

STATE OF OKLAHOMA

1st Session of the 44th Legislature (1993)

HOUSE BILL NO. 1553

By: Reese and Maddux (Elmer)

AS INTRODUCED

An Act relating to schools; amending 70 O.S. 1991, Section 7-203, as amended by Section 1, Chapter 111, O.S.L. 1992 (70 O.S. Supp. 1992, Section 7-203), which relates to the School Consolidation Assistance Fund; prescribing calculation of state aid for certain consolidated districts; requiring the State Department of Education and the Oklahoma Tax Commission to make certain determinations; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY 70 O.S. 1991, Section 7-203, as amended by Section 1, Chapter 111, O.S.L. 1992 (70 O.S. Supp. 1992, Section 7-203), is amended to read as follows:

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. 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. The State Board of Education shall provide a severance allowance to employees dismissed from employment due to annexation or consolidation of a school district in the year of the annexation or consolidation and who were denied a severance allowance or unemployment compensation benefits and the voluntary consolidation funding of the annexing or consolidating district or districts has been paid prior to July 1, 1992 at the

maximum allowable amount. Application for a severance allowance shall be made to the Finance Division of the State Department of Education by the dismissed employee no later than September 1, 1991;

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 June 30, 1992, 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. Except as provided for in subsection H of this section, the ADM of any one school district shall not 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.

H. Any school district which was consolidated or which participated in an annexation after October 31, 1989, and before August 20, 1991, shall be eligible to receive an amount of funds from the School Consolidation Assistance Fund. The amount of funds shall be calculated for the eligible school districts by the State Department of Education in the same manner as if the small school district formula in subparagraph a of paragraph 3 of subsection B of Section 18-201 of this title had been in effect for fiscal years 1991 and 1992 for those eligible school districts.

I. All independent school districts within a county wherein a school district participated in a consolidation between July 1, 1992, and June 30, 1993, and which resulted in such consolidated school district to lie in more than one county, and if such consolidated school district voted to change county of supervision pursuant to Section 5-105 of Title 70 of the Oklahoma Statutes, which resulted in other independent school districts within the county of supervision to receive a reduced amount of average daily attendance per capita gross production revenue, shall be eligible to receive an amount of funds from the School Consolidation Assistance Fund, if funds are available after prior commitments have been met. The amount of funding such school districts will be eligible to

receive shall be calculated by the State Department of Education, working with the Oklahoma Tax Commission to determine the difference between the FY-92 and the FY-93 average daily attendance per capita level of gross production revenue received by the eligible school districts, to determine the loss of funds which is directly attributable only to the school district consolidation and subsequent change in county of supervision but exclusive of an increase in average daily attendance due to normal school district growth.

SECTION 2. This act shall become effective July 1, 1993.

SECTION 3. 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.

44-1-5232

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