ENGROSSED SENATE
BILL NO. 986

BY: TAYLOR and HANEY of the SENATE

and

HAMILTON (James) and STEIDLEY of the HOUSE

[STATE ARTS COUNCIL - OKLAHOMA DEPARTMENT OF LIBRARIES - WILL ROGERS MEMORIAL COMMISSION - J.M. DAVIS MEMORIAL COMMISSION - THE STATE BOARD OF EDUCATION - THE STATE BOARD OF VOCATIONAL AND TECHNICAL EDUCATION - EFFECTIVE DATE - EMERGENCY]

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

STATE ARTS COUNCIL

SECTION 1. The duties and compensation of employees, not otherwise prescribed by law, necessary to perform the duties imposed upon the State Arts Council by law shall be set by the Council. The salary of the Chief Administrative Officer shall not exceed Forty-one Thousand Eight Hundred Twenty Dollars ($41,820.00) per annum, payable monthly for the fiscal year ending June 30, 1993. The State Arts Council for the fiscal year ending June 30, 1993, 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:

Budgetary Limitation	Amount
Full-time-equivalent Employees	17.0
Payroll, Salaries or Wages, Including Tax-sheltered Deferment Contracts and Longevity Payments Authorized by State Statutes	$556,772.00
Professional and Personal Services Contracts	$28,375.00
Purchase of Equipment	$12,500.00
Expenditure of Federal Funds	$592,700.00
Total Expenditures for Operations	$4,037,772.00

DEPARTMENT OF LIBRARIES

SECTION 2. The duties and compensation of employees, not otherwise prescribed by law, necessary to perform the duties imposed upon the Oklahoma Department of Libraries by law shall be set by the Director. The salary of the Director shall not exceed Forty-nine Thousand Seven Hundred Forty Dollars ($49,740.00) per annum, payable monthly for the fiscal year ending June 30, 1993. The Oklahoma Department of Libraries for the fiscal year ending June 30, 1993, 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:

Budgetary Limitation	Amount
Full-time-equivalent Employees	85.0
Payroll, Salaries or Wages, Including Tax-sheltered Deferment Contracts and Longevity Payments Authorized by State Statutes	$2,154,580.00
Professional and Personal Services Contracts	$11,315.00
Lease-Purchase Agreements	$0.00
Purchase of Equipment, Excluding Expenditures for Books, Periodicals, Newspapers, and Audiovisual Materials	$105,000.00

Expenditure of Federal Funds	$2,353,242.00
Total Expenditures for Operations	$7,262,165.00

WILL ROGERS MEMORIAL COMMISSION

SECTION 3. The duties and compensation of employees, not otherwise prescribed by law, necessary to perform the duties imposed upon the Will Rogers Memorial Commission by law shall be set by the Commission. The Will Rogers Memorial Commission for the fiscal year ending June 30, 1993, 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:

Budgetary Limitation	Amount
Full-time-equivalent Employees	16.5
Payroll, Salaries or Wages, Including Tax-sheltered Deferment Contracts and Longevity Payments Authorized by State Statutes $387,267.00	
Professional and Personal Services Contracts	$2,000.00
Lease-Purchase Agreements	$0.00
Purchase of Equipment	$12,800.00
Expenditure of Revolving Funds	$149,000.00
Expenditure of Federal Funds	$0.00
Total Expenditures for Operations	$691,147.00

J.M. DAVIS MEMORIAL COMMISSION

SECTION 4. The duties and compensation of employees, not otherwise prescribed by law, necessary to perform the duties imposed upon the J.M. Davis Memorial Commission by law shall be set by the Commission. The salary of the Chief Administrative Officer shall not exceed Thirty-eight Thousand Four Hundred Eight Dollars ($38,408.00) per annum, payable monthly for the fiscal year ending June 30, 1993. The J.M. Davis Memorial Commission for the fiscal year ending June 30, 1993, 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:

Budgetary Limitation	Amount
Full-time-equivalent Employees	10.5
Payroll, Salaries or Wages, Including Tax-sheltered Deferment Contracts and Longevity Payments Authorized by State Statutes	$211,037.00
Professional and Personal Services Contracts	$0.00
Lease-Purchase Agreements	$0.00
Purchase of Equipment	$30,000.00
Expenditure of Federal Funds	$0.00
Total Expenditures for Operations	$429,354.00

STATE BOARD OF EDUCATION

SECTION 5. The funds allocated for Alternative and At-Risk Education 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 6. The funds allocated 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 7. 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 8. Funds allocated for Psychometric Services shall be provided to school districts by the State Board of Education on a contractual basis.

SECTION 9. The funds allocated 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 10. Funds allocated for Teacher Consultant Stipends for fiscal year 1993 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 11. The funds allocated 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 12. The funds allocated 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 13. The funds allocated 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 (1/2) 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 shall provide a centralized library media program and be staffed by a certified library media specialist at least one-half (1/2) 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;

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; and

6. Beginning July 1, 1999, place all library grants provided for in this section into the State Aid Formula.

Any funds for Library Resources as provided for 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 14. The funds allocated 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 15. Of the funds allocated 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 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 16. The funds allocated for Hissom Compliance shall be used by the State Department of Education to provide resources and programs necessary to comply with any federal court order pertaining to Hissom Memorial Center requiring such resources and programs.

SECTION 17. Funds allocated for Driver Education 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 18. A portion of the funds allocated for Administrative and Support Functions of the State Department of Education shall be available:

1. 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;

2. For a preschool deaf program operated by the State Department of Education; and

3. To conduct training pursuant to the provisions of Section 6-101.10 of Title 70 of the Oklahoma Statutes.

SECTION 19. Fifty Thousand Dollars ($50,000.00) of the funds allocated 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 20. A portion of the funds allocated 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 21. The amount of Two Hundred Twenty-six Thousand Dollars ($226,000.00) of the funds allocated for Administrative and

Support Functions of the State Department of Education shall be available for continued implementation of an Oklahoma Cost Accounting System. Said System shall account for costs by curricular subject area for the 1991-92 and subsequent school year.

SECTION 22. Of the funds allocated 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 and Enrolled House Bill No. 1017 of the 1st Extraordinary Session of the 42nd Oklahoma Legislature.

SECTION 23. The amount of One Million One Hundred Seventy-six Thousand Dollars ($1,176,000.00) of the funds allocated for Administrative and Support Functions of the State Department of Education shall be expended for the continued development of the criterion-referenced test as required by Section 1210.508 of Title 70 of the Oklahoma Statutes. Said funds shall be limited to expenditures incurred for the further development of a criterion-referenced test based upon the learner outcomes as adopted by the State Board of Education.

SECTION 24. 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 25. 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, 1993, 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:

Budgetary Limitation	Amount
Full-time-equivalent Employees	561.0
Payroll, Salaries or Wages, Including Tax-sheltered Deferment Contracts and Longevity Payments Authorized by State Statutes	$15,733,825.00
Professional and Personal Services Contracts	$8,932,220.00
Purchase of Equipment	$1,197,678.00
Expenditure of Federal Funds	$218,898,289.00
Total Expenditures for Operations	$1,506,582,764.00

SECTION 26. Of the five hundred sixty-one (561.0) full-time-equivalent employees authorized in Section 25 of this act, eight (8) shall be employed to provide services related to the Hissom Compliance agreement.

SECTION 27. Of the five hundred sixty-one (561.0) full-time-equivalent employees authorized in Section 25 of this act, fifty-eight (58.0) shall be employed to provide services under the provisions of the Oklahoma Early Intervention Act. Prior to February 1, 1992, the Superintendent of Public Instruction shall file a report with the Education Oversight Board on the oversight of the Oklahoma Early Intervention Program.

SECTION 28. 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 29. Of the five hundred sixty-one (561.0) full-time-equivalent employees authorized in Section 25 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 30. At the conclusion of the school year the board of education of each school district shall prepare a report which outlines the expenditures made by the district during that year and shall compare said expenditures with those made by such school district during the previous school year. The report shall identify expenditures by major object codes and program classifications pursuant to the Oklahoma Cost Accounting System, as adopted by the State Board of Education pursuant to Section 5-135 of Title 70 of the Oklahoma Statutes. The report shall list dollar and percentage changes for each of the included items.

Prior to September 15 of each year, copies of the report shall be sent to the State Department of Education, which shall forward a copy to the Office of Accountability. In addition, a copy of the report shall be posted in each public school library in the school district. For those school districts not operating on the Oklahoma Cost Accounting System for the 1991-92 school year, expenditures for that year shall be categorized according to guidelines developed by the State Department of Education.

SECTION 31. All funds appropriated to the State Board of Education to be awarded through competitive application or on a contractual basis shall be subject to the approval of the State Board of Education. The Board shall be responsible for the review and evaluation of the programs throughout the term of the funding contract. The Board shall ensure that all state funds are expended

in an appropriate manner and for the purposes as stated in the application or contract.

SECTION 32. AMENDATORY 70 O.S. 1991, Section 18-200, 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 ~~1991-92~~ 1992-93 school year, the Base Foundation Support Level shall be ~~One Thousand Sixty-four Dollars ($1,064.00)~~ Dollars ($0.00).

b. The Foundation Program Income shall be the sum of the following:

(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.

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:

DENSITY FIGURE	PER CAPITA ALLOWANCE	DENSITY FIGURE	PER CAPITA 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 ~~1991-92~~ 1992-93 school year, the Incentive Aid guarantee shall be ~~Fifty-one Dollars and eight cents ($51.08)~~ Dollars and cents ($0.00).

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 of the preceding fiscal year 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 of the preceding fiscal year, that is in excess of the following standards:

Total Amount of General Fund	Amount of General Fund Balance Allowable
Less than $1,000,000	40%
$1,000,000 - $2,999,999	35%
$3,000,000 - $3,999,999	30%
$4,000,000 - $4,999,999	25%
$5,000,000 - $5,999,999	20%
$6,000,000 - $7,999,999	16%
$8,000,000 - $10,000,000	12%
More than $10,000,000	8%

F. For the purposes of paying State Aid for the ~~1991-92~~ 1992-93 school year, no child shall be included in the average daily membership of a school district for the ~~1989-90~~ 1990-91 or ~~1990-91~~ 1991-92 school year if the child is being served during the ~~1991-92~~ 1992-93 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 school year based upon child counts for early childhood education programs pursuant to Section 1-114 of this title.

SECTION 33. 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 34. The salary level of certified instructional staff employed in the same school district in the 1991-92 school year shall not be reduced for the 1992-93 school year unless the hours or the duties of the employee are reduced proportionately.

SECTION 35. 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 Two Hundred Thousand Dollars ($200,000.00) 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. Effective January 1, 1992, no funds shall be disbursed to any school district to cover or offset any deductible required by such district insurance policy or contract. It is the

intent of the Legislature that on or before January 1, 1992, each school district in this state, in order to adequately cover losses by fire or tornado or other natural disasters, maintain adequate insurance coverage or be self-insured.

SECTION 36. The funds allocated for the Oklahoma Summer Arts Institute Program shall be awarded to students and teachers for the payment of tuition, materials, supplies and other expenses directly related to participation in the Oklahoma Summer Arts Institute Program. Funds shall be awarded for teacher participation when 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. The funds shall be provided on a one-to-one match with nonpublic sources collected for this purpose. It is the intent of the Legislature that One Million Dollars ($1,000,000.00) of nonpublic funds be raised by the Oklahoma Summer Arts Institute for the establishment of an endowment for the purpose of future tuition and expenses as specified in this section.

SECTION 37. State Aid funds shall be reduced or withheld by the State Board of Education in an amount necessary to require compliance with the provisions of this act.

SECTION 38. If funds appropriated are not sufficient to fully fund the provisions of this act, each school district which qualifies for funds pursuant to the provisions of this act shall take a proportionate reduction in funds.

STATE BOARD OF VOCATIONAL AND TECHNICAL EDUCATION

SECTION 39. It is the intent of the Legislature that a portion of the funds allocated for the support of vocational and technical school activities and programs of this act be utilized for purposes previously funded by Carl D. Perkins Vocational and Applied Technology Education Act of 1990 funds.

SECTION 40. The duties and compensation of employees, not otherwise prescribed by law, necessary to perform the duties imposed

upon the State Board of Vocational and Technical Education by law shall be set by the Board. The salary of the Director of the State Department of Vocational and Technical Education shall not exceed Seventy-two Thousand Nine Hundred Twenty Dollars ($72,920.00) per annum, payable monthly for the fiscal year ending June 30, 1993. The State Board of Vocational and Technical Education for the fiscal year ending June 30, 1993, 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:

Budgetary Limitation	Amount
Full-time-equivalent Employees	480.0
Payroll, Salaries or Wages, Including Tax-sheltered Deferment Contracts and Longevity Payments Authorized by State Statutes	$14,575,628.00
Professional and Personal Services Contracts	$1,712,000.00
Lease-Purchase Agreements	$219,400.00
Purchase of Equipment	$5,039,028.00
Expenditure of Federal Funds	$17,013,391.00
Total Expenditures for Operations	$107,758,356.00

SECTION 41. A. Of the amounts allocated from the appropriation made for Local School Financial Support, the State Board of Vocational and Technical Education shall provide grants in amounts not less than Four Thousand Dollars ($4,000.00) and not more than Nine Thousand Dollars ($9,000.00) in increments of Four Hundred Sixty Dollars ($460.00) according to the formula adopted by the State Board of Vocational and Technical Education for each vocational education teacher program approved for reimbursement by the State Board of Vocational and Technical Education.

B. The salary of a vocational education teacher shall be calculated, subject to the approval of the State Board of Vocational

and Technical Education, on the basis of the months for which the teacher is actually employed, but shall not exceed two (2) months in addition to the school year as defined in Section 1-109 of Title 70 of the Oklahoma Statutes. For each additional month such teacher is employed, the additional salary shall be calculated on the basis of one-tenth (1/10) of the base salary prescribed by the school district for a teacher of equal qualifications employed on a ten-month basis.

SECTION 42. The monies allocated for the Opportunities Industrialization Center program shall be distributed on a performance-based contract submitted by the Opportunities Industrialization Center to the Director of the State Department of Vocational and Technical Education. The Opportunities Industrialization Center shall be responsible for submitting financial reports on a monthly basis to the State Department of Vocational and Technical Education for verification prior to the disbursement of the funds.

SECTION 43. Monies appropriated shall be expended for the operation of vocational and technical education programs and necessary construction throughout the state and expended in cooperation with federal funds insofar as maximum benefits to students may be attained, but shall not be restricted as to federal rules and regulations if not in accordance with state and local educational and training objectives. Applications for federal funds by the State Board of Vocational and Technical Education shall be subject to review as provided by law.

SECTION 44. This act shall become effective July 1, 1992.

SECTION 45. 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.

Passed the Senate the 4th day of March, 1992.

President of the Senate

Passed the House of Representatives the ____ day of _____, 1992.

Speaker of the House of Representatives