

ENROLLED HOUSE
BILL NO. 1764

By: Hamilton and Steidley of
the House

and

Haney and Hobson of the
Senate

An Act relating to educational entities; making appropriations to the State Board of Education; stating purposes; reappropriating certain funds; stating purposes; reappropriating and redesignating certain funds; stating purposes; requiring the Director of the Office of State Finance to transfer funds from certain revolving funds to the Grants and Donations Fund; stating purposes; authorizing expenditure of funds from the Grants and Donations Fund; stating purposes; providing certain schedule for expenditure of certain funds for certain purpose; providing for the allocation of certain funds; stating purposes; providing that certain funds be provided on a competitive application basis; providing that certain funds be provided on a contractual basis; specifying expenditures of certain allocated funds; stating purposes; providing that certain funds be provided on a contractual basis; providing for apportionment of certain allocated funds; stating purposes; amending 70 O.S. 1991, Section 18-103.1, as last amended by Section 37, Chapter 262, O.S.L. 1994 (70 O.S. Supp. 1994, Section 18-103.1), which relates to regional education service centers; changing date of applicability of certain funding level; amending 70 O.S. 1991, Section 18-200, as last amended by Section 38, Chapter 262, O.S.L. 1994 (70 O.S. Supp. 1994, Section 18-200), which relates to the State Aid Formula; modifying base foundation support level for certain year; modifying the incentive aid guarantee level for certain year; deleting archaic language; exempting certain school districts from certain penalties under certain conditions; modifying date for payment on Early Intervention Act; modifying amount of advanced funding authorized initial start of early childhood instruction; prohibiting reduction of certain salaries except under certain conditions; stating purpose of certain administrative and support function funds; providing for expenditure of such funds relating to the Oklahoma Cost Accounting System; specifying certain purpose of such system; allocating certain funds for lease-purchase of the mainframe computer upgrade, the continued development of the criterion-referenced test, the Minority Teacher Recruitment Center and the Oklahoma Alliance for Geographic Education;

providing for duties and compensation of employees; providing budgetary limitations; designating certain full-time-equivalent employees for certain services and positions related to the Hisson Compliance Agreement, the Oklahoma Early Intervention Act, the Parent Training Program, the Oklahoma School Testing Program Act, and the coordinator of support personnel concerns; requiring the State Superintendent of Public Instruction to file certain report; specifying responsibilities of the designated coordinator of support personnel; authorizing the reduction or withholding of certain funds; providing for certain proportional reductions; making an appropriation to the Board of Trustees of the Oklahoma School of Science and Mathematics; stating purpose; providing for duties and compensation of employees; limiting salary of Director; providing budgetary limitations; making an appropriation to the Oklahoma Commission for Teacher Preparation; stating purpose; providing for duties and compensation of employees; limiting salary of Director; providing budgetary limitations; making an appropriation to the Commissioners of the Land Office; stating purpose; providing for duties and compensation of employees; limiting salaries of the Secretary and Assistant Secretary; providing budgetary limitations; making appropriations to the State Board of Vocational and Technical Education; stating purposes; providing for duties and compensation of employees; limiting salary of Director; providing budgetary limitations; providing for certain grants; providing calculation for certain teacher salaries; providing for distribution of certain funds on certain contracts; requiring certain financial reports; providing lapse dates; authorizing certain funds to be budgeted after certain date for certain purposes under certain conditions; providing effective dates; and declaring an emergency.

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

STATE BOARD OF EDUCATION

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, 1996, the sum of Fifteen Million One Hundred Sixty-one Thousand One Hundred Fifty-four Dollars (\$15,161,154.00) or so much thereof as may be necessary for the Financial Support of Public Schools.

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, 1995, the sum of Six Hundred Twenty-two Thousand Eight Hundred Sixty-one Dollars (\$622,861.00) or so much thereof as may be necessary for the Financial Support of Public Schools.

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, 1994, the sum of Ninety-seven Thousand Three Hundred Sixteen Dollars (\$97,316.00) or so much thereof as may be necessary for the Financial Support of Public Schools.

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, 1995, the sum of Three Hundred Seventy-six Thousand Three Hundred Ninety Dollars (\$376,390.00) or so much thereof as may be necessary for the Financial Support of Public Schools.

SECTION 5. There is hereby appropriated to the State Board of Education from any monies not otherwise appropriated from the Cash-flow Reserve Fund of the State Treasury, the sum of One Million Nine Hundred Forty-one Thousand Seven Hundred Thirty-five Dollars (\$1,941,735.00) or so much thereof as may be necessary for the Financial Support of Public Schools.

SECTION 6. There is hereby appropriated to the State Board of Education from any monies not otherwise appropriated from the Cash-flow Reserve Fund of the State Treasury, the sum of Two Million Sixty-eight Thousand Six Hundred Twelve Dollars (\$2,068,612.00) or so much thereof as may be necessary to accomplish the support of public school activities by law as provided for in paragraph 2 of Section 23 of this act.

SECTION 7. There is hereby appropriated to the State Board of Education from any monies not otherwise appropriated from the Cash-flow Reserve Fund of the State Treasury, the sum of Nine Hundred Eighty-nine Thousand Six Hundred Fifty-three Dollars (\$989,653.00) or so much thereof as may be necessary for Administrative and Support Functions of the State Department of Education.

SECTION 8. REAPPROPRIATION The amount of One Hundred Thousand Two Hundred One Dollars (\$100,201.00), originally appropriated by Section 1, Chapter 262, O.S.L. 1994, from the General Revenue Fund of the State Treasury for the fiscal year ending June 30, 1995, and allocated by Section 15, Chapter 262, O.S.L. 1994, to the Support of Public Schools, is hereby reappropriated to the State Board of Education for Financial Support of Public Schools less expenditures and encumbrances as adjusted by transfer on July 1, 1995.

SECTION 9. REAPPROPRIATION The amount of Six Hundred Fifty-seven Thousand Three Hundred Twenty-two Dollars (\$657,322.00), originally appropriated by Section 6, Chapter 187, O.S.L. 1994, from the General Revenue Fund of the State Treasury for the fiscal year ending June 30, 1995, and amended by Section 14, Chapter 262, O.S.L. 1994 and allocated by Section 15, Chapter 262, O.S.L. 1994, to the State Board of Education for Administrative and Support Functions of the State Department of Education, is hereby reappropriated to the State Board of Education for the original purpose, less expenditures and encumbrances as adjusted by transfer on July 1, 1995.

SECTION 10. REAPPROPRIATION AND REDESIGNATION The amount of Four Thousand Eight Hundred Fifty-seven Dollars (\$4,857.00), originally appropriated by Section 4, Chapter 262, O.S.L. 1994, from the General Revenue Fund of the State Treasury for the fiscal year ending June 30, 1995, and allocated by Section 15, Chapter 262, O.S.L. 1994, for Library Resources, is hereby reappropriated to the State Board of Education for the support of public school activities by law as provided for in paragraph 2 of Section 23 of this act, less expenditures and encumbrances as adjusted by transfer on July 1, 1995.

SECTION 11. REAPPROPRIATION AND REDESIGNATION The amount of Eight Hundred Dollars (\$800.00), originally appropriated by Section 4, Chapter 262, O.S.L. 1994, from the General Revenue Fund of the State Treasury for the fiscal year ending June 30, 1995, and allocated by Section 15, Chapter 262, O.S.L. 1994, for Teacher Consultant Stipends, is hereby reappropriated to the State Board of Education for the support of public school activities by law as provided for in paragraph 2 of Section 23 of this act, less expenditures and encumbrances as adjusted by transfer on July 1, 1995.

SECTION 12. REAPPROPRIATION AND REDESIGNATION The amount of Three Hundred Dollars (\$300.00), originally appropriated by Section 4, Chapter 262, O.S.L. 1994, from the General Revenue Fund of the State Treasury for the fiscal year ending June 30, 1995, and allocated by Section 15, Chapter 262, O.S.L. 1994, for Homebound Children, is hereby reappropriated to the State Board of Education for the support of public school activities by law as provided for in paragraph 2 of Section 23 of this act, less expenditures and encumbrances as adjusted by transfer on July 1, 1995.

SECTION 13. REAPPROPRIATION AND REDESIGNATION The amount of Twenty-nine Thousand Dollars (\$29,000.00), originally appropriated by Section 17, Chapter 201, O.S.L. 1994, from the Constitutional Reserve Fund of the State Treasury, and allocated by Section 15, Chapter 262, O.S.L. 1994, for Alternative and High Challenge Education, is hereby reappropriated to the State Board of Education for the support of public school activities by law as provided for in paragraph 2 of Section 23 of this act, less expenditures and encumbrances as adjusted by transfer on July 1, 1995.

SECTION 14. REAPPROPRIATION AND REDESIGNATION The amount of Fifty-seven Thousand One Hundred Eighty-one Dollars (\$57,181.00), originally appropriated by Section 4, Chapter 262, O.S.L. 1994, from the General Revenue Fund of the State Treasury for the fiscal year ending June 30, 1995, and allocated by Section 15, Chapter 262, O.S.L. 1994, for Driver Education, is hereby reappropriated to the State Board of Education for the support of public school activities by law as provided for in paragraph 2 of Section 23 of this act, less expenditures and encumbrances as adjusted by transfer on July 1, 1995.

SECTION 15. REAPPROPRIATION AND REDESIGNATION The amount of One Hundred Eighty-six Thousand Six Hundred Fifty-nine Dollars (\$186,659.00), originally appropriated by Section 4, Chapter 262, O.S.L. 1994, from the General Revenue Fund of the State Treasury for the fiscal year ending June 30, 1995, and allocated by Section 15, Chapter 262, O.S.L. 1994, for Hisson Compliance, is hereby reappropriated to the State Board of Education for the support of public school activities by law as provided for in paragraph 2 of Section 23 of this act, less expenditures and encumbrances as adjusted by transfer on July 1, 1995.

SECTION 16. REAPPROPRIATION AND REDESIGNATION The amount of Seventy-three Thousand Two Hundred Sixty-one Dollars (\$73,261.00), originally appropriated by Section 4, Chapter 262, O.S.L. 1994, from the General Revenue Fund of the State Treasury for the fiscal year ending June 30, 1995, and allocated by Section 15, Chapter 262, O.S.L. 1994, for Parent Training Programs, and further allocated by Section 17, Chapter 262, O.S.L. 1994, as amended by Section 52, Chapter 382, O.S.L. 1994, is hereby reappropriated to the State Board of Education for the support of public school activities by law as provided for in paragraph 2 of Section 23 of

this act, less expenditures and encumbrances as adjusted by transfer on July 1, 1995.

SECTION 17. REAPPROPRIATION AND REDESIGNATION The amount of Twelve Thousand Five Hundred Dollars (\$12,500.00), originally appropriated by Section 4, Chapter 262, O.S.L. 1994, from the General Revenue Fund of the State Treasury for the fiscal year ending June 30, 1995, and allocated by Section 15, Chapter 262, O.S.L. 1994, for Adult Education Matching, is hereby reappropriated to the State Board of Education for Administrative and Support Functions of the State Department of Education, less expenditures and encumbrances as adjusted by transfer on July 1, 1995.

SECTION 18. The Director of the Office of State Finance shall transfer the sum of Twelve Thousand Six Hundred Dollars (\$12,600.00) from the School Lunch Workshop Revolving Fund of the State Treasury, created in paragraph 17 of Section 3-104 of Title 70 of the Oklahoma Statutes, to the funds designated as the "Grants and Donations Fund" by the Office of State Finance, created to carry out the purposes in paragraph 15 of Section 3-104 of Title 70 of the Oklahoma Statutes. This purpose shall be in addition to the other purposes specified in the School Lunch Workshop Revolving Fund.

SECTION 19. The Director of the Office of State Finance shall transfer the sum of Twenty Thousand Dollars (\$20,000.00) from the Curriculum Materials Revolving Fund of the State Treasury, created in Section 3-109 of Title 70 of the Oklahoma Statutes, to the funds designated as the "Grants and Donations Fund" by the Office of State Finance, created to carry out the purposes in paragraph 15 of Section 3-104 of Title 70 of the Oklahoma Statutes. This purpose shall be in addition to the other purposes specified in the Curriculum Materials Revolving Fund.

SECTION 20. The Director of the Office of State Finance shall transfer the sum of Thirty-five Thousand Seven Hundred Ninety Dollars (\$35,790.00) from the Statistical Services Revolving Fund of the State Treasury, created in paragraph 26 of Section 3-104 of Title 70 of the Oklahoma Statutes, to the funds designated as the "Grants and Donations Fund" by the Office of State Finance, created to carry out the purposes in paragraph 15 of Section 3-104 of Title 70 of the Oklahoma Statutes. This purpose shall be in addition to the other purposes specified in the Statistical Services Revolving Fund.

SECTION 21. The Director of the Office of State Finance shall transfer the sum of Four Thousand Nine Hundred Eighty Dollars (\$4,980.00) from the Drug Abuse Education Revolving Fund of the State Treasury, created in Section 2-417 of Title 63 of the Oklahoma Statutes, to the funds designated as the "Grants and Donations Fund" by the Office of State Finance, created to carry out the purposes in paragraph 15 of Section 3-104 of Title 70 of the Oklahoma Statutes. This purpose shall be in addition to the other purposes specified in the Drug Abuse and Education Revolving Fund.

SECTION 22. The State Board of Education is authorized to expend a minimum of One Hundred Five Thousand Eight Hundred Seventy Dollars (\$105,870.00) from the fund designated as the "Grants and Donations Fund" by the Office of State Finance, created to carry out the purposes in paragraph 15 of Section 3-104 of Title 70 of the Oklahoma Statutes, for Administrative and Support Functions of the State Department of Education.

SECTION 23. Beginning July 1, 1995, the support of public school activities by the State Board of Education payable from monies appropriated, reappropriated, redesignated and authorized by Sections 1 through 19 of this act and appropriated in Sections 2 and 4 through 8 of Enrolled House Bill No. 1716 of the 1st Session of

the 45th Oklahoma Legislature shall be subject to the following schedule:

1. Funds appropriated and reappropriated by Sections 1 through 5 and 8 of this act and Sections 2, 4 and 5 of Enrolled House Bill No. 1716 of the 1st Session of the 45th Oklahoma Legislature:

Local and State-Supported Financial Support of Public Schools	\$1,379,658,585.00
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SUBTOTAL, PARAGRAPH 1:	\$1,379,658,585.00
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2. Funds appropriated, reappropriated and redesignated by Sections 6 and 10 through 16 of this act and Sections 6 and 7 of Enrolled House Bill No. 1716 of the 1st Session of the 45th Oklahoma Legislature:

Purchase of Textbooks	\$14,158,441.00
Psychometric Services	950,818.00
Staff Development	1,766,939.00
Teacher Consultant Stipends	1,026,854.00
School Lunch Matching	2,758,991.00
School Lunch Programs	3,618,375.00
Homebound Children	1,278,696.00
Alternative and High Challenge Education	6,332,209.00
Adult Education Matching	925,000.00
Driver Education	1,720,000.00
Early Intervention	6,357,991.00
Hissom Compliance	339,200.00
Parent Training Program	2,100,000.00
Special Education Assistance	312,000.00
School/Community Network for Arts-In-Education	138,776.00

Instructional, Cooperative and Technological Education	914,475.00
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Summer Arts Institute	250,000.00
AG in the Classroom	50,000.00

SUBTOTAL, PARAGRAPH 2:	\$44,998,765.00
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3. The funds appropriated, reappropriated, redesignated and authorized in Sections 7, 9, 17 and 22 of this act and Section 8 of Enrolled House Bill No. 1716 of the 1st Session of the 45th Oklahoma Legislature:

Administrative and Support Functions of the State Department of Education	\$17,990,881.00
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SUBTOTAL, PARAGRAPH 3:	\$17,990,881.00
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TOTAL State School Aid and Programs	\$1,442,648,231.00
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SECTION 24. Funds allocated in Section 23 of this act, except for Financial Support of Public Schools, Purchase of Textbooks, Psychometric Services, Staff Development, Teacher Consultant Stipends, School Lunch Matching, School Lunch Programs, Homebound Children, Adult Education Matching, Driver Education, Early Intervention, Comprehensive School Based Services Grants in Alternative and High Challenge Education, Special Education Assistance, Administrative and Support Functions and Hissom

Compliance shall be made available on a statewide competitive application basis.

SECTION 25. The funds allocated in Section 23 of this act for Parent Training Program as authorized in Section 10-105.3 of Title 70 of the Oklahoma Statutes, shall be used as follows: Eighty Thousand Dollars (\$80,000.00) shall be expended for the salaries, benefits, technical assistance and administrative costs incurred by the State Board of Education for contracting technical assistance in field operations for the coordination of the Oklahoma Parents as Teachers Program; One Million Eight Hundred Eighty-five Thousand Dollars (\$1,885,000.00) shall be expended for the continuation and expansion of the Oklahoma Parents as Teachers Program; Twenty Thousand Dollars (\$20,000.00) shall be expended for the Parent Awareness Program; Twenty Thousand Dollars (\$20,000.00) shall be expended for program evaluation conducted by the Child Service Demonstration Center; Fifty Thousand Dollars (\$50,000.00) shall be expended for the establishment of the Oklahoma Parents as Teachers Program in public housing projects; Forty-five Thousand Dollars (\$45,000.00) shall be expended for the early childhood technical assistance provided by the State Department of Education.

SECTION 26. The funds allocated in Section 23 of this act for Alternative and High Challenge 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 and no less than Four Million One Hundred Thousand Dollars (\$4,100,000.00) shall be expended to meet the provisions of the Alternative Education Academies Grants as created in Sections 1210.563 and 1210.564 of Title 70 of the Oklahoma Statutes. The remaining funds allocated shall be provided to school districts on a competitive application basis pursuant to the provisions of the rules promulgated by the State Board of Education.

SECTION 27. Funds allocated in Section 23 of this act for Psychometric Services shall be provided to school districts by the State Board of Education on a contractual basis for the continuance of Psychometric Services as funded by this program in the prior year.

SECTION 28. The funds allocated in Section 23 of this act for Staff Development are provided for teacher training, in-service teacher education and staff development plans. The funds for Staff Development shall be used to fund the Professional Development Centers as follows: Ninety-nine Thousand Four Hundred Fifty-six Dollars (\$99,456.00) to Ardmore (10-I-019), Ninety-nine Thousand Four Hundred Fifty-six Dollars (\$99,456.00) to Lawton (16-I-008), Ninety-nine Thousand Four Hundred Fifty-six Dollars (\$99,456.00) to Norman (14-I-029), Ninety-nine Thousand Four Hundred Fifty-six Dollars (\$99,456.00) to Stillwater (60-I-016), Ninety-nine Thousand Four Hundred Fifty-six Dollars (\$99,456.00) to Woodward (77-I-001), Ninety-nine Thousand Four Hundred Fifty-six Dollars (\$99,456.00) to Bartlesville (74-I-030), and Ninety-nine Thousand Four Hundred Fifty-six Dollars (\$99,456.00) 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 rules of the State Board 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 29. A portion of the funds allocated in Section 23 of this act for Instructional, Cooperative and Technological Education shall be apportioned as follows:

1. Five Hundred Thousand Dollars (\$500,000.00) 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. Up to Two Hundred Fifty Thousand Dollars (\$250,000.00) may be used for telecommunications purposes. 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

2. 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

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

4. 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 statewide.

SECTION 30. AMENDATORY 70 O.S. 1991, Section 18-103.1, as last amended by Section 37, Chapter 262, O.S.L. 1994 (70 O.S. Supp. 1994, Section 18-103.1), is amended to read as follows:

Section 18-103.1 The State Department of Education shall operate and maintain regional education service centers for the education and psycho-educational evaluation of children recommended for placement in special education programs and prescriptive teaching programs. The Board of Education is hereby authorized to promulgate rules required to operate the services described in this section. The Board is hereby directed to provide such services to all Oklahoma school districts. For the regional education service centers or programs designated for funding by this section, the Board, without approval of the Oklahoma Legislature, shall not cease the operation or maintenance or reduce the funding below the ~~1994~~ 1995 fiscal year general revenue funds budgeted for that purpose for the ~~1994~~ 1995 fiscal year. Any regional education service center may contract with any school district, cooperative program between school districts, or any other governmental entity for psycho-educational evaluation and related services. Funds shall be allocated by the State Board of Education to operate the twenty-one (21) regional education service centers established by the Prescriptive Teaching Act of 1974, Sections 1210.271 through 1210.282 of this title, and to operate their satellites. Funds provided for the ~~1995~~ 1996 fiscal year for the Child Service Demonstration Center and Region X from funds allocated to the Child Service Demonstration Center and Region X for administrative and support functions of the State Department of Education shall be allocated at a level of the ~~1994~~ 1995 fiscal year levels.

SECTION 31. AMENDATORY 70 O.S. 1991, Section 18-200, as last amended by Section 38, Chapter 262, O.S.L. 1994 (70 O.S. Supp. 1994, 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 this title; 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 ~~1994-95~~ 1995-96 school year, the Base Foundation Support Level shall be ~~One Thousand One Hundred Forty-nine Dollars (\$1,149.00)~~ One Thousand One Hundred Sixty-five Dollars (\$1,165.00).
- 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) of this subparagraph 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 ALLOWANCE		PER CAPITA ALLOWANCE
DENSITY FIGURE		DENSITY FIGURE	

.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 ~~1994-95~~ 1995-96 school year, the Incentive Aid guarantee shall be ~~Fifty-six Dollars and one cent (\$56.01)~~ Fifty-six Dollars and fifty-one cents (\$56.51).
- b. Divide the district's adjusted assessed valuation by one thousand (1,000) and subtract the quotient from the product of subparagraph a of this paragraph. 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 of this paragraph. The product shall be the Salary Incentive Aid of the district.

C. For each school year, any school district with a membership that is at least one and one-half percent (1 1/2%) greater than the highest average daily 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 each school year, for each additional pupil in membership which equals or exceeds the one and one-half percent (1 1/2%) increase over the highest average daily 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 average daily membership 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 this title 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 this title 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~~ 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. 1. 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, or the valuation of a district is lowered by order of the State Board of Equalization, the school district's State Aid, for the school year that such ad valorem taxes are calculated in the State Aid Formula, 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.

2. In the event that the amount of funds a school district receives for reimbursement from the Ad Valorem Reimbursement Fund is less than the amount of funds claimed for reimbursement by the school district due to insufficiency of funds as provided in Section 193 of Title 62 of the Oklahoma Statutes, then the school district's assessed valuation for the school year that such ad valorem reimbursement is calculated in the State Aid Formula shall be adjusted accordingly.

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 Collections, Excluding Previous Year Cash Surplus as of June 30	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%

By February 1 the State Department of Education shall send by certified mail, with return receipt requested, to each School District Superintendent, Auditor and Regional Accreditation Officer a notice of and calculation sheet reflecting the general fund balance penalty to be assessed against that school district. Within thirty (30) days of receipt of this written notice the school district shall submit to the Department a written reply either accepting or protesting the penalty to be assessed against the district. If protesting, the school district shall submit with its reply the reasons for rejecting the calculations and documentation supporting those reasons. The Department shall review all school district penalty protest documentation and notify each district by March 15 of its finding and the final penalty to be assessed to each district. General fund balance penalties shall be assessed to all school districts by April 1. For the 1995-96 school year, any school district which receives proceeds from a tax settlement during the last two (2) months of the fiscal year ending June 30, 1995, shall be exempt from the penalties assessed in this paragraph,

if the penalty would occur solely as a result of receiving funds from the tax settlement.

F. For the purposes of paying State Aid for the ~~1994-95~~ 1995-96 school year, no child shall be included in the average daily membership of a school district for the ~~1992-93~~ or 1993-94 or 1994-95 school year if the child is being served during the ~~1994-95~~ 1995-96 school year through the provisions of the Oklahoma Early Intervention Act.

G. In order to provide startup funds for the implementation of early childhood programs, State Aid may be advanced to school districts that initially start early childhood instruction at a school site. School districts that desire such advanced funding shall make application to the State Department of Education no later than September 15 of each year and advanced funding shall be awarded to the approved districts no later than October 30. Such advanced funding shall not exceed ~~One Thousand One Hundred Thirty-five Dollars (\$1,135.00)~~ One Thousand One Hundred Forty-seven Dollars and sixty cents (\$1,147.60) per anticipated Head Start eligible student. The total amount of advanced funding shall be proportionately reduced from the monthly payments of the district's State Aid payments during the last six (6) months of the same fiscal year.

SECTION 32. The salary level of certified instructional staff employed in the same school district in the 1994-95 school year shall not be reduced for the 1995-96 school year unless the hours or the duties of the employee are reduced proportionately.

SECTION 33. The amount of Two Hundred Three Thousand Four Hundred Dollars (\$203,400.00) of the funds allocated in Section 23 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. Said System shall account for costs by curricular subject area for the 1991-92 and subsequent school years.

SECTION 34. The amount of Two Hundred Thousand Dollars (\$200,000.00) of the funds allocated in Section 23 of this act for Administrative and Support Functions of the State Department of Education shall be expended for the lease-purchase of the mainframe computer upgrade.

SECTION 35. The amount of Nine Hundred Thirty-nine Thousand Seven Hundred Thirty-eight Dollars (\$939,738.00) of the funds allocated in Section 23 of this act 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 as adopted by the State Board of Education.

SECTION 36. Three Hundred Fifty Thousand Dollars (\$350,000.00) of the funds allocated in Section 23 of this act for Administrative and Support Functions of the State Department of Education shall be available for support of the Minority Teacher Recruitment Center.

SECTION 37. The amount of Fifty Thousand Dollars (\$50,000.00) of the funds allocated in Section 23 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 38. 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, 1996, 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	545.0
Lease-Purchase Agreements	\$200,000.00

SECTION 39. Of the five hundred forty-five (545.0) full-time-equivalent employees authorized in Section 38 of this act, eight (8.0) shall be employed to provide services related to the Hisson Compliance agreement.

SECTION 40. Of the five hundred forty-five (545.0) full-time-equivalent employees authorized in Section 38 of this act, sixty-seven (67.0) shall be employed to provide services under the provisions of the Oklahoma Early Intervention Act. Prior to February 1, 1996, the Superintendent of Public Instruction shall file a report with the Education Oversight Board of the oversight of the Oklahoma Early Intervention Program.

SECTION 41. Of the five hundred forty-five (545.0) full-time-equivalent employees authorized in Section 38 of this act, three (3.0) shall be designated for the Parent Training Program as authorized in Section 22 of this act.

SECTION 42. Of the five hundred forty-five (545.0) full-time-equivalent employees authorized in Section 38 of this act, seven (7.0) shall be employed to provide services under the provisions of the Oklahoma School Testing Program Act pursuant to the provisions of Section 1210.508 of Title 70 of the Oklahoma Statutes.

SECTION 43. Of the five hundred forty-five (545.0) full-time-equivalent employees authorized in Section 38 of this act, one (1.0) shall be designated as coordinator of support personnel concerns. Responsibilities of the 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 but not limited to retirement information.

SECTION 44. 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 45. If funds appropriated in this act 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 of funds.

OKLAHOMA SCHOOL OF SCIENCE AND MATHEMATICS

SECTION 46. There is hereby appropriated to the Board of Trustees of the Oklahoma School of Science and Mathematics from any monies not otherwise appropriated from the General Revenue Fund of the State Treasury for the fiscal year ending June 30, 1996, the sum of Eight Thousand Nine Hundred Seventy Dollars (\$8,970.00) or so much thereof as may be necessary to perform the duties imposed upon the Board of Trustees of the Oklahoma School of Science and Mathematics by law.

SECTION 47. The duties and compensation of employees, not otherwise prescribed by law, necessary to perform the duties imposed upon the Oklahoma School of Science and Mathematics by law shall be set by the Director. The salary of the Director shall not exceed Fifty-nine Thousand Six Hundred Sixty-two Dollars (\$59,662.00) per annum, payable monthly for the fiscal year ending June 30, 1996. The Oklahoma School of Science and Mathematics for the fiscal year ending June 30, 1996, 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	49.0

OKLAHOMA COMMISSION FOR TEACHER PREPARATION

SECTION 48. The duties and compensation of employees, not otherwise prescribed by law, necessary to perform the duties imposed upon the Oklahoma Commission for Teacher Preparation by law shall be set by the Oklahoma Commission for Teacher Preparation. The salary of the Executive Director shall not exceed Fifty-five Thousand Dollars (\$55,000.00) per annum, payable monthly for the fiscal year ending June 30, 1996. The Oklahoma Commission for Teacher Preparation for the fiscal year ending June 30, 1996, 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	3.0

COMMISSIONERS OF THE LAND OFFICE

SECTION 49. AMENDATORY Section 20 of Enrolled House Bill No. 1716 of the 1st Session of the 45th Oklahoma Legislature is amended to read as follows:

Section 20. There is hereby appropriated to the Commissioners of the Land Office from any monies not otherwise appropriated from the Commissioners of the Land Office Fund of the State Treasury for the fiscal year ending June 30, 1996, the sum of ~~Five Million Twenty-two Thousand Seven Hundred Seventy Dollars (\$5,022,770.00)~~ Five Million Dollars (\$5,000,000.00) or so much thereof as may be necessary to perform the duties imposed upon the Commissioners of the Land Office by law.

SECTION 50. The duties and compensation of employees, not otherwise prescribed by law, necessary to perform the duties imposed upon the Commissioners of the Land Office by law shall be set by the Secretary of the Commission. The salary of the Secretary shall not exceed Sixty-two Thousand Eight Hundred Seventy-six Dollars (\$62,876.00) per annum, payable monthly for the fiscal year ending June 30, 1996. The salary of the Assistant Secretary shall not exceed ninety percent (90%) of the Secretary's salary per annum, payable monthly for the fiscal year ending June 30, 1996. The Commissioners of the Land Office for the fiscal year ending June 30, 1996, shall be subject to the following budgetary limitations on full-time-equivalent employees 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	88.5

STATE BOARD OF VOCATIONAL AND TECHNICAL EDUCATION

SECTION 51. There is hereby appropriated to the State Board of Vocational and Technical Education from any monies not otherwise appropriated from the General Revenue Fund of the State Treasury for the fiscal year ending June 30, 1996, the sum of Seven Hundred Fifteen Thousand Seven Hundred Eighty-eight Dollars (\$715,788.00) or so much thereof as may be necessary to perform the duties imposed upon the State Board of Vocational and Technical Education by law.

SECTION 52. There is hereby appropriated to the State Board of Vocational and Technical Education from any monies not otherwise

appropriated from the Special Cash Fund of the State Treasury for the fiscal year ending June 30, 1996, the sum of Two Million Dollars (\$2,000,000.00) or so much thereof as may be necessary to perform the duties imposed upon the State Board of Vocational and Technical Education by law.

SECTION 53. There is hereby appropriated to the State Board of Vocational and Technical Education from the proceeds of the sale of bonds deposited in the Oklahoma Building Bonds of 1992 Fund (B) in the State Treasury the sum of One Million Four Hundred Ninety-five Thousand Seven Hundred Forty-nine Dollars (\$1,495,749.00) or so much thereof as may be necessary to perform the duties imposed upon the State Board of Vocational and Technical Education by law.

SECTION 54. The duties and compensation of employees, not otherwise prescribed by law, necessary to perform the duties imposed upon the Oklahoma Department 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 Eighty-one Thousand Four Hundred Twenty Dollars (\$81,420.00) per annum, payable monthly for the fiscal year ending June 30, 1996. The Oklahoma Department of Vocational and Technical Education for the fiscal year ending June 30, 1996, shall be subject to the following budgetary limitations on full-time-equivalent employees:

<u>Budgetary Limitation</u>	<u>Amount</u>
Full-time-equivalent Employees	490.0

SECTION 55. A. Of the amounts appropriated in Sections 53 through 56 of this act and Section 27 of Enrolled House Bill No. 1716 of the 1st Session of the 45th Oklahoma Legislature, the Oklahoma Department 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 Oklahoma Department of Vocational and Technical Education for each vocational education teacher program approved for reimbursement by the Oklahoma Department of Vocational and Technical Education.

B. The salary of a vocational education teacher shall be calculated, subject to the approval of the Oklahoma Department 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 56. Any 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 Oklahoma Department of Vocational and Technical Education. The Opportunities Industrialization Center shall be responsible for submitting financial reports on a monthly basis to the Oklahoma Department of Vocational and Technical Education for verification prior to the disbursement of the funds.

SECTION 57. The appropriations, reappropriations and authorization made by Sections 7, 9, 17, 22 and 46 of this act shall be subject to fiscal year limitations and may be encumbered through June 30, 1996. Any unexpended funds remaining after November 15, 1996, shall lapse and be transferred to the credit of the proper fund for the then current fiscal year.

SECTION 58. Except as otherwise provided by law, appropriations made by this act, not including appropriations made for capital outlay purposes, may be budgeted for the fiscal year ending June 30, 1996 (hereinafter FY-96) or may be budgeted for the fiscal year ending June 30, 1997 (hereinafter FY-97). Funds budgeted for FY-96 may be encumbered only through June 30, 1996, and must be expended by November 15, 1996. Any funds remaining after November 15, 1996, and not budgeted for FY-97, shall lapse to the credit of the proper fund for the then current fiscal year. Funds budgeted for FY-97 may be encumbered only through June 30, 1997. Any funds remaining after November 15, 1997, shall lapse to the credit of the proper fund for the then current fiscal year. These appropriations may not be budgeted in both fiscal years simultaneously. Funds budgeted in FY-96, and not required to pay obligations for that fiscal year, may be budgeted for FY-97, after the agency has prepared and submitted a budget work program and after such revision has been approved by the Office of State Finance.

SECTION 59. The appropriations made by Sections 1 through 5 of this act for financial support of public schools shall become effective August 1, 1995.

SECTION 60. Sections 7 through 58 of this act shall become effective July 1, 1995.

SECTION 61. 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 House of Representatives the 18th day of May, 1995.

Speaker of the House of
Representatives

Passed the Senate the 18th day of May, 1995.

President of the Senate