  
74 O.S., SECTION 3111 - CODIFICATION -  
EFFECTIVE DATES - REPEALER -

EMERGENCY )

SECTION 1. There is hereby appropriated to the State Board of Education from any monies not otherwise appropriated from the General Revenue Fund of the State Treasury for the fiscal year ending June 30, 1992, the sum of One Billion One Hundred Thirteen Million One Hundred Ninety-six Thousand Three Hundred Eighty-nine Dollars (\$1,113,196,389.00) or so much thereof as may be necessary to accomplish the support of public school activities by law as provided for in paragraph 1 of Section 12 of this act.

SECTION 2. There is hereby appropriated to the State Board of Education from any monies not otherwise appropriated from the General Revenue Fund of the State Treasury for the fiscal year

ending June 30, 1991, the amount of Two Hundred Ninety-three Thousand Seven Dollars (\$293,007.00) or so much thereof as may be necessary to perform the duties imposed upon the State Board of Education by law to accomplish the support of public school activities by law as provided in paragraph 1 of Section 12 of this act.

SECTION 3. There is hereby appropriated to the State Board of Education from any monies not otherwise appropriated from the General Revenue Fund of the State Treasury for the fiscal year ending June 30, 1990, the sum of Six Million Eight Hundred Thousand Five Hundred Twenty-five Dollars (\$6,800,525.00) or so much thereof as may be necessary to perform the duties imposed upon the State Board of Education by law to accomplish the support of public school activities by law as provided in paragraph 1 of Section 12 of this act.

SECTION 4. There is hereby appropriated to the State Board of Education from any monies not otherwise appropriated from the Mineral Leasing Fund of the State Treasury for the fiscal year ending June 30, 1992, the sum of One Million Seven Hundred Fifty-seven Thousand Five Hundred Dollars (\$1,757,500.00) or so much thereof as may be necessary to perform the duties imposed upon the State Board of Education by law to accomplish the support of public school activities by law as provided in paragraph 1 of Section 12 of this act.

SECTION 5. There is hereby appropriated to the State Board of Education from any monies not otherwise appropriated from the Mineral Leasing Fund of the State Treasury for the fiscal year ending June 30, 1990, the sum of Five Hundred Seventeen Thousand Four Hundred Thirty-three Dollars (\$517,433.00) or so much thereof as may be necessary to perform the duties imposed upon the State Board of Education by law to accomplish the support of public school

activities by law as provided in paragraph 1 of Section 12 of this act.

SECTION 6. There is hereby appropriated to the State Board of Education from any monies not otherwise appropriated from the Special Cash Flow Reserve Fund of the State Treasury, designated by the Office of State Finance as the "090 Fund", the sum of Fourteen Million One Hundred Fifty-seven Thousand Nine Hundred Ten Dollars (\$14,157,910.00) or so much thereof as may be necessary to perform the duties imposed upon the State Board of Education by law and to accomplish the support of public school activities by law as provided in paragraph 2 of Section 12 of this act.

SECTION 7. There is hereby appropriated to the State Board of Education from any monies not otherwise appropriated from the Special Cash Flow Reserve Fund of the State Treasury, designated by the Office of State Finance as the "090 Fund", the sum of Twenty-seven Million Two Hundred Eighty-two Thousand Eight Hundred Fifty-eight Dollars (\$27,282,858.00) or so much thereof as may be necessary to perform the duties imposed upon the State Board of Education by law and to accomplish the support of public school activities by law as provided in paragraph 2 of Section 12 of this act.

SECTION 8. There is hereby appropriated to the State Board of Education from any monies not otherwise appropriated from the General Revenue Fund of the State Treasury for the fiscal year ending June 30, 1992, the sum of Twenty Million Five Hundred Ninety-four Thousand Two Hundred Thirty-nine Dollars (\$20,594,239.00) for the purpose of Administrative and Support Functions of the State Department of Education.

SECTION 9. REAPPROPRIATION The amount of Thirty-two Million Fifty Thousand Eight Hundred Two Dollars (\$32,050,802.00), originally appropriated from the General Revenue Fund of the State Treasury for the fiscal year ending June 30, 1991, by Section 14,

Chapter 263, O.S.L. 1990, to the State Board of Education for use during the fiscal year ending June 30, 1992, to fund the education reforms contained in Enrolled House Bill No. 1017 of the 1st Extraordinary Session of the 42nd Oklahoma Legislature, is hereby reappropriated for the original purpose. Not less than Three Million Dollars (\$3,000,000.00) of the sum reappropriated by this section shall be distributed only to schools which shall have adopted a merit or performance-based pay plan for teachers, as set forth in Section 5-141.2 of Title 70 of the Oklahoma Statutes.

SECTION 10. REAPPROPRIATION The amount of Three Hundred Thousand Dollars (\$300,000.00) of the monies appropriated by Section 7, Chapter 315, O.S.L. 1989, and as reappropriated by Section 23, Chapter 263, O.S.L. 1990, to the State Board of Education for the purpose of repayment of overallocation of federal funds by Federal Audit Control Number 06-70300, is hereby reappropriated to the State Board of Education for the original purpose, less expenditures and encumbrances as adjusted by transfer on July 1, 1991.

SECTION 11. Of the funds appropriated in Section 1 of this act, the sum of Two Hundred Eighteen Million Sixty-four Thousand Seven Hundred Forty-six Dollars (\$218,064,746.00) is from fiscal year 1992 revenues certified for appropriation by the State Board of Equalization pursuant to the provisions of Section 98, Chapter 2, O.S.L. Supp. 1989 (62 O.S. Supp. 1990, Section 41.29a).

SECTION 12. Beginning July 1, 1990, the support of public school activities by the State Board of Education payable from monies appropriated and reappropriated by Sections 1 through 9 of this act shall be subject to the following schedule:

1. Funds appropriated and reappropriated by Sections 1, 2, 3, 4, 5 and 9 of this act:

Local and State-Supported

Financial

Support of Public Schools \$1,154,615,656.00

SUBTOTAL, PARAGRAPH 1:

\$1,154,615,656.00

2. Funds appropriated by Sections 6 through 8 of this act shall be expended for Local, State-Supported Programs Financial Support of Public Schools unless otherwise specifically allocated by this paragraph as follows:

Purchase of Textbooks	\$14,157,910.00
Psychometric Services	950,818.00
Staff Development	1,766,939.00
Teacher Consultant Stipends	1,026,854.00
School Lunch Matching	2,612,123.00
School Lunch Programs	3,618,375.00
Homebound Children	1,278,696.00
Library Resources	4,307,363.00
Community Education	401,000.00
Alternative and At-Risk Education	2,350,000.00
Arts-in-Education	96,000.00
Career Education	135,144.00
School/Community Network for Arts-in-Education	154,196.00
Instructional Cooperative and Technological Education	2,681,475.00
Community Literacy	200,000.00
County Superintendents' Salaries	104,807.00
Health and Nutrition	300,000.00
Adult Education Matching	501,808.00
Driver Education	1,999,615.00
Early Intervention	582,281.00
Hissom Compliance	563,364.00
Special Education Assistance	552,000.00
Summer Arts Program	100,000.00

Parent Training Program 1,000,000.00

Administrative and Support

Functions of the State

Department of Education 20,594,239.00

SUBTOTAL, PARAGRAPH 2: \$62,035,007.00

TOTAL State School Aid Programs \$1,216,650,663.00

SECTION 13. Funds allocated in Section 12 of this act, except for Financial Support of Public Schools, Purchase of Textbooks, Psychometric Services, Staff Development, Teacher Consultant Stipends, Arts-in-Education, School Lunch Matching, School Lunch Programs, Homebound Children, County Superintendents' Salaries, Adult Education Matching, Driver Education, Administrative and Support Functions of the State Department of Education, Early Intervention and Hisson Compliance, Special Education Assistance and Summer Arts Program shall be made available on a statewide competitive application basis.

SECTION 14. The funds allocated in Section 12 of this act for Community Education, Community Literacy, Alternative and At-Risk Education, Career Education and Health and Nutrition shall be used for purposes of establishing and initiating educational programs at the local school district level and for encouraging the local districts to participate in innovative educational programs.

SECTION 15. The funds allocated in Section 12 of this act for Purchase of Textbooks shall be apportioned to the public schools pursuant to the provisions of Sections 16-101 through 16-124 of Title 70 of the Oklahoma Statutes. Upon an application from a local school district, state textbook funds may be used for the purchase of special education textbooks or other instructional materials for those students enrolled in special education programs. Requests for funds shall be based on the following formula:

No funds shall be provided for students attending special education classes less than two (2) hours per day. Those

attending two (2) hours or more per day but less than four (4) hours shall receive a one-half (1/2) allocation. Those attending special education classes for four (4) or more hours per day shall receive a full allocation.

SECTION 16. School districts shall continue to establish and maintain elementary counseling programs with a portion of the funds such districts receive as State Aid pursuant to the provisions of this act.

SECTION 17. During the 1991-92 school year the State Board of Education is authorized to approve programs for an extended school year pursuant to the provisions of Section 18 of Enrolled House Bill No. 1017 of the 1st Extraordinary Session of the 42nd Oklahoma Legislature. Extended school year programs approved shall receive funding in the 1992-93 school year through the State Aid Formula of a level not to exceed a total of One Million Dollars (\$1,000,000.00).

SECTION 18. Funds allocated in Section 12 of this act for Psychometric Services shall be provided to school districts by the State Board of Education on a contractual basis.

SECTION 19. The funds allocated in Section 12 of this act for Staff Development are provided for teacher training and to implement the provisions of Section 6-150 of Title 70 of the Oklahoma Statutes. The funds for Staff Development shall be used to fund the Professional Development Centers as follows: One Hundred Three Thousand Six Hundred Dollars (\$103,600.00) to Ardmore (10-I-019), One Hundred Three Thousand Six Hundred Dollars (\$103,600.00) to Lawton (16-I-008), One Hundred Three Thousand Six Hundred Dollars (\$103,600.00) to Norman (14-I-029), One Hundred Three Thousand Six Hundred Dollars (\$103,600.00) to Stillwater (60-I-016), One Hundred Three Thousand Six Hundred Dollars (\$103,600.00) to Woodward (77-I-001), One Hundred Three Thousand Six Hundred Dollars (\$103,600.00) to Bartlesville (74-I-030), and One Hundred Three Thousand Six

Hundred Dollars (\$103,600.00) to McAlester (61-I-080). The remainder shall be allocated on an average daily attendance basis for the purpose of teacher education staff development pursuant to the regulations of the State Department of Education. Five percent (5%) of the funds allocated for Staff Development may be used by local districts for the administration of the staff development program.

SECTION 20. Funds allocated in Section 12 of this act for Teacher Consultant Stipends for fiscal year 1992 are to be used to provide a stipend of not more than Five Hundred Dollars (\$500.00) for each teacher consultant. In addition to the distribution of such funds, the district shall receive the local district's share of the Federal Insurance Contributions Act (F.I.C.A.), for those districts which pay such contributions.

SECTION 21. The funds allocated in Section 12 of this act for School Lunch Matching and School Lunch Programs shall be apportioned to the public schools for the purpose of complying with the National School Lunch Act and the Child Nutrition Act of 1966 and Public Law 91-248, as they may hereafter be amended or supplemented, to meet the requirements of these Acts for children's meals.

SECTION 22. The funds allocated in Section 12 of this act for reimbursement of costs of educating Homebound Children shall be disbursed by claims filed with the State Board of Education. School districts shall reimburse the travel expenses of teachers of homebound children in accordance with the provisions of the State Travel Reimbursement Act, Section 500.1 et seq. of Title 74 of the Oklahoma Statutes.

SECTION 23. The funds allocated in Section 12 of this act for Library Resources shall be used for purposes of establishing and initiating educational programs at the local school district level and for encouraging the local districts to participate in innovative education programs. Further, the funds provided shall be utilized

to enable a cross-section of school districts to participate in new programs. No school site shall be eligible for funding from more than one Library Resources category during one school year, nor shall any school site be eligible for funding from the same Library Resources category included in this section if such school site has received such funds for three (3) or more prior years.

In administering such funds, the State Board of Education shall:

1. Designate fifty percent (50%) of the allocation for Category A library improvement grants. A school site is eligible to apply for a Category A grant if the program will provide centralized library services staffed by a certified library media specialist at least one-half day and if elementary school children are included in the program;

2. Designate twenty-five percent (25%) of the allocation for Category B library improvement grants. A school site is eligible to apply for a Category B grant if it is located in a school district with an enrollment of less than five hundred (500) pupils.

The school site will provide a centralized library media program and be staffed by a certified library media specialist at least one-half time; provided however, elementary schools with an enrollment below one hundred fifty (150) pupils may be staffed by a full-time aide. Secondary schools having fewer than one hundred fifty (150) pupils may be staffed by a full-time aide and a teacher/librarian who meet or exceed state regulations. A certified library media specialist shall serve as a consultant to this project;

3. Designate twenty-five percent (25%) of the allocation for Category C library improvement grants. A school district is eligible to apply for Category C library improvement grants if it provides library media services to secondary students and is making a significant expansion of the current programs. The library media

center shall be staffed by a certified library media specialist at least one-half time;

4. Provide consultation to schools regarding the development of library media programs; and

5. Define a library media program as one that supports the curriculum through instruction in library and reference skills and through services to teachers which include joint planning of units, material selection and inservice.

Any funds for Library Resources in this act which have not been allocated following evaluation and awarding of all grant applications for the appropriate category schools as provided in this section may be reallocated to another category in which grant applications are pending.

SECTION 24. The funds allocated in Section 12 of this act for Arts-in-Education shall be expended by the State Board of Education on a contractual basis for the arts program throughout the state.

SECTION 25. The funds allocated in Section 12 of this act for School/Community Network for Arts-in-Education shall be provided to school districts on a competitive application basis pursuant to the provisions of the rules and regulations promulgated by the State Board of Education.

SECTION 26. The funds allocated in Section 12 of this act for Health and Nutrition shall be provided to school districts on a competitive application basis pursuant to the provisions of the rules and regulations promulgated by the State Board of Education.

SECTION 27. The funds allocated in Section 12 of this act for Adult Education Matching shall be provided to school districts for courses leading to the general education diploma pursuant to the provisions of the rules and regulations promulgated by the State Board of Education.

SECTION 28. The funds allocated in Section 12 of this act for Community Literacy shall be provided to school districts on a

competitive application basis pursuant to the provisions of the rules and regulations promulgated by the State Board of Education.

SECTION 29. The funds allocated in Section 12 of this act for Career Education shall be provided to school districts on a competitive application basis pursuant to the provisions of the rules and regulations promulgated by the State Board of Education.

SECTION 30. The funds allocated in Section 12 of this act for Community Education shall be provided to school districts on a competitive application basis pursuant to the provisions of the rules and regulations promulgated by the State Board of Education.

SECTION 31. Of the funds allocated in Section 12 of this act for Alternative and At-Risk Education, One Million Dollars (\$1,000,000.00) shall be provided for At-Risk Grants authorized pursuant to Section 1210.561 of Title 70 of the Oklahoma Statutes. The sum of Four Hundred Thirty Thousand Dollars (\$430,000.00) shall be used for grants of Ten Thousand Dollars (\$10,000.00) each for school sites identified as low performing or academically at-risk by the State Board and shall be awarded on a competitive basis. The At-Risk Program's Technical Assistance Center shall evaluate the academic progress made by the recipients of these funds. The remaining funds allocated in Section 12 of this act for Alternative and At-Risk Education shall be provided to school districts on a competitive application basis pursuant to the provisions of the rules and regulations promulgated by the State Board of Education.

SECTION 32. The funds allocated in Section 12 of this act for Hisson Compliance shall be used by the Department of Education to provide resources and programs necessary to comply with any federal court order pertaining to Hisson Memorial Center requiring such resources and programs.

SECTION 33. A portion of the funds allocated in Section 12 of this act for Instructional Cooperative and Technological Education shall be apportioned as follows:

1. One Million Dollars (\$1,000,000.00) for Instructional Computer Services shall be provided to school districts on a competitive application basis pursuant to the provisions of the rules and regulations promulgated by the State Board of Education for purposes of establishment and expansion in local school districts. No school district shall receive more than Twenty Thousand Dollars (\$20,000.00) each year from the allocation set out in this section; and

2. One Million Dollars (\$1,000,000.00) for Small School Cooperatives shall be awarded on a competitive application basis pursuant to the provisions of Section 18-125 of Title 70 of the Oklahoma Statutes. No cooperative program shall receive more than a total of Sixty Thousand Dollars (\$60,000.00) each year from the allocation set out in this section. Each calculated award shall be reduced by twenty-five percent (25%) for each district participating whose second preceding year per-child revenue less federal revenue is greater than one hundred fifty percent (150%) of the state average; and

3. Fifty-nine Thousand Nine Hundred Seventy-five Dollars (\$59,975.00) shall be expended on a contractual basis to the Chickasha Public School District (26-I001) for the purpose of room and board payments for students at the Jane Brooks School for the Deaf, pursuant to contracts between the Chickasha School District and the Jane Brooks School for the Deaf; and

4. Fifty-four Thousand Dollars (\$54,000.00) shall be expended on a contractual basis for the Oklahoma Science and Engineering Fair; and

5. Two Hundred Ten Thousand Dollars (\$210,000.00) shall be expended on a contractual basis for Project Helping Up Through Training, the Ardmore Science Fair and the Ardmore High-tech Center; and

6. Three Hundred Thousand Five Hundred Dollars (\$300,500.00) shall be expended on a competitive application basis to an institution of The Oklahoma State System of Higher Education for the purpose of implementing telecommunications curriculum in Russian and Reading/English; and

7. Fifty-seven Thousand Dollars (\$57,000.00) shall be expended on a contractual basis to the Oklahoma School Advisory Council.

SECTION 34. Funds allocated for Driver Education in Section 12 of this act shall be provided by the State Board of Education to each school district providing a driver education program during the preceding fiscal year in accordance with the regulations set forth by the State Board of Education. Allocations shall equal the actual cost of the program but shall not exceed Sixty-five Dollars (\$65.00) per pupil.

SECTION 35. A. A portion of the funds allocated in Section 12 of this act for Administrative and Support Functions of the State Department of Education shall be available for costs involved in administering, scoring, reporting and other incidental duties to accomplish the Oklahoma School Testing Program as provided by Section 1210.508 of Title 70 of the Oklahoma Statutes.

B. A portion of the funds allocated in Section 12 of this act for Administrative and Support Functions of the State Department of Education shall be available for costs involved in administering, scoring, reporting and other incidental duties to accomplish the writing assessment component of the Oklahoma School Testing Program.

C. A portion of the funds allocated in Section 12 of this act for Administrative and Support Functions of the State Department of Education funding shall be available for a preschool deaf program operated by the State Department of Education.

D. A portion of the funds allocated in Section 12 of this act for Administrative and Support Functions of the State Department of Education shall be available to establish minimum teachers and

administrators evaluation criteria and conduct training pursuant to the provisions for statewide criteria with administrative personnel as provided in Section 6-101.10 of Title 70 of the Oklahoma Statutes.

SECTION 36. The amount of Fifty Thousand Dollars (\$50,000.00) of the funds allocated in Section 12 of this act for Administrative and Support Functions of the State Department of Education shall be available for contracting with the Oklahoma Alliance for Geographic Education to provide in-service training and materials for geography instruction.

SECTION 37. A portion of the funds allocated in Section 12 of this act for Administrative and Support Functions of the State Department of Education shall be expended for the development and operation of a statewide network of services for the education of blind and visually handicapped children. Such network shall consist of itinerant services provided by qualified regional program specialists and certified orientation and mobility specialists.

Services to be provided shall include assessment of visual function, consultation regarding assessment of academic, ophthalmological, psychological or vocational performance, assistance in the development of individualized education plans for visually handicapped children and provisions of or consultation regarding the acquisition of special equipment for the blind and visually handicapped.

SECTION 38. The amount of Two Hundred Twenty-six Thousand Dollars (\$226,000.00) of the funds allocated in Section 12 of this act for Administrative and Support Functions of the State Department of Education shall be available for continued implementation of an Oklahoma Cost Accounting System; and said System shall account for costs by curricular subject area for the 1991-92 and subsequent school years.

SECTION 39. Of the funds allocated in Section 12 of this act for the Administrative and Support Functions of the State Department of Education, a portion shall be allocated for the purpose of implementing the Oklahoma Education 2000 Challenge Act, enacted by Enrolled Senate Bill No. 183 of the 1st Session of the 42nd Oklahoma Legislature.

SECTION 40. A. At the conclusion of the school year each local Board of Education shall prepare a report which outlines the expenditures made by the district during that year and shall compare said expenditures with those made during the previous school year. The report shall identify expenditures by major object codes and program classifications pursuant to the Oklahoma Cost Accounting System. The report shall list dollar and percentage changes for each of the included items.

Before September 15 of each year, copies of the report shall be sent to the State Department of Education, which will forward a copy to the Office of Accountability. In addition, a copy shall be posted at each public school library in the district. For those districts not operating on the Oklahoma Cost Accounting System for the 1990-91 school year expenditures for that year shall be categorized according to guidelines developed by the State Department of Education.

SECTION 41. Funds allocated in Section 12 of this act for the Summer Arts Program shall be awarded to teachers for paying costs associated with participation in the Oklahoma Summer Arts Institute. All funds awarded shall be matched by funds of at least an equal amount from nonpublic sources. No funds shall be awarded for teacher participation unless the program is approved by the State Board of Education for meeting staff development requirements pursuant to Section 6-157 of Title 70 of the Oklahoma Statutes.

SECTION 42. The State Department of Education shall inventory all coursework approved for credit for graduation in each school district and establish criteria by which such courses are approved.

It is the intent of the Legislature that only academic coursework, which shall include vocational education courses, be approved for credit toward graduation.

SECTION 43. The funds allocated in Section 12 of this act for Administrative and Support Functions of the State Department of Education shall be used to perform the duties imposed upon the State Department of Education by law and shall be subject to the following restriction:

Personal Services	\$18,061,148.00
Other Operating Expenses	<u>2,533,091.00</u>
TOTAL	\$20,594,239.00

SECTION 44. The duties and compensation of employees, not otherwise prescribed by law, necessary to perform the duties imposed upon the State Department of Education by law shall be set by the State Board of Education. The State Department of Education for the fiscal year ending June 30, 1992, shall be subject to the following budgetary limitations on full-time-equivalent employees and expenditures, excluding expenditures for capital and special projects, except as may be authorized pursuant to the provisions of Section 3603 of Title 74 of the Oklahoma Statutes:

<u>Budgetary Limitation</u>	<u>Amount</u>
Full-time-equivalent Employees	580.0
Payroll, Salaries or Wages, Including Tax-sheltered Deferment Contracts and Longevity Payments Authorized by State Statutes	\$15,820,176.00
Professional and Personal Services Contracts	\$2,850,000.00
Purchase of Equipment	\$1,300,000.00
Lease Purchase	\$235,325.00
Expenditure of Federal Funds	\$169,834,912.00

Total Expenditures for Operations \$1,282,337,038.00

SECTION 45. Of the five hundred eighty (580) full-time-equivalent employees authorized in Section 44 of this act, eight (8) shall be employed to provide services related to the Hisson Compliance agreement.

SECTION 46. It is the intent of the Legislature that the expenditures by the State Department of Education for the purposes of carrying out the provisions of the Oklahoma Early Intervention Act be made in cooperation with the other agencies designated for participation in this program and in accordance with the recommendations of the Interagency Coordinating Council for Early Childhood Intervention. The agencies designated for participation in this program shall provide continued support for the program as outlined by the Coordinating Council.

SECTION 47. Of the five hundred eighty (580.0) full-time-equivalent employees authorized in Section 44 of this act, one shall be designated as coordinator of support personnel concerns. Responsibilities of said coordinator shall include liaison with the Legislature, with organizations representing support personnel, and with the State Board of Education, and shall include dissemination of information to support personnel, including retirement information.

SECTION 48. AMENDATORY Section 107, Chapter 2, O.S.L. Supp. 1989 (70 O.S. Supp. 1990, Section 18-200), as last amended by Section 2 of Enrolled Senate Bill No. 144 of the 1st Session of the 43rd Oklahoma Legislature, is amended to read as follows:

Section 18-200. A. It is the intent of the Legislature that the sole purpose of this section is to provide an equitable funding formula for all the school districts of this state. The Legislature, recognizing the responsibility to guarantee an adequate and equitable educational program for the school children of this state, declares that ~~on and after July 1, 1990,~~ the amount of State

Aid each district shall receive shall be the sum of the Foundation Aid, the Salary Incentive Aid and the Transportation Supplement, as adjusted pursuant to the provisions of subsection E of this section and Section 18-112.2 of Title 70 of the Oklahoma Statutes; provided, no district having per pupil revenue in excess of three hundred percent (300%) of the average per pupil revenue of all districts shall receive any State Aid or Supplement in State Aid. Per pupil revenue shall be determined by dividing the district's second preceding year's total weighted average daily membership (ADM) into the district's second preceding year total revenues excluding federal revenue, insurance loss payments, reimbursements, recovery of overpayments and refunds, unused reserves, prior expenditures recovered, prior year surpluses, and less the amount of any transfer fees paid in that year.

B. Foundation Aid, the Transportation Supplement and Salary Incentive Aid shall be calculated as follows:

1. Foundation Aid shall be determined by subtracting the amount of the Foundation Program Income from the cost of the Foundation Program and adding to this difference the Transportation Supplement.

a. The Foundation Program shall be a district's weighted average daily membership as determined by the provisions of subsection A of Section 18-201 of this title and paragraphs 1, 2 and 3 of subsection B of Section 18-201 of this title, multiplied by the Base Foundation Support Level. For the ~~1990-91~~ 1991-92 school year, the Base Foundation Support Level shall be ~~One Thousand Dollars (\$1,000.00)~~ \_\_\_\_\_.

b. The Foundation Program Income shall be the sum of the following, less dependent transfer fees to be paid for students served during the preceding school year:

- (1) The adjusted assessed valuation of the school district during the next preceding year multiplied by fifteen (15) mills, and
- (2) Seventy-five percent (75%) of the amount received by the school district from the proceeds of the county levy during the second preceding fiscal year, as levied pursuant to subsection (b) of Section 9 of Article X of the Oklahoma Constitution, and
- (3) Motor Vehicle Collections, and
- (4) Gross Production Tax, and
- (5) State Apportionment, and
- (6) R.E.A. Tax, and
- (7) Dependent transfer fees to be received for students served during the preceding school year.

The items listed in divisions (3), (4), (5), and (6) shall consist of the amounts actually collected from such sources during the second preceding fiscal year calculated on a per capita basis on the unit provided for by law for the distribution of each such revenue.

2. The Transportation Supplement shall be equal to the average daily haul times the per capita allowance times the appropriate transportation factor.

- a. The average daily haul shall be the number of children in a district who are legally transported and who live one and one-half (1 1/2) miles or more from school;
- b. The per capita allowance shall be determined using the following chart:

	PER CAPITA		PER CAPITA
DENSITY FIGURE	ALLOWANCE	DENSITY FIGURE	ALLOWANCE
.3000 - .3083	\$167.00	.9334 - .9599	\$99.00
.3084 - .3249	\$165.00	.9600 - .9866	\$97.00

.3250 - .3416	\$163.00	.9867 - 1.1071	\$95.00
.3417 - .3583	\$161.00	1.1072 - 1.3214	\$92.00
.3584 - .3749	\$158.00	1.3215 - 1.5357	\$90.00
.3750 - .3916	\$156.00	1.5358 - 1.7499	\$88.00
.3917 - .4083	\$154.00	1.7500 - 1.9642	\$86.00
.4084 - .4249	\$152.00	1.9643 - 2.1785	\$84.00
.4250 - .4416	\$150.00	2.1786 - 2.3928	\$81.00
.4417 - .4583	\$147.00	2.3929 - 2.6249	\$79.00
.4584 - .4749	\$145.00	2.6250 - 2.8749	\$77.00
.4750 - .4916	\$143.00	2.8750 - 3.1249	\$75.00
.4917 - .5083	\$141.00	3.1250 - 3.3749	\$73.00
.5084 - .5249	\$139.00	3.3750 - 3.6666	\$70.00
.5250 - .5416	\$136.00	3.6667 - 3.9999	\$68.00
.5417 - .5583	\$134.00	4.0000 - 4.3333	\$66.00
.5584 - .5749	\$132.00	4.3334 - 4.6666	\$64.00
.5750 - .5916	\$130.00	4.6667 - 4.9999	\$62.00
.5917 - .6133	\$128.00	5.0000 - 5.5000	\$59.00
.6134 - .6399	\$125.00	5.5001 - 6.0000	\$57.00
.6400 - .6666	\$123.00	6.0001 - 6.5000	\$55.00
.6667 - .6933	\$121.00	6.5001 - 7.0000	\$53.00
.6934 - .7199	\$119.00	7.0001 - 7.3333	\$51.00
.7200 - .7466	\$117.00	7.3334 - 7.6667	\$48.00
.7467 - .7733	\$114.00	7.6668 - 8.0000	\$46.00
.7734 - .7999	\$112.00	8.0001 - 8.3333	\$44.00
.8000 - .8266	\$110.00	8.3334 - 8.6667	\$42.00
.8267 - .8533	\$108.00	8.6668 - 9.0000	\$40.00
.8534 - .8799	\$106.00	9.0001 - 9.3333	\$37.00
.8800 - .9066	\$103.00	9.3334 - 9.6667	\$35.00
.9067 - .9333	\$101.00	9.6668 or more	\$33.00

c. The formula transportation factor shall be 1.39.

3. Salary Incentive Aid shall be determined as follows:

- a. Multiply the Incentive Aid guarantee by the district's weighted average daily membership as determined by the provisions of subsection A of Section 18-201 of this title and paragraphs 1, 2, 3 and 4 of subsection B of Section 18-201 of this title. For the ~~1990-91~~ 1991-92 school year, the Incentive Aid guarantee shall be ~~Forty-seven Dollars and sixty-nine cents (\$47.69)~~ \_\_\_\_\_.
- b. Divide the district's adjusted assessed valuation by one thousand (1,000) and subtract the quotient from the product of subparagraph a. The remainder shall not be less than zero (0).
- c. Multiply the number of mills levied for general fund purposes above the fifteen (15) mills required to support Foundation Aid, not including the county four-mill levy, by the remainder of subparagraph b. The product shall be the Salary Incentive Aid of the district.

C. For the 1990-91 school year, and for each school year thereafter, any school district with a membership that is at least one and one-half percent (1 1/2%) greater than the higher membership of the preceding two (2) years of the school district shall receive a midterm supplement in State Aid to be determined as follows:

1. For the 1990-91 school year, and for each school year thereafter, for each additional pupil in membership which equals or exceeds the one and one-half percent (1 1/2%) increase over the higher number of pupils in membership of the preceding two years, the district shall receive funding to be determined as follows:

- a. Multiply each additional pupil in membership as provided in this paragraph by the Base Foundation Support Level for the current school year, and

- b. Multiply each additional pupil in membership as provided in this paragraph by the Incentive Aid guarantee for the current school year times twenty (20), and
- c. Sum the products of subparagraphs a and b of this paragraph.

Data used for the calculation for the midterm supplement shall be that which is reported on the Accrediting Report of the school district on September 15th and received by the State Department of Education by October 1st of the school year for which the midterm supplement is to be paid as compared to the Accrediting Report data for the higher of the two (2) preceding years.

The data contained in the Accrediting Report for all qualifying school districts shall be audited by the State Department of Education. If a district does not qualify for a midterm supplement using the Accrediting Report data they may request an audit of the data by the State Department of Education. If, based on the post-audit data, the district is entitled to receive a midterm supplement, or if any school district's post-audit midterm supplement calculation differs from the amount of the supplement paid, the State Department of Education shall adjust the district's State Aid payments during the remainder of the school year for which the midterm supplement was paid in order to reconcile the supplement with the post-audit calculation.

2. Pupils shall not be included in the membership calculation if such pupils are enrolled for the current year in a grade level which was not taught in that school district during the preceding school year.

3. School districts which have been involved in any annexation or consolidation with other school districts during the school year for which the midterm supplement is to be calculated, or in the preceding school year, shall qualify for midterm growth as if

annexed or consolidated membership had been enrolled in the current district for the preceding two (2) years.

4. For any district qualifying for the midterm supplement, if the funds received pursuant to the provisions of Section 18-112.2 of Title 70 of the Oklahoma Statutes are in excess of the funds to be received pursuant to the provisions of this subsection, the district shall receive no midterm supplement. If the funds received pursuant to the provisions of Section 18-112.2 of Title 70 of the Oklahoma Statutes are less than the funds to be received pursuant to the provisions of this subsection, the midterm supplement shall be the difference between these two amounts.

5. Beginning with the 1992-93 school year, and for each year thereafter, any district which qualifies for a midterm supplement shall have deducted from the supplement an amount equal to the amount of carryover in the district's general fund as of June 30 for the most recent fiscal year data is available that is in excess of the standards set out in subsection E of this section.

6. If funds appropriated to the State Board of Education for the purpose of paying the midterm supplement in State Aid are not sufficient to fully fund the amount determined by this subsection, each school district which qualifies for such funding shall receive a proportionate reduction in funding.

D. In the event that ad valorem taxes of a school district are determined to be uncollectible because of bankruptcy, clerical error, or a successful tax protest, and the amount of such taxes deemed uncollectible exceeds Fifty Thousand Dollars (\$50,000.00) or an amount greater than twenty-five percent (25%) of ad valorem taxes per tax year, the school district's State Aid shall be determined by subtracting the net assessed valuation of the property upon which taxes were deemed uncollectible from the assessed valuation of the school district and the state. Upon request of the local board of education, it shall be the duty of the county assessor to certify to

the Director of Finance of the State Department of Education the net assessed valuation of the property upon which taxes were determined uncollectible.

E. Beginning with the 1992-93 school year, and for each year thereafter, notwithstanding the provisions of Section 18-112.2 of this title, a school district shall have its State Aid reduced by an amount equal to the amount of carryover in the district's general fund as of June 30 for the most recent fiscal year data is available, that is in excess of the following standards:

Total Amount of <u>General Fund</u>	Amount of General Fund Balance <u>Allowable</u>
Less than \$1,000,000	40%
\$1,000,000 to \$4,999,999	20%
\$5,000,000 to \$10,000,000	12%
More than \$10,000,000	8%

F. For the purposes of paying State Aid for the ~~1990-91~~ 1991-92 school year, no child shall be included in the average daily membership of a school district for the ~~1988-89~~ 1989-90 or ~~1989-90~~ 1990-91 school year if the child is being served during the ~~1990-91~~ 1991-92 school year through the provisions of the Oklahoma Early Intervention Act. Funds generated by the State Aid Formula on behalf of students who are served through the provisions of the Oklahoma Early Intervention Act shall be transferred from Financial Support of Public Schools to the Oklahoma Early Intervention Revolving Fund created pursuant to Section 13-124.1 of this title.

G. State Aid shall be reallocated after the first nine (9) weeks of the ~~1990-91~~ 1991-92 school year based upon child counts for early childhood education programs pursuant to Section ~~61~~ 1-114 of this ~~act~~ title.

From monies available for reallocation, the State Board of Education is authorized to provide funding to school districts in advance of the reallocation that begin early childhood programs in the 1991-92 school year. Said advanced funding shall only be provided if the district demonstrates to the Board that without such funding the district would be unable to begin a program. The amount of any funds provided in advance of the reallocation shall not exceed the amount anticipated from the reallocation and shall be reduced from the funding amount the district is entitled to receive from the reallocation. If the amount provided in advance exceeds the amount the district is entitled to receive in the reallocation, the State Aid allocation to the district shall be reduced by the difference.

SECTION 49. AMENDATORY Section 4, Chapter 323, O.S.L. 1989, as last amended by Section 9, Chapter 257, O.S.L. 1990 (70 O.S. Supp. 1990, Section 7-203), is amended to read as follows:

Section 7-203. A. There is hereby created in the State Treasury a fund to be designated the "School Consolidation Assistance Fund." The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of any monies the Legislature may appropriate or transfer to the fund and any monies contributed for the fund from any other source, public or private.

B. All monies accruing to the credit of said fund are hereby appropriated and may be budgeted and expended by the State Board of Education for the purposes established by the Legislature herein and in accordance with rules and regulations promulgated by the State Board of Education. The purposes shall be to provide voluntarily consolidated school districts or districts who have received part or all of the territory and part or all of the students of a school district dissolved by voluntary annexation, during the first year of consolidation or annexation, with a single one-year allocation of funds needed for:

1. Purchase of uniform textbooks in cases where the several districts were not using the same textbooks prior to consolidation or annexation;

2. Employment of certified personnel required to teach courses of the district for which personnel from the districts consolidated or annexed are not certified and available;

3. Employment assistance for personnel of the several districts who are not employed by the consolidated or annexing district, ~~which.~~ Employment assistance may include provision of a severance allowance for administrators, teachers and support personnel not to exceed eighty percent (80%) of the individual's salary or wages, exclusive of fringe benefits, for the school year preceding the consolidation or annexation. Personnel receiving such severance pay may accumulate one (1) year of creditable service for retirement purposes. Employment assistance may also include the payment of unemployment compensation benefits;

4. Furnishing and equipping classrooms and laboratories;

5. Purchase of additional transportation equipment; and

6. When deemed essential by the State Board of Education to achieve consolidation or combination by annexation, renovation of existing school buildings and construction or other acquisition of school buildings; provided, a consolidated district or annexing district shall not be eligible for any monies for renovation or construction or other acquisition of school buildings pursuant to Section 7-201 et seq. of this title until the board of education and the electors of the newly formed district or annexing district approve all the maximum levies allowable pursuant to subsections (a), (c), (d) and (d-1) of Section 9 of Article X of the Oklahoma Constitution and Section 10 of Article X of the Oklahoma Constitution and until the newly formed district or annexing district incurs at least eighty-five percent (85%) of the maximum

indebtedness, including existing indebtedness, allowable under Section 26 of Article X of the Oklahoma Constitution.

C. The State Board of Education shall only make allocations from the fund to school districts formed from the combination of two or more of the districts whose boards of education notify the State Board of Education on or before July 1, 1991, of their intent to annex or consolidate and are subsequently combined by such means. If the boards of education of more than two hundred fifty such districts apply, allocations will be made only to districts formed from the combination of two or more of the first two hundred fifty such districts making application.

D. Allocations will be made to school districts formed by consolidation or which have received part or all of the territory and students of a school district by annexation on the basis of combined average daily membership (ADM) of the second school year preceding the first year of operation of the school district resulting from the consolidation or annexation; provided, not more than five hundred ADM of any one school district shall be counted in determining the combined ADM of any district formed by consolidation or which has received part or all of the territory and students of a school district by annexation. In no event shall the ADM of any one school district be considered more than once for allocations from the fund when the school district annexes to or consolidates with two or more school districts.

E. To calculate combined ADM in cases where a school district annexes to two or more school districts, allocations from the fund shall be based on the lesser of:

1. the annexing school district's ADM as limited by this section plus the number of students from the annexed school district that the annexing school district will gain; or

2. the ADM as limited by this section that the annexing school district is gaining from the annexed school district plus the

annexing school district's ADM as multiplied by the percentage of students the annexing school district is receiving from the annexed school district of all annexing school districts; provided the annexing school district's ADM thus calculated shall not exceed five hundred (500).

F. Allocations from the fund shall be calculated by multiplying the combined ADM by:

1. Five Hundred Dollars (\$500.00) when two districts are combined;

2. Six Hundred Dollars (\$600.00) when three districts are combined;

3. Seven Hundred Dollars (\$700.00) when four districts are combined; and

4. Eight Hundred Dollars (\$800.00) when five or more districts are combined.

Allocations, nevertheless, shall be limited to the amount justified for meeting eligible needs as set forth in paragraphs 1 through 6 of subsection B of this section. If monies in the School Consolidation Assistance Fund are insufficient to make allocations to all qualified combined districts, allocations shall be made based upon earliest date of application.

G. 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 State Finance for approval and payment.

SECTION 50. AMENDATORY Section 5, Chapter 323, O.S.L. 1989 (70 O.S. Supp. 1990, Section 7-204), is amended to read as follows:

Section 7-204. Consolidated districts and districts combined by annexation which are created pursuant to this act the Oklahoma School Consolidation Act shall have for three (3) subsequent consecutive years after consolidation ~~absolute~~ or annexation, preference for allocations from funds appropriated to the State

Board of Education for Library Resources, Community Education, Early Childhood Education, Alternative and At Risk Education, Career Education, School/Community Network for Arts-in-Education, Instructional Cooperative and Technical Education, Community Literacy, and Health and Nutrition and for all other allocations made by the board on a competitive basis.

SECTION 51. AMENDATORY Section 8, Chapter 323, O.S.L. 1989 (70 O.S. Supp. 1990, Section 7-205), is amended to read as follows:

Section 7-205. When considering requests for exceptions to certification requirements from districts ~~consolidated~~ created by consolidation or annexation pursuant to ~~this act~~ the Oklahoma School Consolidation Act for personnel reassigned because of the consolidation or annexation, the State Superintendent of Public Instruction and the State Board of Education shall exercise the greatest degree of latitude that can be regarded as consistent with acceptable professional practice. Highest priority for placement assistance services of the State Department of Education shall be afforded personnel for whom the consolidated or annexing district has no assignment required.

SECTION 52. AMENDATORY 70 O.S. 1981, Section 8-101, as amended by Section 1, Chapter 250, O.S.L. 1989 (70 O.S. Supp. 1990, Section 8-101), is amended to read as follows:

Section 8-101. ~~A.~~ Any child residing in a school district that does not offer the grade which such child is entitled to pursue shall be entitled to be transferred to any school district inside or outside of the transportation area in which such student resides which offers the grade which he is entitled to pursue, hereinafter "receiving district," ~~and if the district of residence is a dependent school district as defined in Section 5-103 of this title, to have paid from the funds of the district in which he resides to the receiving district a dependent transfer fee.~~ Nothing in this

section shall be construed as preventing the approval of any other kind of transfer for which such student is eligible as elsewhere provided by law.

~~B. The dependent transfer fee required by subsection A of this section shall be paid during the fiscal year following each fiscal year in which the transfer student is in attendance in the receiving district. The dependent transfer fee shall be the receiving district's general fund ad valorem revenue for the fiscal year preceding the year of attendance divided by the receiving district's average daily attendance (ADA) for that preceding year. Said general fund ad valorem revenue shall include receipts in said year from prior year assessments but shall not include apportionment pursuant to subsection (b) of Section 9 of Article X of the Oklahoma Constitution.~~

~~C. The dependent transfer fees required by this section shall be reported in the annual estimates of needs of both the receiving district and the district of residence and shall be reflected in both districts' budgets. Each receiving district shall be required to report in its annual attendance report to the State Board of Education the total number of all such transferred pupils and the name and school district number of the district from which they are transferred.~~

~~D. The due and outstanding obligation of any school district to pay any transfer fee required by this section for the attendance of a student in the year prior to the effective date of this act is hereby canceled.~~

SECTION 53. AMENDATORY Section 92, Chapter 2, O.S.L. Supp. 1989 (70 O.S. Supp. 1990, Section 8-112), is amended to read as follows:

Section 8-112. A. Except as provided in ~~Section 8-101~~ of this title and subsection ~~C~~ B of this section, on and after July 1, 1990, no school district shall be required to pay and no school district

shall charge any other school district a fee for the transfer of a student. Specifically, transfer fees shall not be permitted for transfers between dependent school districts, for transfers between independent school districts, for transfers from an independent school district to a dependent school district or where the transfer is from a dependent school district to an independent school district only insofar as transfers of pupils where the grade which such pupil is entitled to pursue is offered by the dependent school district.

~~B. No transfer fee required or permitted by Section 8-108 of this title shall be charged for student transfers for the 1989-1990 school year. If any such fees have been charged or paid, the State Department of Education may adjust, upon request of the district who has paid or been charged any such fee, the budgets of the school districts regarding such transfer fees if such adjustment is necessary.~~

~~C. B.~~ Nothing herein shall prevent the payment or charging of any other fee for the transfer of a student as required by law. School districts shall not be permitted to contract to waive transfer fees with regard to special education pupil transfers ~~or transfer fees required by Section 8-101 of this title.~~

~~D. C.~~ The State Board of Education shall establish the necessary and appropriate application forms sufficient to enable school districts to accomplish transfers and to comply with the provisions of Sections 8-101 through 8-110 of this title. Upon establishment of such forms, the State Board of Education shall notify each school district and each county superintendent or acting county superintendent of schools of the content thereof.

SECTION 54. AMENDATORY Section 61, Chapter 2, O.S.L. Supp. 1989 (70 O.S. Supp. 1990, Section 13-114.1), is amended to read as follows:

Section 13-114.1 There is hereby created in the State Treasury a revolving fund for the State Board of Education to be designated the "Oklahoma Special Education Assistance 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 appropriations~~ appropriated or transferred to the fund by the Legislature ~~and designated~~ or transferred to the fund by the State Department of Education pursuant to Section 13-114.4 of this title. All monies accruing to the credit of said fund are hereby appropriated and may be budgeted and expended by the State ~~Department~~ Board of Education for the purpose of providing financial assistance to local school districts ~~for the education of exceptional children, as defined in Section 13-101 of Title 70 of the Oklahoma Statutes, who have been placed by a state agency in custodial or non-custodial foster care homes, group homes, residential hospitals, shelters and independent living facilities, including apartments and houses throughout the state~~ pursuant to Sections 13-114.2 through 13-114.4 of this title. Expenditures from said fund shall be made on warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of State Finance for approval and payment.

SECTION 55. AMENDATORY Section 62, Chapter 2, O.S.L. Supp. 1989 (70 O.S. Supp. 1990, Section 13-114.2), is amended to read as follows:

Section 13-114.2 Pursuant to rules and regulations established by the State Board of Education, a local school district ~~within which~~ within ~~which~~ which ~~serving~~ serving a child eligible pursuant to Section ~~63 of this act~~ 13-114.3 of this title, upon application to the Department of Education, may receive funds from the Oklahoma Special Education Assistance Fund, which shall be used to educate that particular child. The determination whether a school district is eligible to receive funding pursuant to the provisions of Section ~~61 of this act~~

13-114.1 of this title shall be made by the State Board of Education. The eligibility of a local school district which is receiving funding pursuant to the provisions of Section ~~61 of this act~~ 13-114.1 of this title shall be reevaluated ~~at least once each year~~ for each enrollment of a student on an educational cost basis pursuant to Section 13-114.3 of this title and any monies received from the fund adjusted accordingly.

SECTION 56. AMENDATORY Section 63, Chapter 2, O.S.L. Supp. 1989 (70 O.S. Supp. 1990, Section 13-114.3), is amended to read as follows:

Section 13-114.3 A. A local school district may be eligible to receive monies from the Oklahoma Special Education Assistance Fund if a child who ~~resides~~ is being served in that school district:

1. ~~is an exceptional child, as defined by Section 13-101 of Title 70 of the Oklahoma Statutes;~~

2. ~~has~~ Has been placed in a foster care home, group home, residential hospital, shelter or independent living facility located in that school district by a state agency and a resident school district for the child cannot be determined; and or

2. Has been previously institutionalized and is eligible to receive funding for Multiple Handicapped and Special Education Summer Program as defined in Section 18-109.5 of this title

3. ~~would otherwise be denied an appropriate public school education because of that school district's inability to finance an adequate special education program.~~

B. The State Board of Education is authorized to promulgate rules and regulations ~~for the reimbursement to the local board of education for payment of charges for the services of psychologists and physicians necessary for ascertaining whether a child is an "exceptional child", as required by subsection A of this section~~ as necessary to establish if a home district for a child cannot be determined and the process by which such determination is made.

SECTION 57. AMENDATORY Section 64, Chapter 2, O.S.L. Supp. 1989 (70 O.S. Supp. 1990, Section 13-114.4), is amended to read as follows:

Section 13-114.4 A. Funds issued from the Oklahoma Special Education Assistance Fund shall be distributed to the local school district ~~on a monthly basis~~ in a timely manner as determined by the State Board of Education.

~~B. In no event shall the State Department of Education authorize payment from the fund to any local school district which exceeds Two Thousand Dollars (\$2,000.00) per child per month in addition to other funds currently made available or collected by the school district for the education of students.~~

~~C. The State Department of Education shall establish procedures whereby monies paid from the fund will transfer to the appropriate school district, if an exceptional child is placed in a foster care home and is attending school in a school district other than the school district receiving such monies. The amount of any such payments shall be determined as follows:~~

1. Payments made pursuant to paragraphs 1 and 2 of subsection A of Section 13-114.3 of this title shall be the actual cost of serving the child as determined by the State Board of Education less the funding to be received by the district through the State Aid Formula, as reduced to include only the number of days the child is included in the district's average daily membership, and any other funding received for providing services to the child from another state agency;

2. For the purposes of this section, the amount to be received through the State Aid formula shall be the weighted average daily membership of the child times the sum of the current year Base Foundation Support Level and the product of the current year Incentive Aid guarantee times twenty (20).

SECTION 58. AMENDATORY 70 O.S. 1981, Section 16-102, as amended by Section 4, Chapter 241, O.S.L. 1984 (70 O.S. Supp. 1990, Section 16-102), is amended to read as follows:

Section 16-102. The State Textbook Committee shall meet at the call of the chairman as often as necessary, with two (2) weeks' public notice, to discharge its responsibilities. Not later than the first day of December of each year the State Textbook Committee shall meet at the call of the chairman at the State Capitol and select textbooks for subjects taught in the public schools of the state up to and including the twelfth grade, which selections shall be for not more than five (5) years for every textbook.

"Textbooks", as used in Sections 16-101 through 16-124 of this title, may mean instructional computer software complimentary to achieving learner outcomes prescribed by the State Board of Education including, but not limited to, applications using computer assisted instruction, interactive videodisc, other computer courseware, and magnetic media. Said Committee shall select ten textbooks or series of books for each subject, but if there are not ten books satisfactory to the Committee, then it may select only such books as are in its judgment satisfactory for such subject. The State Textbook Committee may determine that unusual or extraordinary circumstances exist in a particular subject area during the period for which textbooks have been selected for that subject area. Unusual or extraordinary circumstances shall include but not be limited to significant new techniques of teaching in a particular subject area or significant new findings or discoveries in a particular subject area. Upon a determination by three-fourths (3/4) of the members of the State Textbook Committee that unusual or extraordinary circumstances exist in a particular subject area, the Committee may select one or more textbooks in that subject area for the remainder of the adoption period notwithstanding the maximum limitation on the number of textbooks selected for a subject area.

The increase in the number of textbooks or series of textbooks from seven to ten shall be implemented at a time when the State Textbook Committee deems appropriate.

SECTION 59. AMENDATORY 70 O.S. 1981, Section 16-114, as amended by Section 59, Chapter 259, O.S.L. 1986 (70 O.S. Supp. 1990, Section 16-114), is amended to read as follows:

Section 16-114. Based upon legislative appropriations, the State Board of Education shall determine the textbook allocation to be distributed to each school district in the state. Except as otherwise provided for in this section, the amount allowed each school district shall be based on the legal average daily attendance of the school district for the second preceding school year as certified by the State Board of Education. ~~For school districts with an increase in average daily attendance in the preceding school year, as based on data compiled during the first semester of such school year, that is at least two percent (2%) greater than the highest average daily attendance of the preceding two (2) years of the school district as provided for in subsection C of Section 18-109.2 of this title, the adjusted average daily attendance shall be the legal average daily attendance for the purpose of distributing a per pupil amount for textbooks.~~ Provided, that any unused portion of the value of textbooks allowed to a school district shall be cumulative and shall be allowed to such school district the following fiscal year, in addition to the allocation it is entitled to receive during such fiscal year. When it is determined by the State Board of Education that a surplus of textbooks exists in any school district in the state, the State Board of Education shall have the authority to transfer any or all surplus textbooks to another district or districts where the same are needed. Provided, further, that all textbooks distributed to a school district that have been destroyed by fire or other hazard shall be replaced by the State Board of Education. The total cost of all additional

textbooks delivered to school districts to replace those destroyed by fire or other hazard shall not exceed, for the entire state in any fiscal year, the aggregate sum of One Hundred Thousand Dollars (\$100,000.00), which sum shall be reserved for such purpose from any appropriation made to carry out the provision of this article for any fiscal year.

SECTION 60. AMENDATORY Section 3, Chapter 329, O.S.L. 1985, as last amended by Section 69, Chapter 263, O.S.L. 1990 (70 O.S. Supp. 1990, Section 18-113.1), is amended to read as follows:

Section 18-113.1 A. The provisions of this subsection shall apply only to grades one through three.

1. Except as otherwise provided for in this section, no child shall be included in the average daily membership of a school district for the purpose of computing and paying state-appropriated funds if that child is regularly assigned to a teacher or to a class that includes:

- a. for the 1989-90 school year, more than twenty-two (22) students;
- b. for the 1990-91 school year through the 1992-93 school year, more than twenty-one (21) students; and
- c. for the 1993-94 school year and each school year thereafter, more than twenty (20) students.

2. If a class or classes in a grade exceed the class size limitation provided for in this subsection, the class size limitation and penalty shall not apply if:

- a. the creation of an additional class would cause a class to have fewer than ten (10) students; and
- b. a teacher's assistant, as defined in Section 6-127 of this title, is employed to serve with each teacher in a class that exceeds the class size limitation provided for in this subsection.

3. No school district shall be penalized for initially exceeding class size limitations during the last nine (9) weeks of the school year.

4. No school district shall be penalized for exceeding the class size limitations for the 1988-89 school year which were established by this subsection prior to the effective date of this act unless:

- a. the school district had a general fund balance for fiscal year 1988 in excess of twenty percent (20%) of the district's receipts or expenditures, whichever is less, for that year; or
- b. the number of students per class exceeded thirty-three (33) and a full-time teaching assistant was not present.

B. The provisions of this subsection shall apply only to grades four through six.

1. Except as otherwise provided for in this section, no child shall be included in the average daily membership of a school district for the purpose of computing and paying state-appropriated funds if that child is regularly assigned to a teacher or to a class that includes:

- a. for the 1989-90 school year, more than twenty-five (25) students;
- b. for the 1990-91 school year, more than twenty-three (23) students;
- c. for the 1991-92 school year, more than twenty-two (22) students;
- d. for the 1992-93 school year, more than twenty-one (21) students; and
- e. for the 1993-94 school year and each school year thereafter, more than twenty (20) students.

2. If a class or classes in a grade exceed the class size limitation provided for in this subsection, the class size limitation and penalty shall not apply if the creation of an additional class would cause a class to have fewer than sixteen (16) students.

3. A school district may adjust the class size limitation provided for in this subsection, based on the number of classes in each grade in the previous year, by using a five percent (5%) deviation factor under the maximum set out.

C. The provisions of this subsection shall apply only to grades seven through nine.

1. Except as otherwise provided for in this section, no child shall be included in the average daily membership of a school district for the purpose of computing and paying state-appropriated funds if that child is regularly assigned to a teacher or to a class that includes more than thirty-six (36) students.

2. If a class or classes in a grade exceed the class size limitation provided for in this subsection, the class size limitation and penalty shall not apply if the creation of an additional class would cause a class to have fewer than sixteen (16) students.

3. A school district may adjust the class size limitation provided for in this subsection, based on the number of classes in each grade in the previous year, by using a five percent (5%) deviation factor under the maximum set out.

D. Classes in the following subjects shall not be subject to the class size limitations provided for in subsections A, B and C of this section:

1. physical education; and
2. chorus, band, orchestra and similar music classes.

E. If a school district groups its grades as grades one through five, grades six through eight, and grades nine through twelve, then

as to such district the provisions of subsection B of this section shall apply to grades four and five rather than grades four through six, and subsection C of this section shall apply to grades six through eight rather than grades seven through nine.

F. Any class size violations shall result in denial of accreditation in accordance with the requirements of Section ~~2 of Enrolled House Bill No. 1017 of the 1st Extraordinary Session of the 42nd Oklahoma Legislature~~ 3-104.4 of this title.

G. Any school district which at the beginning of the school year does not have sufficient classrooms to meet the class size limitation provided for in this section as determined by guidelines established by the State Board of Education shall not be penalized for failure to meet the class size limitations provided for in this section if:

- a. ~~(1)~~ the school district has voted indebtedness, at any time within the five (5) years preceding the year the district exceeds the class size limitations or during the year the district exceeds the class size limitations, through the issuance of bonds or approval by voters of issuance of new bonds for more than eighty-five percent (85%) 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 Equalization Board for the current school year and certifications by the Attorney General prior to February 1 of the current school year, ~~or~~
- ~~(2) the board of education of the school district has filed a resolution calling for such bond election with the county election board pursuant to Section 2-101 of this title, or~~

~~(3) the board of education of the school district is in the process of completing a bond issue to be voted on during the current fiscal year; and~~

- b. on the date of filing of the school district budget with the State Equalization Board, the school district is voting the maximum millage allowable for the support, maintenance and construction of schools as provided for in subsections (a), (c), (d) and (d-1) of Section 9 of Article X of the Oklahoma Constitution and Section 10 of Article X of the Oklahoma Constitution.

H. Any school district which exceeds the class size limitations as set forth in this section shall submit a written report to the State Board of Education, on or before July 1 of each year, setting forth the procedures that the district will follow in order to comply with this section.

I. School districts which receive state-appropriated funds pursuant to the provisions of Section 18-112.2 of this title and do not comply with the provisions of this section shall be subject to loss of State Aid for each child in excess of the class size limitations specified in this section.

SECTION 61. AMENDATORY Section 2, Chapter 214, O.S.L. 1989, as last amended by Section 70, Chapter 263, O.S.L. 1990 (70 O.S. Supp. 1990, Section 18-113.2), is amended to read as follows:

Section 18-113.2 A. The provisions of this section shall apply only to kindergarten.

1. No child shall be included in the average daily membership of a school district for the purpose of computing and paying state-appropriated funds if that child is regularly assigned to a teacher or to a class that includes:

- a. for the 1989-90 school year, more than twenty-five (25) students;

- b. for the 1990-91 school year, more than twenty-four (24) students;
- c. for the 1991-92 school year, more than twenty-three (23) students;
- d. for the 1992-93 school year, more than twenty-two (22) students; and
- e. for the 1993-94 school year and each school year thereafter, more than twenty (20) students.

2. If a class or classes in a grade exceed the class size limitation provided for in this subsection, the class size limitation and penalty shall not apply if:

- a. the creation of an additional class would cause a class to have fewer than ten (10) students; and
- b. a teacher's assistant, as defined in Section 6-127 of this title, is employed to serve with each teacher in a class that exceeds the class size limitation provided for in this subsection.

3. No school district shall be penalized for initially exceeding class size limitations during the last nine (9) weeks of the school year.

4. Any school district which at the beginning of the school year does not have sufficient classrooms to meet the class size limitation provided for in this section as determined by guidelines established by the State Board of Education shall not be penalized for failure to meet the class size limitations provided for in this section if:

- a. ~~(1)~~ the school district has voted indebtedness, at any time within the five (5) years preceding the year the district exceeds the class size limitations or during the year the district exceeds the class size limitations, through the issuance of bonds or approval by voters of

issuance of new bonds for more than eighty-five percent (85%) 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 Equalization Board for the current school year and certifications by the Attorney General prior to February 1 of the current school year, ~~or~~

~~(2) the board of education of the school district has filed a resolution calling for such bond election with the county election board pursuant to Section 2-101 of this title, or~~

~~(3) the board of education of the school district is in the process of completing a bond issue to be voted on during the current fiscal year; and~~

b. on the date of filing of the school district budget with the State Equalization Board, the school district is voting the maximum millage allowable for the support, maintenance and construction of schools as provided for in subsections (a), (c), (d) and (d-1) of Section 9 of Article X of the Oklahoma Constitution and Section 10 of Article X of the Oklahoma Constitution.

B. Any class size violations shall result in denial of accreditation in accordance with the requirements of Section ~~2 of~~ ~~Enrolled House Bill No. 1017 of the 1st Extraordinary Session of the 42nd Oklahoma Legislature~~ 3-104.4 of this title.

C. School districts which receive state-appropriated funds pursuant to the provisions of Section 18-112.2 of this title and do not comply with the provisions of this section shall be subject to loss of State Aid for each child in excess of the class size limitations specified in this section.

SECTION 62. AMENDATORY 74 O.S. 1981, Section 3111, as last amended by Section 66, Chapter 263, O.S.L. 1990 (74 O.S. Supp. 1990, Section 3111), is amended to read as follows:

Section 3111. A. No state agency, board, commission or other unit or subdivision of state government shall request or require that any person reveal his social security number in order to obtain services or assistance, nor shall any state agency, board, commission or other unit or subdivision of state government use, for any purpose, numbers which correspond to the social security number of any person. Provided that any state agency, board, commission, unit or subdivision of state government using social security numbers for a particular purpose prior to January 1, 1974, may continue to use and require social security numbers for that purpose only. The provisions of this section shall not be construed to prohibit the use or requirement of disclosure of one's social security number if the use of the number is related to the Social Security Administration or benefits thereunder, or, subject to the provisions of Section 1-311.1 of Title 63 of the Oklahoma Statutes, to prohibit the use or requirement of disclosure of the social security numbers of the mother and father by the Vital Records Section of the State Department of Health in the administration of the issuance of birth records.

B. The provisions of this section shall not be construed to prohibit the Oklahoma Tax Commission from requiring the disclosure by any person of his or her social security number in order to administer any state tax law, as defined by Section 202 of Title 68 of the Oklahoma Statutes or in order for the Commission to administer any provision of the Uniform Disposition of Unclaimed Property Act, Section 651 et seq. of Title 60 of the Oklahoma Statutes, if such administration requires the Commission to obtain the social security number of any person.

C. The provisions of this section shall not prohibit the State Department of Education or a board of education of a public school district from requesting any student who wishes to enroll in or is enrolled in any public school in this state to disclose the social security account number of the student in order ~~for the Department~~ to administer any provision of the Oklahoma School Testing Program Act, Sections 1210.505 through 1210.511 of Title 70 of the Oklahoma Statutes or for the collection of appropriate and necessary data pursuant to the Oklahoma Educational Indicators Program, Section 1210.531 of Title 70 of the Oklahoma Statutes. The State Department of Education or a board of education of a public school district shall not deny to any student any right, benefit, or privilege provided by law because of the refusal by the student to disclose the social security account number of the student. If the State Department of Education or a board of education of a public school district requests a student to disclose the student's social security account number, the State Department of Education or a board of education of a public school district shall inform the student ~~whether the disclosure is mandatory or voluntary,~~ by what statutory or other authority such number is solicited and what uses will be made of the number.

D. The State Board of Education is authorized to develop an alternative accountability system for tracking students to administer any provision of the Oklahoma School Testing Program Act, Sections 1210.505 through 1210.511 of Title 70 of the Oklahoma Statutes or for the collection of appropriate and necessary data pursuant to the Oklahoma Educational Indicators Program, Section 1210.531 of Title 70 of the Oklahoma Statutes. The accountability system shall be developed only if, in the determination of the Board, the provisions of subsection C of this section are not sufficient to allow for the adequate implementation of the

provisions of the Oklahoma School Testing Program Act and the Oklahoma Educational Indicators Program.

SECTION 63. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 5-135.1 of Title 70, unless there is created a duplication in numbering, reads as follows:

A. For the 1991-92 school year, school districts shall report financial transactions for all funds, except for the school activity fund, using the Oklahoma Cost Accounting System. Costs shall be reported by curricular subject area where applicable. For the 1992-93 school year and in each subsequent school year, school districts shall report financial transactions for all funds using the Oklahoma Cost Accounting System. Costs shall be reported by curricular subject area where applicable.

B. Beginning July 1, 1991, the State Department of Education shall reduce the monthly payment of a district's State Aid funds if, at the time of such payment, the district is not operating under said system. The amount of the reduction shall be one percent (1%) for the first payment, two percent (2%) for the second payment, three percent (3%) for the third payment, four percent (4%) for the fourth payment, and five percent (5%) for each subsequent payment. The reduction may be waived by the State Board of Education if the district can demonstrate that failure to operate under said system was due to circumstances beyond the control of the district and that every effort is being made by the district to operate under said system as quickly as possible.

SECTION 64. The Legislature intends that each board of education make a good faith effort to increase the salary and benefits for teachers and support personnel. Such efforts shall be on an annual basis.

SECTION 65. The salary level of certified instructional staff employed in the same school district in the 1990-91 school year

shall not be reduced for the 1991-92 school year unless the hours or the duties of the employee are reduced proportionately.

SECTION 66. The State Public Common School Building Equalization Fund shall be subject to the administrative control of the State Board of Education. An amount not to exceed Three Hundred Sixty-one Thousand Dollars (\$361,000.00) may be disbursed by the State Board of Education to school districts for the purpose of defraying the cost of rebuilding public school buildings destroyed by fire or tornado as reported to the State Board of Education during the fiscal year ending June 30, 1991. No school district shall receive more than Forty Thousand Dollars (\$40,000.00) for such losses by fire or tornado occurring in said fiscal year, and no funds shall be disbursed to any school district in excess of actual losses less the sum of insurance coverage, federal reimbursement, and contributions for such purpose.

SECTION 67. If funds appropriated in this act are not sufficient to fully fund the provisions of Sections 13 through 66 of this act, each school district which qualifies for funds pursuant to the provisions of this act shall take a proportionate reduction in funds.

SECTION 68. The appropriations made by Sections 1 through 7 and the reappropriation made by Section 9 of this act shall not be subject to fiscal year limitations and shall be available for encumbrance and expenditure purposes for a period of thirty (30) months from July 1, 1991.

SECTION 69. The appropriation made by Section 8 and the reappropriation made by Section 10 of this act for Administrative and Support Functions of the State Department of Education shall be subject to fiscal year limitations and may be encumbered through June 30, 1992. Any unexpended funds remaining after November 15, 1992, shall lapse and be transferred to the credit of the proper fund for the then current fiscal year.

SECTION 70. The appropriations and reappropriation made by Sections 1 through 5 and Section 9 of this act for Financial Support of Public Schools shall become effective August 1, 1991.

SECTION 71. The appropriations made by Sections 6 through 8 and Section 10 of this act shall become effective July 1, 1991.

SECTION 72. REPEALER 74 O.S. 1981, Section 3111, as last amended by Section 20, Chapter 309, O.S.L. 1990 (74 O.S. Supp. 1990, Section 3111), which is a duplicate section, is hereby repealed.

SECTION 73. It being immediately necessary for the preservation of the public peace, health and 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.

43-1-1060

JJ