

1 STATE OF OKLAHOMA

2 1st Session of the 47th Legislature (1999)

3 2ND CONFERENCE COMMITTEE SUBSTITUTE  
4 FOR ENGROSSED

5 HOUSE BILL NO. 1759

6 By: Benson, Begley, Blackburn,  
7 Boyd, Deutschendorf,  
8 Easley, McCarter, Roberts,  
9 Staggs, Stites and Wells of  
10 the House

11 and

12 Taylor, Williams, Hobson and  
13 Morgan of the Senate

14 2ND CONFERENCE COMMITTEE SUBSTITUTE

15 An Act relating to schools; amending 70 O.S. 1991,  
16 Section 11-103.6, which relates to curricular  
17 standards; deleting certain requirements; adding  
18 certain competencies; establishing core curriculum  
19 graduation requirements; stating certain core  
20 curriculum units; requiring the State Board of  
21 Education to adopt a graduation requirement plan;  
22 providing for local option; stating certain local  
23 options; providing for credit for classes taken at a  
24 certain level; requiring certain enrollment for  
25 accreditation; listing certain courses; amending  
26 Sections 1 and 2, Chapter 251, O.S.L. 1998 (70 O.S.  
27 Supp. 1998, Sections 11-103.2c and 11-103.2d), which  
28 relate to certificates of distinction; changing name  
29 to diploma of honor; modifying criteria for a diploma  
30 of honor; requiring courses to meet certain  
31 specifications; deleting application of vocational  
32 courses; defining a unit; requiring certain  
mathematics teachers to have certain certification;  
allowing teachers certain time to obtain  
certification; creating the Oklahoma Charter Schools  
Act; stating purpose of the act; providing for  
application of the act; providing definition;  
requiring written application; providing for content  
of proposal; listing entities which may apply for a  
charter school; prohibiting private schools from  
applying; providing for sponsorship of a charter  
school; limiting location of charter school;  
providing application procedure; providing mediation  
and arbitration process; providing for certain  
notification; requiring certain contract for charter  
schools; stating required provisions of contract;  
providing for employment contracts; requiring  
adoption of a charter; listing certain requirements a  
charter school shall comply with; providing for  
amendment to charter; prohibiting certain actions by  
a charter school; providing for disposal of real and

1 personal property; providing for term of contract;  
2 providing for renewal or termination of contract;  
3 allowing certain appeal; providing for enrollment of  
4 students in certain circumstances; prohibiting  
5 termination of certain employees; prohibiting  
6 unlawful reprisal against certain employees; defining  
7 unlawful reprisal; providing for retention of certain  
8 rights and benefits for certain teachers; providing  
9 for reemployment preference; providing for enrollment  
10 of students in a charter school; allowing certain  
11 limited enrollment; stating certain enrollment  
12 criteria; providing for designation of certain  
13 geographic areas for limited enrollment; prohibiting  
14 certain limits on admission; providing for  
15 transportation of students; allowing certain funding  
16 for transporting students; requiring certain  
17 information regarding transportation; providing for  
18 funding to the charter school; stating revenues a  
19 charter school will receive; providing method for  
20 determining average daily membership; allowing  
21 charter schools to receive certain funds; requiring  
22 the State Board of Education to issue annual report;  
23 requiring charter schools to report certain  
24 information to the Office of Accountability; creating  
25 the Education Open Transfer Act; providing for  
26 transfer of students; allowing transfer of siblings;  
27 limiting number of transfers in a year; providing for  
28 automatic transfer in certain circumstances;  
29 providing for continuation of a transfer when the  
30 student changes residence; providing for validity of  
31 certain transfers; amending 70 O.S. 1991, Section 8-  
32 103, as last amended by Section 2, Chapter 232,  
O.S.L. 1994 (70 O.S. Supp. 1998, Section 8-103),  
which relates to student transfer procedures;  
deleting certain application and approval  
requirements; modifying certain approval procedures;  
defining certain term; authorizing denial of transfer  
in certain circumstances; requiring school districts  
to adopt an open transfer policy; prohibiting certain  
preference or discrimination; requiring approval of  
transfers for children with disabilities; prohibiting  
certain extramural athletic competition for a certain  
period; providing for eligibility determination in an  
emergency transfer; amending 70 O.S. 1991, Section 8-  
104, as last amended by Section 3, Chapter 343,  
O.S.L. 1997 (70 O.S. Supp. 1998, Section 8-104),  
which relates to emergency transfers; modifying  
conditions for an emergency; deleting certain  
approval requirements; deleting certain affidavit  
requirements; amending 70 O.S. 1991, Section 8-112,  
as amended by Section 38, Chapter 239, O.S.L. 1993  
(70 O.S. Supp. 1998, Section 8-112), which relates to  
student transfer fees; providing an exemption for  
certain special education transfer fee; amending 70  
O.S. 1991, Section 9-101, which relates to  
transportation of students; allowing receiving  
districts to provide transportation to transferred  
students in a certain area; prohibiting certain  
school districts from crossing boundary lines to  
transport certain students; amending 70 O.S. 1991,  
Section 13-101, as amended by Section 1, Chapter 116,  
O.S.L. 1993 (70 O.S. Supp. 1998, Section 13-101),  
which relates to special education services;

1 modifying certain definition; providing for  
2 assumption of responsibility for transferred  
3 students; amending 70 O.S. 1991, Section 13-103, as  
4 amended by Section 3, Chapter 116, O.S.L. 1993 (70  
5 O.S. Supp. 1998, Section 13-103), which relates to  
6 special education transfers; modifying conditions for  
7 special education transfers; requiring certain  
8 conference prior to a transfer; allowing receiving  
9 school district to claim certain funding; requiring  
10 receiving school district to assume certain  
11 responsibilities; updating statutory cites; amending  
12 70 O.S. 1991, Section 18-110, as last amended by  
13 Section 3, Chapter 362, O.S.L. 1998 (70 O.S. Supp.  
14 1998, Section 18-110), which relates to adjustments  
15 and limitations; providing for certain exceptions;  
16 amending 68 O.S. 1991, Section 2385.3, as last  
17 amended by Section 12, Chapter 1, 1st Extraordinary  
18 Session, O.S.L. 1998 (68 O.S. Supp. 1998, Section  
19 2385.3), which relates to tax withholdings; requiring  
20 certain employers to pay certain amount over certain  
21 period; requiring filing of certain withholding  
22 return; providing for electronic filing; stating  
23 purpose of certain provisions of the act; stating  
24 legislative intent; amending 70 O.S. 1991, Section  
25 18-124, which relates to administrative expenditure  
26 limitations; deleting obsolete language; encouraging  
27 school sites to limit certain expenditures; requiring  
28 an arresting officer to notify the school upon arrest  
29 of certain persons; amending 70 O.S. 1991, Section 6-  
30 114, as amended by Section 2, Chapter 241, O.S.L.  
31 1995 (70 O.S. Supp. 1998, Section 6-114), which  
32 relates to the discipline of students; authorizing  
the board of education to adopt a dress code;  
providing standards for a dress code; clarifying  
authority to adopt a uniform dress code; creating the  
Oklahoma Tuition Scholarship Program; stating purpose  
of the act; stating eligibility requirements for  
participating in the Program; stating requirements  
for maintaining eligibility in the Program; directing  
the Oklahoma State Regents for Higher Education to  
promulgate certain rules; providing for payment of  
general enrollment fees and tuition; limiting payment  
of general enrollment fees and tuition to certain  
number of hours; providing for payment of awards  
without limitations; allowing the Regents to make  
awards based on need in certain circumstances;  
requiring the Regents to consider certain other  
awards; providing for application of other awards  
before payment of benefits; directing the State Board  
of Education to develop an Academic Performance Index  
(API); stating indicators; providing for  
disaggregation of data; providing for value of  
Oklahoma School Testing Program results; directing  
the Board to adopt annual percentage growth targets;  
stating minimum percentage growth; requiring certain  
reports; creating the Oklahoma Tuition Scholarship  
Trust Fund; making the Oklahoma State Regents for  
Higher Education the trustee of the fund; stating use  
of funds; providing for source of funds; providing  
for use of income and investments from fund;  
prohibiting use of funds for administrative costs;  
requiring the Regents to adopt rules for the transfer  
of funds; providing for allocations to cover general

1 enrollment fees or tuition; amending 70 O.S. 1991,  
2 Sections 3954, as last amended by Section 16, Chapter  
3 99, O.S.L. 1997 and 3955, as amended by Section 8,  
4 Chapter 353, O.S.L. 1992 (70 O.S. Supp. 1998,  
5 Sections 3954 and 3955), which relate to trustee and  
6 fiduciary care; adding the Oklahoma Tuition  
7 Scholarship Trust Fund to funds the Regents act as  
8 trustee and fiduciary for; requiring remediation for  
9 students who do not perform on the mathematics  
10 portion of certain tests; providing for certain  
11 contingency; stating means of remediation;  
12 prohibiting certain instruction from being counted in  
13 school year; stating legislative intent to establish  
14 a continuing education program for teachers; stating  
15 amount and purpose of the program; amending Section  
16 3, Chapter 181, O.S.L. 1997, as amended by Section 1,  
17 Chapter 350, O.S.L. 1998 (70 O.S. Supp. 1998, Section  
18 6-204.2), which relates to the Education Leadership  
19 Oklahoma program; clarifying statutory cites;  
20 modifying number of selected teachers; modifying  
21 bonus amount; authorizing the State Board of  
22 Education to award grants to schools for increased  
23 test scores; directing the Board to promulgate rules  
24 establishing criteria; stating use of the award  
25 monies; amending 70 O.S. 1991, Section 698.2, as  
26 amended by Section 1, Chapter 232, O.S.L. 1992 (70  
27 O.S. Supp. 1998, Section 698.2), which relates to the  
28 program for forgivable loans; limiting program to  
29 certain students; modifying qualified subject areas;  
30 deleting assistance for minority students; providing  
31 time period for loan forgiveness; providing for  
32 collection of outstanding debt; amending 70 O.S.  
1991, Section 1210.553, which relates to pilot  
projects for extended-day programs; clarifying  
contingency; clarifying authorization to make grant  
awards; amending Section 44, Chapter 247, O.S.L.  
1996, as amended by Section 1, Chapter 175, O.S.L.  
1997 and Section 1, Chapter 348, O.S.L. 1997 (70 O.S.  
Supp. 1998, Sections 1210.568 and 1210.569), which  
relate to alternative education; requiring schools to  
expand alternative education programs to middle  
school grades; requiring certain identified schools  
to expand alternative education to elementary school  
grades; providing for certain contingency; directing  
certain schools to expand the annual student needs  
assessment and plan to include certain students;  
stating legislative intent to provide funding for  
elementary level school counselors; providing  
preference for funding; requiring the Board to  
develop an Academic Performance Award Program;  
amending 70 O.S. 1991, Section 18-108, as amended by  
Section 3, Chapter 220, O.S.L. 1994 (70 O.S. Supp.  
1998, Section 18-108), which relates to kindergarten  
attendance; deleting certain attendance requirements;  
requiring school districts to offer full day of  
kindergarten; providing for attendance; providing for  
membership and grade level weight for half and full  
day kindergarten; delaying requirements; authorizing  
teachers to recommend making promotion contingent  
upon completion of certain competencies; requiring  
retention of certain students; providing for design  
of summer academies; expanding to certain grades  
after implementation; making enactment of certain

1 section contingent; providing for delayed  
2 implementation; providing measure for implementation;  
3 defining regional average; repealing 70 O.S. 1991,  
4 Section 8-102, as amended by Section 34, Chapter 239,  
5 O.S.L. 1993 (70 O.S. Supp. 1998, Section 8-102),  
6 which relates to transfers of students; providing for  
7 codification; providing for noncodification;  
8 providing an effective date; and declaring an  
9 emergency.

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

11 SECTION 1. AMENDATORY 70 O.S. 1991, Section 11-103.6, is  
12 amended to read as follows:

13 Section 11-103.6 A. ~~By February 1, 1991, the~~ The State Board  
14 of Education shall adopt curricular standards for instruction of  
15 students in the public schools of this state ~~that are to be~~  
16 ~~implemented not later than the 1993-94 school year and that are~~  
17 necessary to ensure there is attainment of desired levels of  
18 competencies in a variety of areas to include language, mathematics,  
19 science, social studies and communication. ~~Such curricular~~  
20 ~~standards shall be sufficient to meet the requirements of~~  
21 ~~subsections B and C of Section 11-103.5 of this title.~~ All students  
22 ~~must initially~~ shall gain literacy at the elementary and secondary  
23 levels through a core curriculum. Students must develop skills in  
24 reading, writing, speaking, computing and critical thinking. They  
25 also must learn about cultures and environments - their own and  
26 those of others with whom they share the earth. Students,  
27 therefore, must study social studies, literature, languages, the  
28 arts, mathematics and science. Such curricula shall provide for the  
29 teaching of a hands-on career exploration program in cooperation  
30 with vocational-technical education schools. The core curriculum  
31 shall be designed to teach the competencies for which ~~twelfth grade~~  
32 ~~level~~ students shall be tested as provided in Section 1210.508 of  
this title, and shall be designed to prepare all students for  
employment and/or post secondary education.

1 ~~It is the intent of the Oklahoma Legislature that Oklahoma~~  
2 ~~history be included in the social studies core curriculum for~~  
3 ~~purposes of this section.~~

4 B. Beginning with the 2002-2003 school year, in order to  
5 graduate from a public high school accredited by the State Board of  
6 Education, students shall complete the following core curriculum  
7 units at the secondary level:

8 1. Language Arts - 4 units, to consist of 1 unit of grammar and  
9 composition, and 3 units from the following language arts electives  
10 - American Literature or English Literature (which are required to  
11 qualify for the diploma of honor as provided for in Section 11-103.2  
12 of this title), World Literature, Advanced English Courses, or  
13 Speech;

14 2. Mathematics - 3 units, to consist of 1 unit of Algebra I,  
15 and 2 units from the following mathematics electives - Algebra II or  
16 Geometry (which are required to qualify for the diploma of honor as  
17 provided for in Section 11-103.2 of this title), Trigonometry, Math  
18 Analysis or Precalculus, Calculus, Statistics and/or Probability,  
19 Mathematics of Finance, Applied Mathematics I and II, or Computer  
20 Science. Provided, credit may be granted for Applied Mathematics I  
21 and II and Computer Science whether taught at the comprehensive high  
22 school or at a vocational-technical school;

23 3. Science - 3 units, to consist of 1 unit of Biology I, and 2  
24 units from the following science electives - Chemistry I or Physics  
25 (which are required to qualify for the diploma of honor as provided  
26 for in Section 11-103.2 of this title), Biology II, Chemistry II,  
27 Physical Science, Earth Science, Botany, Zoology, Physiology,  
28 Astronomy, or Applied Science (Biology/Chemistry, Physics, and  
29 Technology) or the 4th year of agriculture education when taken in  
30 the twelfth grade. Provided, credit may be granted for the Applied  
31 Science (Biology/Chemistry, Physics, and Technology) whether taught  
32

1 at the comprehensive high school or at a vocational-technical  
2 school; and

3 4. Social Studies - 3 units, to consist of 1 unit of United  
4 States History, 1/2 to 1 unit of United States Government, 1/2 unit  
5 of Oklahoma History, and 1/2 to 1 unit from the following social  
6 studies electives - World History (which is required to qualify for  
7 the diploma of honor as provided for in Section 11-103.2 of this  
8 title), Geography, Economics, Anthropology, Psychology, or  
9 Sociology.

10 For purposes of this section, a "unit" means a Carnegie Unit as  
11 defined by the North Central Association's Commission on Schools.

12 C. The State Board of Education shall adopt a plan to ensure  
13 that rigor is maintained in the content, teaching methodology, level  
14 of expectations for student achievement, and application of learning  
15 in all the courses specified in subsection B of this section. The  
16 State Board of Education shall allow as much option at the local  
17 district level as is possible without diminishing the rigor or  
18 undermining the intent of providing these courses. Local options  
19 may include, but shall not be limited to, comparable courses taken  
20 by concurrent enrollment or advanced placement, and comparable  
21 courses bearing different titles. Credit for the courses required  
22 in subsection B of this section shall be given when such courses are  
23 taken in the seventh or eighth grades if the teachers are certified  
24 to teach the courses at the intermediate or secondary level and the  
25 required course rigor is maintained.

26 D. As a condition of receiving accreditation from the State  
27 Board of Education, all students in grades nine through twelve shall  
28 enroll in a minimum of six periods, or the equivalent in block  
29 scheduling, of rigorous academic and/or rigorous vocational courses  
30 each day, which may include arts, vocal and instrumental music,  
31 speech classes, and physical education classes.  
32

1        E. The State Board of Education shall provide an option for  
2 high school graduation based upon attainment of the desired levels  
3 of competencies as required in tests pursuant to the provisions of  
4 Section 1210.508 of this title. Such option shall be in lieu of the  
5 amount of course credits earned.

6        ~~C.~~ F. The State Board of Education shall prescribe, adopt and  
7 approve a promotion system based on the attainment by students of  
8 specified levels of competencies in each area of the core  
9 curriculum. Provided, however, that children who have  
10 individualized education plans pursuant to ~~The Education For All~~  
11 ~~Handicapped Children Act of 1975 (Public Law 94-142) as amended the~~  
12 Individuals with Disabilities Education Act (IDEA), P.L. No. 101-476  
13 may be exempted from the requirements of this subsection.

14        SECTION 2.        AMENDATORY        Section 1, Chapter 251, O.S.L.  
15 1998 (70 O.S. Supp. 1998, Section 11-103.2c), is amended to read as  
16 follows:

17        Section 11-103.2c    A. ~~District~~ In addition to the standard  
18 diploma, district boards of education ~~may~~ shall develop and issue a  
19 ~~certificate diploma~~ diploma of ~~distinction~~ honor that is to be awarded to  
20 students, beginning with students in the ~~1998-99~~ 2002-2003 high  
21 school graduating class who have met or exceeded the following  
22 criteria by the end of their senior year in high school with at  
23 least a ~~3.25~~ 3.0 grade point average on a 4.0 scale:

24        1. Earned four units ~~each~~ in English, ~~mathematics, social~~  
25 ~~studies, and science;~~

26        2. Earned three units in mathematics;

27        3. Earned three units in social studies;

28        4. Earned three units in science; and

29        5. Earned two one-half additional units unit in the ~~areas~~ area  
30 of technology, ~~the humanities, or the arts;~~

31        3. ~~Earned two units in a foreign language; and~~

1 4. ~~Achieved a score of satisfactory, or its equivalent, on all~~  
2 ~~twelfth-grade criterion-referenced tests.~~

3 B. For purposes of this section, to qualify as academic units  
4 as required in subsection A of this section, courses shall be core-  
5 curriculum courses recommended by the American College Testing  
6 Corporation.

7 C. For purposes of this ~~act~~ section, ~~applicable vocational~~  
8 ~~classes offered by comprehensive high school vocational-technical~~  
9 ~~programs shall qualify for technology and mathematics units, and~~  
10 ~~students enrolled in the programs may use one unit of their six~~  
11 ~~concentrated vocational-technical curriculum units for one unit of~~  
12 ~~mathematics required by this section and may use one unit of their~~  
13 ~~six concentrated vocational-technical curriculum units for one unit~~  
14 ~~of science required by this section. Advanced~~ advanced placement  
15 classes in the subject areas listed in paragraphs 1, 2 ~~and~~, 3 and 4  
16 of subsection A of this section may be substituted on a course-by-  
17 course basis to satisfy the academic units required for a  
18 ~~certificate~~ diploma of distinction honor. Applied mathematics and  
19 science classes shall not qualify as a required unit.

20 ~~C.~~ D. For purposes of this ~~act~~ section, "unit" means a Carnegie  
21 Unit as defined by the North Central Association's Commission on  
22 Schools.

23 SECTION 3. AMENDATORY Section 2, Chapter 251, O.S.L.  
24 1998 (70 O.S. Supp. 1998, Section 11-103.2d), is amended to read as  
25 follows:

26 Section 11-103.2d Colleges and universities shall not make  
27 holding a ~~certificate~~ diploma of distinction honor a part of their  
28 admission standards.

29 SECTION 4. NEW LAW A new section of law to be codified  
30 in the Oklahoma Statutes as Section 6-189.1 of Title 70, unless  
31 there is created a duplication in numbering, reads as follows:  
32

1 Any teacher employed by a public school to teach mathematics in  
2 grades six, seven, or eight, shall be certified at the intermediate  
3 or secondary level in mathematics. Any teacher without such  
4 certification hired by a school district prior to July 1, 2000, and  
5 serving in the school as a mathematics teacher for grades six,  
6 seven, or eight, shall be required to obtain certification at the  
7 intermediate or secondary level in mathematics on or before the  
8 beginning of the 2003-2004 school year. Any teacher teaching  
9 mathematics at the sixth-grade level in a school that is accredited  
10 by the State Board of Education as a kindergarten through sixth-  
11 grade elementary school shall be exempt from the provisions of this  
12 section.

13 SECTION 5. NEW LAW A new section of law to be codified  
14 in the Oklahoma Statutes as Section 3-130 of Title 70, unless there  
15 is created a duplication in numbering, reads as follows:

16 Sections 6 through 18 of this act shall be known and may be  
17 cited as the "Oklahoma Charter Schools Act".

18 SECTION 6. NEW LAW A new section of law to be codified  
19 in the Oklahoma Statutes as Section 3-131 of Title 70, unless there  
20 is created a duplication in numbering, reads as follows:

21 A. The purpose of the Oklahoma Charter Schools Act is to:

22 1. Improve student learning;

23 2. Increase learning opportunities for students;

24 3. Encourage the use of different and innovative teaching  
25 methods;

26 4. Provide additional academic choices for parents and  
27 students;

28 5. Require the measurement of student learning and create  
29 different and innovative forms of measuring student learning;

30 6. Establish new forms of accountability for schools; and  
31  
32

1           7. Create new professional opportunities for teachers and  
2 administrators including the opportunity to be responsible for the  
3 learning program at the school site.

4           B. The purpose of the Oklahoma Charter Schools Act is not to  
5 provide a means by which to keep open a school that may otherwise be  
6 closed. Applicants applying for a charter for a school which is to  
7 be otherwise closed shall be required to prove that conversion to a  
8 charter school fulfills the purposes of the act independent of  
9 closing the school. Nothing in this section shall be interpreted to  
10 preclude a school designated as a "high challenge school" from  
11 becoming a charter school.

12           SECTION 7.           NEW LAW           A new section of law to be codified  
13 in the Oklahoma Statutes as Section 3-132 of Title 70, unless there  
14 is created a duplication in numbering, reads as follows:

15           A. The Oklahoma Charter Schools Act shall apply only to charter  
16 schools formed and operated under the provisions of the act.  
17 Charter schools shall only be sponsored by a local school district  
18 or an area vocational-technical school district in districts with an  
19 average daily membership of five thousand (5,000) or more and which  
20 all or part of the school district is located in a county having  
21 more than five hundred thousand (500,000) population according to  
22 the latest federal Decennial Census. Additional charter schools may  
23 be sponsored as provided for in Section 8 of this act.

24           Charter schools formed pursuant to the act shall serve as a  
25 pilot program to demonstrate the potential of expanding charter  
26 schools to other parts of the state. Any charter or enterprise  
27 school operating in the state pursuant to an agreement with the  
28 board of education of a school district on July 1, 1999, may  
29 continue to operate pursuant to that agreement or may contract with  
30 the board of education of the school district pursuant to the  
31 Oklahoma Charter Schools Act. Nothing in the Oklahoma Charter  
32 Schools Act shall prohibit a school district from applying for

1 exemptions from certain education-related statutory requirements as  
2 provided for in the Education Deregulation Act.

3 B. For purposes of the Oklahoma Charter Schools Act, "charter  
4 school" means a public school established by contract with a board  
5 of education of a school district or an area vocational-technical  
6 school district pursuant to the Oklahoma Charter Schools Act to  
7 provide learning that will improve student achievement and as  
8 defined in the Elementary and Secondary Education Act of 1965, 20  
9 USC 8065.

10 C. A charter school may consist of a new school site, new  
11 school sites or all or any portion of an existing school site. An  
12 entire school district may not become a charter school site.

13 SECTION 8. NEW LAW A new section of law to be codified  
14 in the Oklahoma Statutes as Section 3-133 of Title 70, unless there  
15 is created a duplication in numbering, reads as follows:

16 In addition to charter schools sponsored as provided for in  
17 subsection A of Section 7 of this act, charter schools shall only be  
18 sponsored by a local school district or an area vocational-technical  
19 school district in districts with an average daily membership of  
20 five thousand (5,000) or more and which all or part of the school  
21 district is located in a county which is contiguous with a county  
22 having more than five hundred thousand (500,000) population  
23 according the latest federal Decennial Census; provided, no charter  
24 school shall be chartered in School District I029 in County No. 14  
25 and School District I027 in County No. 9.

26 SECTION 9. NEW LAW A new section of law to be codified  
27 in the Oklahoma Statutes as Section 3-134 of Title 70, unless there  
28 is created a duplication in numbering, reads as follows:

29 A. An applicant seeking to establish a charter school shall  
30 first submit a written proposal to the proposed sponsor as  
31 prescribed in subsection D of this section. The proposal shall  
32 include:

- 1 1. A mission statement for the charter school;
  - 2 2. A description of the organizational structure and the  
3 governing body of the charter school;
  - 4 3. A financial plan for the first three (3) years of operation  
5 of the charter school and a description of the treasurer or other  
6 officers or persons who shall have primary responsibility for the  
7 finances of the charter school. Such person shall have demonstrated  
8 experience in school finance or the equivalent thereof;
  - 9 4. A description of the hiring policy of the charter school;
  - 10 5. The name of the applicant or applicants and requested  
11 sponsor;
  - 12 6. A description of the facility and location of the charter  
13 school;
  - 14 7. A description of the grades being served;
  - 15 8. An outline of criteria designed to measure the effectiveness  
16 of the charter school; and
  - 17 9. A demonstration of support for the charter school from  
18 residents of the school district which may include but is not  
19 limited to a survey of the school district residents or a petition  
20 signed by residents of the school district.
- 21 B. A board of education of a public school district, public  
22 body, public or private college or university, private person, or  
23 private organization may contract with a sponsor to establish a  
24 charter school. A private school shall not be eligible to contract  
25 for a charter school under the provisions of the Oklahoma Charter  
26 Schools Act.
- 27 C. The sponsor of a charter school is the board of education of  
28 a local school district or an area vocational-technical school  
29 district which meets the criteria established in Section 7 of this  
30 act. Any board of education of a school district in the state may  
31 sponsor one or more charter schools. The physical location of a  
32 charter school sponsored by a board of education of a local school

1 district or an area vocational-technical school district shall be  
2 within the boundaries of the sponsoring school district.

3 D. An applicant for a charter school may submit an application  
4 to a board of education of a school district or an area vocational-  
5 technical school district which shall either accept or reject  
6 sponsorship of the charter school within ninety (90) days of receipt  
7 of the application. If the board rejects the application, it shall  
8 notify the applicant in writing of the reasons for the rejection.  
9 The applicant may submit a revised application for reconsideration  
10 to the board within thirty (30) days after receiving notification of  
11 the rejection. The board shall accept or reject the revised  
12 application within thirty (30) days of its receipt.

13 E. A board of education of a school district or an area  
14 vocational-technical school district shall notify the State Board of  
15 Education when the board accepts sponsorship of a charter school.  
16 The notification shall include a copy of the charter of the charter  
17 school.

18 F. If a board of education rejects the revised application for  
19 a charter school, the applicant may proceed to mediation or binding  
20 arbitration or both mediation and binding arbitration as provided in  
21 the Dispute Resolution Act and the rules promulgated pursuant  
22 thereto. The applicant shall contact the early settlement program  
23 for the county in which the charter school would be located. If the  
24 parties proceed to binding arbitration, a panel of three (3)  
25 arbitrators shall be appointed by the director of the early  
26 settlement program handling the dispute. The board of education  
27 shall pay the cost for any mediation or arbitration requested  
28 pursuant to this section.

29 SECTION 10. NEW LAW A new section of law to be codified  
30 in the Oklahoma Statutes as Section 3-135 of Title 70, unless there  
31 is created a duplication in numbering, reads as follows:  
32

1       A. The sponsor of a charter school shall enter into a written  
2 contract with the governing body of the charter school. The  
3 contract shall incorporate the provisions of the charter of the  
4 charter school and contain, but shall not be limited to, the  
5 following provisions:

6       1. A description of the program to be offered by the school  
7 which complies with the purposes outlined in Section 11 of this act;

8       2. Admission policies and procedures;

9       3. Management and administration of the charter school;

10      4. Requirements and procedures for program and financial  
11 audits;

12      5. A description of how the charter school will comply with the  
13 charter requirements set forth in the Oklahoma Charter Schools Act;

14      6. Assumption of liability by the charter school; and

15      7. The term of the contract.

16      B. A charter school shall not enter into an employment contract  
17 with any teacher or other personnel until the charter school has a  
18 contract with a sponsoring school district. The employment contract  
19 shall set forth the personnel policies of the charter school,  
20 including, but not limited to, policies related to certification,  
21 professional development evaluation, suspension, dismissal and  
22 nonreemployment, sick leave, personal business leave, emergency  
23 leave, and family and medical leave. The contract shall also  
24 specifically set forth the salary, hours, fringe benefits, and work  
25 conditions. The contract may provide for employer-employee  
26 bargaining, but the charter school shall not be required to comply  
27 with the provisions of Sections 509.1 through 509.10 of Title 70 of  
28 the Oklahoma Statutes. The contract shall conform to all applicable  
29 provisions set forth in Section 11 of this act.

30      Upon contracting with any teacher or other personnel, the  
31 governing body of the charter school shall, in writing, disclose  
32

1 employment rights of the employees in the event the charter school  
2 closes or the charter is not renewed.

3 SECTION 11. NEW LAW A new section of law to be codified  
4 in the Oklahoma Statutes as Section 3-136 of Title 70, unless there  
5 is created a duplication in numbering, reads as follows:

6 A. A charter school shall adopt a charter which will ensure  
7 compliance with the following:

8 1. A charter school shall comply with all federal regulations  
9 and state and local rules and statutes relating to health, safety,  
10 civil rights and insurance. By January 1, 2000, the State  
11 Department of Education shall prepare a list of relevant rules and  
12 statutes which a charter school must comply with as required by this  
13 paragraph and shall annually provide an update to the list;

14 2. A charter school shall be nonsectarian in its programs,  
15 admission policies, employment practices, and all other operations.  
16 A sponsor may not authorize a charter school or program that is  
17 affiliated with a nonpublic sectarian school or religious  
18 institution;

19 3. The charter school shall provide a comprehensive program of  
20 instruction for at least a kindergarten program or any grade between  
21 grades one and twelve. Instruction may be provided to all persons  
22 between the ages of five (5) and twenty-one (21) years. A charter  
23 school may offer a curriculum which emphasizes a specific learning  
24 philosophy or style or certain subject areas such as mathematics,  
25 science, fine arts, performance arts, or foreign language. No  
26 charter school shall be chartered for the purpose of offering a  
27 curriculum for deaf or blind students that is the same or similar to  
28 the curriculum being provided by or for educating deaf or blind  
29 students that are being served by the Oklahoma School for the Blind  
30 or the Oklahoma School for the Deaf;

31 4. A charter school shall participate in the testing as  
32 required by the Oklahoma School Testing Program Act and the

1 reporting of test results as is required of a school district. A  
2 charter school shall also provide any necessary data to the Office  
3 of Accountability;

4 5. Except as provided for in the Oklahoma Charter Schools Act  
5 and its charter, a charter school shall be exempt from all statutes  
6 and rules relating to schools, boards of education, and school  
7 districts;

8 6. A charter school, to the extent possible, shall be subject  
9 to the same reporting requirements, financial audits, audit  
10 procedures, and audit requirements as a school district. The State  
11 Department of Education or State Auditor and Inspector may conduct  
12 financial, program, or compliance audits. A charter school shall  
13 use the Oklahoma Cost Accounting System to report financial  
14 transactions to the sponsoring school district;

15 7. A charter school shall comply with all federal and state  
16 laws relating to the education of children with disabilities in the  
17 same manner as a school district;

18 8. A charter school shall provide for a governing body for the  
19 school which shall be responsible for the policies and operational  
20 decisions of the charter school;

21 9. A charter school shall not be used as a method of generating  
22 revenue for students who are being home schooled and are not being  
23 educated at an organized charter school site;

24 10. A charter school may not charge tuition or fees;

25 11. A charter school shall provide instruction each year for at  
26 least the number of days required in Section 1-109 of Title 70 of  
27 the Oklahoma Statutes;

28 12. A charter school shall comply with the student suspension  
29 requirements provided for in Section 24-101.3 of Title 70 of the  
30 Oklahoma Statutes;

31 13. A charter school shall be considered a school district for  
32 purposes of tort liability under the Governmental Tort Claims Act;

1 14. Employees of a charter school may participate as members of  
2 the Teachers' Retirement System of Oklahoma in accordance with  
3 applicable statutes and rules if otherwise allowed pursuant to law;

4 15. A charter school may participate in all health and related  
5 insurance programs available to the employees of the sponsor of the  
6 charter school;

7 16. A charter school shall comply with the Oklahoma Open  
8 Meeting Act and the Oklahoma Open Records Act; and

9 17. The governing body of a charter school shall be subject to  
10 the same conflict of interest requirements as a member of a local  
11 school board.

12 B. The charter of a charter school shall include a description  
13 of the personnel policies, personnel qualifications, and method of  
14 school governance, and the specific role and duties of the sponsor  
15 of the charter school.

16 C. The charter of a charter school may be amended at the  
17 request of the governing body of the charter school and upon the  
18 approval of the sponsor.

19 D. A charter school may enter into contracts and sue and be  
20 sued.

21 E. The governing body of a charter school may not levy taxes or  
22 issue bonds.

23 F. The charter of a charter school shall include a provision  
24 specifying the method or methods to be employed for disposing of  
25 real and personal property acquired by the charter school upon  
26 expiration or termination of the charter or failure of the charter  
27 school to continue operations. Any real or personal property  
28 purchased with state or local funds shall be retained by the  
29 sponsoring school district.

30 SECTION 12. NEW LAW A new section of law to be codified  
31 in the Oklahoma Statutes as Section 3-137 of Title 70, unless there  
32 is created a duplication in numbering, reads as follows:

1       A. An approved contract for a charter school shall be effective  
2 for not longer than three (3) years from the first day of operation.  
3 Prior to the beginning of the third year of operation, the charter  
4 school may apply for renewal of the contract with the sponsor. The  
5 sponsor may deny the request for renewal if it determines the  
6 charter school has failed to complete the obligations of the  
7 contract or comply with the provisions of the Oklahoma Charter  
8 Schools Act. A sponsor shall give written notice of its intent to  
9 deny the request for renewal at least twelve (12) months prior to  
10 expiration of the contract.

11       B. If a sponsor denies a request for renewal, the governing  
12 board may proceed to mediation or binding arbitration or both as  
13 provided for in subsection F of Section 9 of this act.

14       C. A sponsor may terminate a contract during the term of the  
15 contract for failure to meet the requirements for student  
16 performance contained in the contract, failure to meet the standards  
17 of fiscal management, violations of the law, or other good cause.  
18 The sponsor shall give at least ninety (90) days written notice to  
19 the governing board prior to terminating the contract. The  
20 governing board may request, in writing, an informal hearing before  
21 the sponsor within fourteen (14) days of receiving notice. The  
22 sponsor shall conduct an informal hearing before taking action. If  
23 a sponsor decides to terminate a contract, the governing board may  
24 proceed to mediation or binding arbitration or both as provided for  
25 in subsection F of Section 9 of this act.

26       D. If a contract is not renewed or is terminated according to  
27 this section, a student who attended the charter school may enroll  
28 in the resident school district of the student or may apply for a  
29 transfer in accordance with Section 8-103 of Title 70 of the  
30 Oklahoma Statutes.

31  
32

1 SECTION 13. NEW LAW A new section of law to be codified  
2 in the Oklahoma Statutes as Section 3-138 of Title 70, unless there  
3 is created a duplication in numbering, reads as follows:

4 A board of education of a school district or an employee of the  
5 district who has control over personnel actions shall not take  
6 unlawful reprisal action against an employee of the school district  
7 for the reason that the employee is directly or indirectly involved  
8 in an application to establish a charter school. As used in this  
9 section, "unlawful reprisal" means an action that is taken by a  
10 board of education or a school district employee as a direct result  
11 of a lawful application to establish a charter school and that is  
12 adverse to an employee or an education program.

13 SECTION 14. NEW LAW A new section of law to be codified  
14 in the Oklahoma Statutes as Section 3-139 of Title 70, unless there  
15 is created a duplication in numbering, reads as follows:

16 A. A sponsoring school district shall determine whether a  
17 teacher who is employed by or teaching at a charter school and who  
18 was previously employed as a teacher at the sponsoring public school  
19 district shall not lose any right of salary status or any other  
20 benefit provided by law due to teaching at a charter school upon  
21 returning to the sponsoring public school district to teach.

22 B. A teacher who is employed by or teaching at a charter school  
23 and who submits an employment application to the school district  
24 where the teacher was employed immediately before employment by or  
25 at a charter school shall be given employment preference by the  
26 school district if:

27 1. The teacher submits an employment application to the school  
28 district no later than three (3) years after ceasing employment with  
29 the school district; and

30 2. A suitable position is available at the school district.

31  
32

1 SECTION 15. NEW LAW A new section of law to be codified  
2 in the Oklahoma Statutes as Section 3-140 of Title 70, unless there  
3 is created a duplication in numbering, reads as follows:

4 A. A charter school shall enroll those students whose legal  
5 residence is within the boundaries of the school district in which  
6 the charter school is located and who submit a timely application,  
7 or those students who transfer to the district in which the charter  
8 school is located in accordance with Section 8-103 of Title 70 of  
9 the Oklahoma Statutes, unless the number of applications exceeds the  
10 capacity of a program, class, grade level, or building. If capacity  
11 is insufficient to enroll all eligible students, the charter school  
12 shall select students through a lottery selection process. A  
13 charter school shall give enrollment preference to eligible students  
14 who reside within the boundaries of the school district in which the  
15 charter school is located. A charter school may limit admission to  
16 students within a given age group or grade level.

17 B. A charter school shall admit students who reside in the  
18 attendance area of a school or in a school district that is under a  
19 court order of desegregation or that is a party to an agreement with  
20 the United States Department of Education Office for Civil Rights  
21 directed towards mediating alleged or proven racial discrimination  
22 unless notice is received from the resident school district that  
23 admission of the student would violate the court order or agreement.

24 C. A charter school may designate a specific geographic area  
25 within the school district in which the charter school is located as  
26 an academic enterprise zone and may limit admissions to students who  
27 reside within that area. An academic enterprise zone shall be a  
28 geographic area in which sixty percent (60%) or more of the children  
29 who reside in the area qualify for the free or reduced school lunch  
30 program.

31 D. Except as provided in subsections B and C of this section, a  
32 charter school shall not limit admission based on ethnicity,

1 national origin, gender, income level, disabling condition,  
2 proficiency in the English language, measures of achievement,  
3 aptitude, or athletic ability.

4 SECTION 16. NEW LAW A new section of law to be codified  
5 in the Oklahoma Statutes as Section 3-141 of Title 70, unless there  
6 is created a duplication in numbering, reads as follows:

7 A. Transportation shall be provided by the charter school in  
8 accordance with Sections 9-101 through 9-118 of Title 70 of the  
9 Oklahoma Statutes and only within the transportation boundaries of  
10 the school district in which the charter school is located.

11 B. A charter school shall provide the parent or guardian  
12 information regarding transportation at the time the student enrolls  
13 in the charter school.

14 SECTION 17. NEW LAW A new section of law to be codified  
15 in the Oklahoma Statutes as Section 3-142 of Title 70, unless there  
16 is created a duplication in numbering, reads as follows:

17 A. For purposes of funding, a charter school shall be  
18 considered a site within the local school district in which the  
19 charter school is located and the student membership of the charter  
20 school shall be included in the average daily membership of the  
21 local school district. A charter school shall receive, for each  
22 student, the local school district's average local and county  
23 revenue which is chargeable in the State Aid formula, state  
24 dedicated revenue, and state-appropriated funds per average daily  
25 membership generated by its students for the applicable year, less  
26 up to five percent (5%) of the total, which may be retained by the  
27 school district as a fee for administrative services rendered. The  
28 State Board of Education shall determine the policy and procedure  
29 for making payments to a charter school.

30 B. For the first year of operation, a charter school shall  
31 receive State Aid support equal to the average student expenditure  
32 for the preceding school year for the school district in which the

1 charter school is located. The average daily membership for the  
2 first year of operation of a charter school shall be determined  
3 initially using an estimated student count based on actual  
4 registration of students before the beginning of the school year.  
5 After the first nine (9) weeks in session for the first year of  
6 operation, the charter school shall revise the average daily  
7 membership to equal the actual average daily membership of the  
8 charter school. If the average daily membership was overestimated  
9 or underestimated, the budget of the school shall be revised.

10 C. A charter school shall be eligible to receive any other aid,  
11 grants or revenues allowed to other schools.

12 D. A charter school, in addition to the money received from the  
13 state, may receive money from any other source. Any unexpended  
14 nonstate funds, excluding local revenue, may be reserved and used  
15 for future purposes.

16 SECTION 18. NEW LAW A new section of law to be codified  
17 in the Oklahoma Statutes as Section 3-143 of Title 70, unless there  
18 is created a duplication in numbering, reads as follows:

19 The State Board of Education shall issue an annual report to the  
20 Legislature and the Governor outlining the status of charter schools  
21 in the state. Each charter school shall annually file a report with  
22 the Office of Accountability. The report shall include such  
23 information as requested by the Office of Accountability, including  
24 but not limited to information on enrollment, testing, curriculum,  
25 finances and employees.

26 SECTION 19. NEW LAW A new section of law to be codified  
27 in the Oklahoma Statutes as Section 8-101.1 of Title 70, unless  
28 there is created a duplication in numbering, reads as follows:

29 Sections 20 through 29 of this act shall be known and may be  
30 cited as the "Education Open Transfer Act".

31  
32

1           SECTION 20.           NEW LAW           A new section of law to be codified  
2 in the Oklahoma Statutes as Section 8-101.2 of Title 70, unless  
3 there is created a duplication in numbering, reads as follows:

4           A. On and after January 1, 2000, the transfer of a student from  
5 the district in which the student resides to another school district  
6 furnishing instruction in the grade the student is entitled to  
7 pursue shall be granted if the transfer has the approval of the  
8 board of education of the receiving district. A student granted a  
9 transfer may continue to attend the school to which the student  
10 transferred with the approval of the receiving district only, and  
11 any brother or sister of such student may attend such school with  
12 the approval of the receiving district only. No student shall be  
13 permitted to transfer more than once in any school year.

14           If the grade a student is entitled to pursue is not offered in  
15 the district where the student resides, the transfer shall be  
16 automatically approved.

17           B. When a student has been transferred and later changes  
18 residence to another school district in the State of Oklahoma, the  
19 student shall be entitled to continue to attend school in the  
20 district to which the student was transferred. If a change of  
21 residence is to the district to which the student was transferred,  
22 upon affidavit of the parent of the student, that district shall  
23 become the resident district. If a student changes residence to  
24 another district during the school year which is not the same  
25 district the student transferred to, the student shall be entitled  
26 to attend school in either the receiving district or the new  
27 district of residence for the remainder of the current year.

28           C. Any student transfer approved for any reason prior to the  
29 implementation of the Oklahoma Charter Schools Act shall continue to  
30 be valid until this act is fully operational or until the parent  
31 having custody chooses otherwise.

32

1 SECTION 21. AMENDATORY 70 O.S. 1991, Section 8-103, as  
2 last amended by Section 2, Chapter 232, O.S.L. 1994 (70 O.S. Supp.  
3 1998, Section 8-103), is amended to read as follows:

4 Section 8-103. A. In order that any ~~child~~ student may be  
5 transferred, ~~an application for transfer shall be approved by the~~  
6 ~~board of education of both the resident and receiving school~~  
7 ~~district as provided for in this section. An application form~~  
8 specified by the State Board of Education must be completed by the  
9 parents, ~~custodial parent or guardian~~ of the ~~child~~ student. For  
10 purposes of the Education Open Transfer Act, the term "parent" means  
11 the parent of the student or person having custody of the student as  
12 provided for in paragraph 1 of subsection A of Section 1-113 of this  
13 title. The application shall be obtained from and filed with the  
14 superintendent of the receiving school district for transfers to  
15 school districts in the State of Oklahoma and with the State Board  
16 of Education for transfers to school districts in another state.  
17 Applications shall be filed no later than February 1 of the school  
18 year preceding the school year for which the transfer is desired.  
19 By March 1 of the same school year, the receiving school district  
20 shall notify the resident school district that an application for  
21 transfer has been filed by a student enrolled in the resident school  
22 district. The board of education of the receiving school district  
23 shall approve or deny the application for transfer, ~~and if approved,~~  
24 ~~the superintendent of the receiving school district shall notify, in~~  
25 ~~writing, not later than March 1, the clerk of the board of education~~  
26 ~~of the resident school district of the board's decision on the~~  
27 ~~application for transfer. On or before April 10, the board of~~  
28 ~~education of the resident school district shall approve or deny the~~  
29 ~~application for transfer and shall notify, in writing, the~~  
30 ~~superintendent of the receiving district whether the transfer~~  
31 ~~application was approved or denied. If the resident school district~~  
32 ~~denies the transfer application it shall send written notice of the~~

1 ~~denial to the receiving school district by certified mail. If the~~  
2 ~~resident school district fails to notify the receiving school~~  
3 ~~district by the due date, the application shall be deemed approved~~  
4 ~~by the receiving school district. The superintendent of the~~  
5 ~~receiving school district shall, not later than May 1, send written~~  
6 ~~notice to the clerk of the board of education of the resident school~~  
7 ~~district and the parents or guardian of the child confirming whether~~  
8 ~~or not the transfer has been granted for each application submitted~~  
9 June 1 of the same year.

10 B. On or before ~~August~~ June 1, it shall be the duty of the  
11 superintendent of the receiving school district to file with the  
12 State Board of Education and each resident district a statement  
13 showing the names of the students granted transfers to the school  
14 district, the resident school district of the transferred students  
15 and their respective grade level.

16 ~~C. The parent or guardian of a child making application for~~  
17 ~~transfer may appeal the decision of the board of education of either~~  
18 ~~the resident or receiving school district regarding the transfer of~~  
19 ~~the child to the district court of the county where the child~~  
20 ~~resides.~~

21 SECTION 22. NEW LAW A new section of law to be codified  
22 in the Oklahoma Statutes as Section 8-103.1 of Title 70, unless  
23 there is created a duplication in numbering, reads as follows:

24 A local school district board of education which receives a  
25 request for a transfer for a student who does not reside in the  
26 school district may refuse the transfer in accordance with the  
27 provisions of the open transfer policy adopted by the local school  
28 district board of education. Each local board of education shall  
29 adopt an open transfer policy for the school district which  
30 specifies its criteria and standards for approval of transfers of  
31 students who do not reside in the district. The policy shall  
32 include, but shall not be limited to, provisions relating to the

1 availability of programs, staff, or space as criteria for approval  
2 or denial of transfers. A school district may include in the policy  
3 as the basis for denial of a transfer, the reasons outlined in  
4 Section 24-101.3 of Title 70 of the Oklahoma Statutes.

5 In considering requests for students to transfer into a school  
6 district, the board of education shall consider the requests on a  
7 first-come, first-serve basis. A school district shall not accept  
8 or deny a transfer based on ethnicity, national origin, gender,  
9 income level, disabling condition, proficiency in the English  
10 language, measure of achievement, aptitude, or athletic ability.

11 Notwithstanding the provisions of the Education Open Transfer  
12 Act, transfers of children with disabilities shall be granted as  
13 authorized in Section 13-103 of Title 70 of the Oklahoma Statutes.

14 SECTION 23. NEW LAW A new section of law to be codified  
15 in the Oklahoma Statutes as Section 8-103.2 of Title 70, unless  
16 there is created a duplication in numbering, reads as follows:

17 Except as otherwise provided, a student who enrolls, pursuant to  
18 the Education Open Transfer Act, in a school district in which the  
19 student is not a resident shall not be eligible to participate in  
20 school-related extramural athletic competition governed by the  
21 Oklahoma Secondary School Activities Association for a period of one  
22 (1) year from the first day of attendance at the receiving school  
23 unless the transfer is from a school district which does not offer  
24 the grade the student is entitled to pursue. If the student is  
25 granted an emergency transfer pursuant to Section 8-104 of this  
26 title, eligibility to participate in school-related extramural  
27 athletic competition shall be determined by the Oklahoma Secondary  
28 School Activities Association.

29 SECTION 24. AMENDATORY 70 O.S. 1991, Section 8-104, as  
30 last amended by Section 3, Chapter 343, O.S.L. 1997 (70 O.S. Supp.  
31 1998, Section 8-104), is amended to read as follows:  
32

1 Section 8-104. ~~A.~~ In addition to the transfer process provided  
2 in Section 8-103 of this title, students may be transferred on an  
3 emergency basis. A written application for an emergency transfer  
4 designating the district to which the transfer is desired shall be  
5 made by ~~either~~ the parent ~~or guardian~~ and filed with the  
6 superintendent of the receiving school district. On an adequate  
7 showing of emergency the superintendent of the receiving school  
8 district may make and order a transfer, subject to approval by the  
9 State Board of Education. An emergency shall include only:

10 1. The destruction or partial destruction of a school building;

11 2. ~~The inability to furnish the grade of study the pupil is~~  
12 ~~entitled to pursue;~~

13 ~~3.~~ The inability to offer the subject a pupil desires to  
14 pursue, if the pupil becomes a legal resident of a school district  
15 after February 1 of the school year immediately prior to the school  
16 year for which the pupil is seeking the transfer;

17 ~~4.~~ 3. A catastrophic medical problem of a student, which for  
18 purposes of this section shall mean an acute or chronic serious  
19 illness, disease, disorder or injury which has a permanently  
20 detrimental effect on the body's system or renders the risk  
21 unusually hazardous;

22 ~~5.~~ 4. The total failure of transportation facilities ~~previously~~  
23 ~~had or contemplated; and or~~

24 ~~6.~~ ~~Therapeutic foster care home placement as provided in~~  
25 ~~paragraph 1 of subsection C of Section 1-113 of this title~~

26 5. The concurrence of both the sending and receiving school  
27 districts.

28 ~~Provided that a transfer shall also be approved when such~~  
29 ~~transfer has the approval of the boards of education of the sending~~  
30 ~~and receiving districts. Similarly, a An emergency transfer~~  
31 ~~previously made may be canceled, with the concurrence of the board~~  
32 ~~of the receiving district and the parent or guardian of the child.~~

1       ~~B. On affidavit of parent or guardian, or of the school board~~  
2 ~~of the transferring district, disclosing removal of residence from~~  
3 ~~the transferring district, a transfer previously made may be~~  
4 ~~canceled, and the appropriation made therefor relieved of such~~  
5 ~~encumbrance to the extent not earned; and, with concurrence of the~~  
6 ~~boards of education of both the transferring and transferee~~  
7 ~~districts, a parent or guardian may show by affidavit that, by~~  
8 ~~discontinuance of transportation facilities previously afforded or~~  
9 ~~contemplated, the pupil or pupils are unable to attend the school of~~  
10 ~~the transferee district, whereupon the transfer so made may be~~  
11 ~~canceled and the appropriation therefor relieved of any encumbrance~~  
12 ~~to the extent not earned.~~

13       SECTION 25.        AMENDATORY        70 O.S. 1991, Section 8-112, as  
14 amended by Section 38, Chapter 239, O.S.L. 1993 (70 O.S. Supp. 1998,  
15 Section 8-112), is amended to read as follows:

16       Section 8-112. A. Except as provided in subsection B of this  
17 section, on and after July 1, 1990, no school district shall be  
18 required to pay and no school district shall charge any other school  
19 district a fee for the transfer of a student. Specifically,  
20 transfer fees shall not be permitted for transfers between  
21 elementary school districts, for transfers between independent  
22 school districts or for transfers between independent school  
23 districts and elementary school districts.

24       B. Nothing herein shall prevent the payment or charging of any  
25 other fee for the transfer of a student as required by law. ~~School~~  
26 Except as otherwise provided for in the Education Open Transfer Act,  
27 school districts shall not be permitted to contract to waive  
28 transfer fees with regard to special education pupil transfers.

29       C. The State Board of Education shall establish the necessary  
30 and appropriate application forms sufficient to enable school  
31 districts to accomplish transfers and to comply with the provisions  
32 of Sections 8-101 through 8-106 of this title. Upon establishment

1 of such forms, the State Board of Education shall notify each school  
2 district of the content thereof.

3 SECTION 26. AMENDATORY 70 O.S. 1991, Section 9-101, is  
4 amended to read as follows:

5 Section 9-101. A. Any school district may provide  
6 transportation for any child who is participating in any  
7 prekindergarten or early childhood program operated by the school  
8 district or any child who is participating in any Head Start program  
9 offered within the school district.

10 B. Upon a request for a student transfer pursuant to the  
11 provisions of the Education Open Transfer Act, if the parent of the  
12 student requests that the receiving district provide transportation  
13 for the student, and if the receiving district grants the transfer,  
14 then the receiving district may provide such transportation only  
15 within the boundaries of the receiving school district. A receiving  
16 school district shall not cross school district boundaries to  
17 transport a kindergarten through eighth-grade student transferred  
18 pursuant to the Education Open Transfer Act except as otherwise  
19 authorized in Section 9-105 of this title.

20 C. Any school district may provide transportation for each  
21 student who should attend any public elementary or secondary school  
22 when, and only when, transportation is necessary for accomplishment  
23 of one of the following purposes:

24 1. To provide adequate educational facilities and opportunities  
25 which otherwise would not be available, which shall include those  
26 purposes provided in the Education Open Transfer Act; and

27 2. To transport students whose homes are more than a reasonable  
28 walking distance, as defined by regulations of the State Board of  
29 Education, from the school attended by such student. Provided, that  
30 no state funds shall be paid for the transportation of a student  
31 whose residence is within one and one-half (1 1/2) miles from the  
32 school attended by such student.

1 SECTION 27. AMENDATORY 70 O.S. 1991, Section 13-101, as  
2 amended by Section 1, Chapter 116, O.S.L. 1993 (70 O.S. Supp. 1998,  
3 Section 13-101), is amended to read as follows:

4 Section 13-101. The several school districts of Oklahoma are  
5 hereby authorized to provide special education and related services  
6 necessary for children with disabilities as hereinafter defined.

7 Two or more school districts may establish cooperative programs of  
8 special education for children with disabilities when such

9 arrangement is approved by the State Board of Education. Funds may  
10 be expended for school services for an additional period during the

11 summer months for approved programs for qualified children with  
12 disabilities, provided their individualized education program

13 (I.E.P.) states the need for extended school year special education  
14 and related services. ~~Prior to July 1, 1990, children~~ Children with

15 disabilities shall mean ~~educable mentally handicapped children,~~  
16 ~~trainable mentally retarded children, speech-defective children,~~

17 ~~emotionally disturbed or perceptually handicapped children, children~~  
18 ~~with special health problems, children requiring the services of a~~

19 ~~visiting counselor, children with specific learning disabilities as~~  
20 ~~a result of neurological impairment, multiple-handicapped children~~

21 ~~and other handicapped children with disabilities four (4), as~~

22 defined in the Individuals with Disabilities Education Act (IDEA),

23 P.L. No. 105-17, who are three (3) years of age as of the first day

24 of September of the school year, and after July 1, 1990, children

25 with disabilities three (3) years of age are included. Prior to

26 July 1, 1991, there shall be no set minimum age for children who are

27 blind and partially blind children, deaf and hard-of-hearing

28 children and low incidence severely multiple-handicapped children,

29 i.e., deaf-blind, retarded-cerebral palsied, autistic and other

30 children failing to thrive.

31 Provided, on and after July 1, 1991, children from age birth

32 through two (2) years (0-36 months) of age who meet the eligibility

1 criteria specified in Section 13-123 of this title, shall be served  
2 pursuant to the provisions of the Oklahoma Early Intervention Act.  
3 The attendance of said children in special education classes shall  
4 be included in the average daily membership computations for State  
5 Aid purposes.

6 The State Board of Education is authorized to modify and  
7 redefine by regulation the eligibility definitions whenever such  
8 modification is required to receive federal assistance under the  
9 Individuals with Disabilities Education Act (IDEA), P.L. No. ~~101-476~~  
10 105-17. Rules developed pursuant to Section 18-109.5 of this title  
11 shall provide for such modification and revised definitions.

12 It shall be the duty of each school district to provide special  
13 education and related services for all children with disabilities as  
14 herein defined who reside in that school district in accordance with  
15 the Individuals with Disabilities Education Act (IDEA), P.L. No.  
16 ~~101-476~~ 105-17. This duty may be satisfied by:

17 1. The district directly providing special education for such  
18 children;

19 2. The district joining in a cooperative program with another  
20 district or districts to provide special education for such  
21 children;

22 3. The district joining in a written agreement with a private  
23 or public institution, licensed residential child care and treatment  
24 facility or day treatment facility within such district to provide  
25 special education for children who are deaf or hard-of-hearing,  
26 children who are blind or partially blind or other eligible children  
27 with disabilities; or

28 4. Transferring eligible children and youth with disabilities  
29 to other school districts which accept them and provide special  
30 education and related services for such children, with the district  
31 in which the child resides paying tuition therefor as hereinafter  
32 provided. For those students who transfer pursuant to the

1 provisions of the Education Open Transfer Act, the receiving school  
2 district shall assume all responsibility for education and shall  
3 count the student for federal and state funding purposes according  
4 to the provisions of subsection B of Section 13-103 of this title.

5 SECTION 28. AMENDATORY 70 O.S. 1991, Section 13-103, as  
6 amended by Section 3, Chapter 116, O.S.L. 1993 (70 O.S. Supp. 1998,  
7 Section 13-103), is amended to read as follows:

8 Section 13-103. A. Any school district in the state may  
9 provide suitable facilities and employ qualified teachers and  
10 therapists for children with disabilities, either in schools,  
11 classrooms, or in such other places as the board of education of the  
12 district may deem advisable. When a school district ~~does not~~ cannot  
13 provide special educational facilities and qualified teachers, ~~said~~  
14 ~~children~~ a child may be transferred pursuant to the provisions of  
15 paragraph 4 of Section 13-101 of this title.

16 B. If a child with disabilities is transferred to another a  
17 school district, with the consent of the board of education thereof,  
18 where suitable facilities and teachers are provided other than the  
19 district of residence of the child pursuant to the Education Open  
20 Transfer Act the following provisions shall apply:

21 1. The receiving district shall establish availability of the  
22 appropriate program, staff, and services prior to approval of the  
23 transfer;

24 2. Prior to the approval of the transfer of a child on an  
25 individualized education program (IEP), a joint IEP conference shall  
26 be required between the district of residence and the receiving  
27 district; and

28 3. Upon approval of the transfer, the receiving district shall  
29 claim the child in the average daily membership for state and  
30 federal funding purposes and shall assume all responsibility for  
31 education of the child. When applicable, the receiving district may  
32

1 apply to the Oklahoma Special Education Assistance Fund for  
2 assistance in meeting any extraordinary costs incurred.

3 C. Transfers authorized by this section shall be made under  
4 such rules as the State Board of Education may prescribe ~~to a result~~  
5 ~~that the sending district sustain an equitable proportion of the~~  
6 ~~operating costs of the program of the district to which the pupil is~~  
7 ~~transferred.~~ When a child with disabilities or pregnant child is  
8 unable to attend any school or class in the district of residency,  
9 the board of education of said district may provide for home  
10 instruction for such child. The State Board of Education is further  
11 authorized to cooperate with any school district of the state to  
12 make it possible for a child with disabilities to attend the regular  
13 school by making special provisions for the transportation of such  
14 child, or for special equipment, devices, books, supplies or other  
15 facilities, or for special instruction within the regular school  
16 building. The provisions for services and transfers as provided by  
17 this section shall be made with consideration of the least  
18 restrictive environment and IEP requirements under the Individuals  
19 with Disabilities Education Act (IDEA), P.L. No. ~~101-476~~ 105-17.

20 SECTION 29. AMENDATORY 70 O.S. 1991, Section 18-110, as  
21 last amended by Section 3, Chapter 362, O.S.L. 1998 (70 O.S. Supp.  
22 1998, Section 18-110), is amended to read as follows:

23 Section 18-110. A. If any district, or a part of a district,  
24 becomes a part of another district by consolidation, annexation, or  
25 otherwise, the following procedure shall be followed, except as  
26 otherwise provided by law, in calculating aid to the new district or  
27 districts so formed:

28 1. If the action occurs after budgets have been approved by the  
29 county excise board and the tax levies approved, the State Aid for  
30 the current year shall be calculated for each district as it existed  
31 prior to the annexation and prorated to the annexing district or  
32 districts on the basis of average daily attendance.

1           2. If the action occurs prior to approval of the school  
2 district budgets by the county excise board, the annexed district  
3 shall be merged with the annexing district or districts and State  
4 Aid shall be calculated according to the formula provided by this  
5 title.

6           B. Any school district that does not maintain school for a full  
7 term pursuant to Section 1-109 of this title shall have its State  
8 Aid reduced proportionately unless it has received written approval  
9 to maintain school for less than a full term from the State Board of  
10 Education. The State Board of Education shall not approve any  
11 request to maintain school for less than a full term unless such  
12 request meets the requirements of Section 1-109 of this title.

13           C. 1. If a school district operates a school located in a  
14 state institution, as described in subsection E of Section 1-113 of  
15 this title, for the pupils of school age residing in such  
16 institution, the membership of such children shall be included in  
17 the membership of such school district for the purpose of  
18 calculating State Aid of the district.

19           2. If a school district provides education to children in out-  
20 of-home placements who are not residents of the school district in  
21 which an entity is located pursuant to the provisions of subsections  
22 D and F of Section 1-113 of this title, the membership and out-of-  
23 home placement pupil weight for such student shall be included in  
24 the membership of the district providing the education for the  
25 purposes of calculating State Aid.

26           D. Upon determination by the Finance Division of the State  
27 Department of Education that a legal residence for a child placed in  
28 an out-of-home placement cannot be identified, the district in which  
29 the placement is located shall be the district of residence and the  
30 average daily membership of such child shall be credited to such  
31 district.

1 E. If any school district shall fail, neglect or refuse, for  
2 any reason whatsoever, to provide special education and related  
3 services for a child with disabilities, certified as such by  
4 competent authorities and residing in such district, as directed in  
5 Section 13-101 of this title, the following is hereby authorized:

6 1. Such child shall be entitled, upon petition by the child's  
7 parent or guardian, without consent or approval of the school  
8 district not providing special education and related services, to  
9 transfer to any adjacent or nearby school district which will accept  
10 the child with disabilities and provide the special education and  
11 related services which such child is entitled to receive. ~~The~~  
12 Notwithstanding the provisions of the Education Open Transfer Act, a  
13 school district in which a child transferring under this section  
14 resides shall pay to the district receiving and educating such  
15 child, as tuition, a special education transfer fee as provided in  
16 paragraph 2 of this subsection. Provided the average daily  
17 membership of such child shall be credited to the ~~home~~ resident  
18 district of such transferee.

19 2. The special education transfer fee shall be the per capita  
20 cost of the receiving district for current expenditures for the  
21 special education and related services of such child with  
22 disabilities based upon the cost of teachers, equipment, material,  
23 and special costs associated with the special education class.

24 3. It shall be the duty of the school district from which such  
25 child with disabilities transfers to appropriate and pay such  
26 special education transfer fee to the district which receives and  
27 educates such child. If a school district owing such special  
28 education transfer fees shall fail, neglect or refuse for any reason  
29 whatsoever to appropriate and pay such special education transfer  
30 fees, then the school district entitled to receive such fees shall  
31 certify such fact to the Finance Division of the State Department of  
32 Education. Upon receipt of such certification, the Finance Division

1 shall deduct the amount of the special education fee from any State  
2 Foundation Program or Incentive Aid otherwise due the sending  
3 district and transmit such amount to the receiving district.

4 4. The sending school district shall also be obligated to pay  
5 the special education transfer fee, notwithstanding the provisions  
6 of the Education Open Transfer Act:

7 a. whenever ~~it has transferred~~ a student who resides in  
8 the district is transferred to another school district  
9 for purposes other than to acquire special education,  
10 ~~but where~~

11 b. the student is subsequently found to require such  
12 special education and related services,

13 c. the student is determined to be eligible by the  
14 Special Education Division of the State Department of  
15 Education, and

16 d. the student is placed in an appropriate special  
17 education program by the receiving school district.

18 For purposes of this paragraph, the special education transfer fee  
19 shall be as provided by paragraph 2 of this subsection, prorated by  
20 the receiving school district according to the number of days the  
21 student has been enrolled in the special education program. The  
22 receiving district shall notify the sending district immediately  
23 upon finding that the student requires special education and related  
24 services and the sending district shall participate in planning the  
25 student's Individualized Education Program (IEP) and in subsequent  
26 reviews of the program in accordance with the Individuals with  
27 Disabilities Education Act (IDEA).

28 SECTION 30. AMENDATORY 68 O.S. 1991, Section 2385.3, as  
29 last amended by Section 12, Chapter 1, 1st Extraordinary Session,  
30 O.S.L. 1998 (68 O.S. Supp. 1998, Section 2385.3), is amended to read  
31 as follows:  
32

1 Section 2385.3 A. Every employer required to deduct and  
2 withhold taxes under Section 2385.2 of this title shall pay over the  
3 amount so withheld as taxes to the Oklahoma Tax Commission, and  
4 shall file a return in such form as the Tax Commission shall  
5 prescribe under the following schedule:

6 1. Effective January 1, 1999, every employer owing an average  
7 of One Hundred Thousand Dollars (\$100,000.00) or more per month in  
8 taxes in the previous fiscal year shall pay over the amount so  
9 withheld on the same dates as required under the Federal Semiweekly  
10 Deposit Schedule for federal withholding taxes. For employers  
11 making payments other than by electronic funds transfer, a  
12 withholding return shall be filed with each payment. For employers  
13 making payments by electronic funds transfer, a withholding return  
14 shall not be required to be filed with each payment. A withholding  
15 return for payments made by electronic funds transfer shall be filed  
16 monthly on or before the fifteenth day of the month following the  
17 close of each monthly period;

18 2. Effective July 1, 1999, every employer owing an average of  
19 Ten Thousand Dollars (\$10,000.00) or more per month in taxes in the  
20 previous fiscal year shall pay over the amount so withheld on the  
21 same dates as required under the Federal Semiweekly Deposit Schedule  
22 for federal withholding taxes. For employers making payments other  
23 than by electronic funds transfer, a withholding return shall be  
24 filed with each payment. For employers making payments by  
25 electronic funds transfer, a withholding return shall not be  
26 required to be filed with each payment. A withholding return for  
27 payments made by electronic funds transfer shall be filed monthly on  
28 or before the fifteenth day of the month following the close of each  
29 monthly period;

30 3. Every employer owing an average of Five Hundred Dollars  
31 (\$500.00) or more per quarter in taxes in the previous fiscal year  
32 who is not subject to the provisions of paragraph 1 or 2 of this

1 subsection shall pay over the amount so withheld on or before the  
2 fifteenth day of each succeeding month and shall file a monthly  
3 return together with the payment; and

4 ~~3.~~ 4. Every employer owing an average of less than Five Hundred  
5 Dollars (\$500.00) per quarter in taxes in the previous fiscal year  
6 shall pay over the amount so withheld on or before the fifteenth day  
7 of the month following the close of each succeeding quarterly period  
8 and shall file a quarterly return together with the payment.

9 B. Every employer required under Section 2385.2 of this title  
10 to deduct and withhold a tax from the wages paid an employee shall,  
11 as to the total wages paid to each employee during the calendar  
12 year, furnish to such employee, on or before January 31 of the  
13 succeeding year, a written statement showing the name of the  
14 employer, the name of the employee and the employee's social  
15 security account number, if any, the total amount of wages subject  
16 to taxation, and the total amount deducted and withheld as tax and  
17 such other information as the Tax Commission may require. If an  
18 employee's employment is terminated before the close of a calendar  
19 year, said written statement must be furnished within thirty (30)  
20 days of the date of which the last payment of wages is made.

21 C. If the Tax Commission, in any case, has justifiable reason  
22 to believe that the collection of the tax provided for in Section  
23 2385.2 of this title is in jeopardy, the Tax Commission may require  
24 the employer to file a return and pay the tax at any time.

25 D. Every employer who fails to withhold or pay to the Tax  
26 Commission any sums herein required to be withheld or paid shall be  
27 personally and individually liable therefor to the State of  
28 Oklahoma. The term "employer" as used in this subsection and in  
29 Section 2385.6 of this title includes an officer or employee of a  
30 corporation, manager or member of a limited liability company or a  
31 member or employee of a partnership, who as an officer or employee  
32 of a corporation, or manager or member of a limited liability

1 company or member or employee of a partnership is under a duty to  
2 act for a corporation, limited liability company or partnership to  
3 withhold and remit withholding taxes in accordance with this section  
4 and Section 2385.2 of this title. Any sum or sums withheld in  
5 accordance with the provisions of Section 2385.2 of this title shall  
6 be deemed to be held in trust for the State of Oklahoma, and, as  
7 trustee, the employer shall have a fiduciary duty to the State of  
8 Oklahoma in regard to such sums and shall be subject to the trust  
9 laws of this state. Any employer who fails to pay to the Tax  
10 Commission any sums required to be withheld by such employer, after  
11 such sums have been withheld from the wages of employees, and  
12 appropriates the tax held in trust to the employer's own use, or to  
13 the use of any person not entitled thereto, without authority of law  
14 shall be guilty of embezzlement.

15 E. If any employer fails to withhold the tax required to be  
16 withheld by Section 2385.2 of this title and thereafter the income  
17 tax is paid by the employee, the tax so required to be withheld  
18 shall not be collected from the employer but such employer shall not  
19 be relieved from the liability for penalties or interest otherwise  
20 applicable because of such failure to withhold the tax.

21 F. Every person making payments of winnings subject to  
22 withholding shall, for each monthly period, on or before the  
23 fifteenth day of the month following the payment of such winnings  
24 pay over to the Tax Commission the amounts so withheld, and shall  
25 file a return, in a form as prescribed by the Tax Commission.

26 G. Every person making payments of winnings subject to  
27 withholding shall furnish to each recipient on or before January 31  
28 of the succeeding year a written statement in a form as prescribed  
29 by the Tax Commission. Every person making such reports shall also  
30 furnish a copy of such report to the Tax Commission in a manner and  
31 at a time as shall be prescribed by the Tax Commission.

32

1 SECTION 31. NEW LAW A new section of law not to be  
2 codified in the Oklahoma Statutes reads as follows:

3 The provisions of Section 30 of this act are for the purpose of  
4 providing a funding source for the substantive provisions of this  
5 act, and are directly related to and necessary for the  
6 implementation of the substantive provisions of this act. It is the  
7 intent of the Legislature to utilize the revenue derived from the  
8 provisions of Section 30 of this act in order to provide an  
9 appropriation for the fiscal year ending June 30, 2000, to fund the  
10 Flexible Benefit Allowance for other personnel as provided by  
11 Section 26-101 et seq. of Title 70 of the Oklahoma Statutes.

12 SECTION 32. AMENDATORY 70 O.S. 1991, Section 18-124, is  
13 amended to read as follows:

14 Section 18-124. A. ~~Any school district with an average daily~~  
15 ~~attendance (ADA) of more than one thousand five hundred (1,500)~~  
16 ~~students for the preceding year which, in school year 1986-87,~~  
17 ~~expends for administrative services, less expenditures for legal~~  
18 ~~services, more than eight percent (8%) of the amount it expends for~~  
19 ~~total expenditures, less expenditures for legal services, shall have~~  
20 ~~the amount which exceeds the eight percent (8%) withheld from~~  
21 ~~1987-88 Foundation and Salary Incentive Aid.~~

22 ~~B.~~ Any school district with an average daily attendance (ADA)  
23 of more than one thousand five hundred (1,500) students for the  
24 preceding year which, in school year 1987-88 or any school year  
25 thereafter, expends for administrative services, less expenditures  
26 for legal services, more than six percent (6%) of the amount it  
27 expends for total expenditures, less expenditures for legal  
28 services, shall have the amount which exceeds the six percent (6%)  
29 withheld from the following year's Foundation and Salary Incentive  
30 Aid.

31 ~~C.~~ B. Any school district with an average daily attendance  
32 (ADA) of more than five hundred (500) students but not more than one

1 thousand five hundred (1,500) students for the preceding year which,  
2 in school year 1987-88 or any school year thereafter, expends for  
3 administrative services, less expenditures for legal services, more  
4 than eight percent (8%) of the amount it expends for total  
5 expenditures, less expenditures for legal services, shall have the  
6 amount which exceeds the eight percent (8%) withheld from the  
7 following year's Foundation and Salary Incentive Aid.

8 ~~D. C.~~ Any school district with an average daily attendance  
9 (ADA) of five hundred (500) or fewer students for the preceding year  
10 which, in school year 1987-88 or any school year thereafter, expends  
11 for administrative services, less expenditures for legal services,  
12 more than ten percent (10%) of the amount it expends for total  
13 expenditures, less expenditures for legal services, shall have the  
14 amount which exceeds the ten percent (10%) withheld from the  
15 following year's Foundation and Salary Incentive Aid; ~~provided, for~~  
16 ~~districts having average daily attendance (ADA) of two hundred (200)~~  
17 ~~or fewer students in the 1986-87 school year, the amount withheld in~~  
18 ~~the 1988-89 school year for excess administrative expenditures in~~  
19 ~~the 1987-88 school year shall be the amount in excess of twelve~~  
20 ~~percent (12%).~~

21 D. For purposes of subsections A, B and C of this section,  
22 "administrative services" means costs associated with staff for the  
23 board of education, the secretary/clerk for the board of education,  
24 and staff relations, negotiations staff, the superintendent, and  
25 staff for the superintendent.

26 E. Each school site within a school district shall take steps  
27 to ensure that the administrative costs for the school comply with  
28 the expenditure limits established for school districts in this  
29 section.

30 F. Funds withheld pursuant to the provisions of this section  
31 shall be distributed through the State Aid formula to the districts  
32 not so penalized.

1 SECTION 33. NEW LAW A new section of law to be codified  
2 in the Oklahoma Statutes as Section 5-144 of Title 70, unless there  
3 is created a duplication in numbering, reads as follows:

4 Upon the arrest of a person on a felony warrant, if the law  
5 enforcement officer making the arrest is aware that the person  
6 arrested is a student or employee of a school district, the  
7 arresting officer shall notify the superintendent of the district of  
8 the arrest of the student or employee.

9 SECTION 34. AMENDATORY 70 O.S. 1991, Section 6-114, as  
10 amended by Section 2, Chapter 241, O.S.L. 1995 (70 O.S. Supp. 1998,  
11 Section 6-114), is amended to read as follows:

12 Section 6-114. A. Each district board of education shall adopt  
13 a policy for the control and discipline of all children attending  
14 public school in that district. Such policy shall provide options  
15 for the methods of control and discipline of the students and shall  
16 define standards of conduct to which students are expected to  
17 conform. In developing the policy, the district board of education  
18 shall make an effort to involve the teachers, parents, and students  
19 affected. The students, teachers, and parents or guardian of every  
20 child residing within a school district shall be notified by the  
21 district board of education of its adoption of the policy and shall  
22 receive a copy upon request. Provided, the teacher of a child  
23 attending a public school shall have the same right as a parent or  
24 guardian to control and discipline such child according to local  
25 policies during the time the child is in attendance or in transit to  
26 or from the school or any other school function authorized by the  
27 school district or classroom presided over by the teacher.

28 B. Except concerning students on individualized education plans  
29 (IEP) pursuant to the Individuals with Disabilities Education Act  
30 (IDEA), P.L. No. 101-476, the State Board of Education shall not  
31 have authority to prescribe student disciplinary policies for school  
32 districts or to proscribe corporal punishment in the public schools.

1 The State Board of Education shall not have authority to require  
2 school districts to file student disciplinary action reports more  
3 often than once each year and shall not use disciplinary action  
4 reports in determining a school district's or school site's  
5 eligibility for program assistance including competitive grants.

6 C. The board of education of each school district in this state  
7 may adopt a dress code to be incorporated as a part of the  
8 discipline policy of the school. Any rules concerning the dress  
9 code of a school adopted by the board of education shall have a  
10 reasonable connection with the education function entrusted to the  
11 board and shall not censure the political opinions of the students  
12 or unreasonably interfere with common clothing fads of students.  
13 However, nothing in this section shall prevent a school district  
14 from instituting a uniform dress code.

15 SECTION 35. NEW LAW A new section of law to be codified  
16 in the Oklahoma Statutes as Section 3-150 of Title 70, unless there  
17 is created a duplication in numbering, reads as follows:

18 A. The State Board of Education shall develop an Academic  
19 Performance Index (API) to be used to measure performance of  
20 schools, including the academic performance of students. The index  
21 shall consist of a variety of indicators including, but not limited  
22 to:

- 23 1. Attendance rates for students and school personnel;
- 24 2. Dropout rates;
- 25 3. Results of the Oklahoma School Testing Program administered  
26 pursuant to Section 1210.508 of Title 70 of the Oklahoma Statutes;
- 27 4. Advanced Placement participation;
- 28 5. Graduation rates for secondary school students;
- 29 6. Scores of the American College Test (ACT); and
- 30 7. College remediation rates.

31 B. The data collected for the API shall be disaggregated by  
32 socioeconomic status and ethnic group. Oklahoma School Testing

1 Program results shall constitute no less than sixty percent (60%) of  
2 the value of the index.

3 C. Based on the API, the State Board of Education shall adopt  
4 expected annual percentage growth targets for the state level,  
5 school districts, and all school sites based on their API baseline  
6 score as measured in July after implementation of this section. The  
7 minimum percentage growth target shall be five percent (5%)  
8 annually. However, the State Board of Education may set  
9 differential growth targets based on grade level of instruction.

10 SECTION 36. NEW LAW A new section of law to be codified  
11 in the Oklahoma Statutes as Section 3-151 of Title 70, unless there  
12 is created a duplication in numbering, reads as follows:

13 On or before December 31, 1999, after implementation of this  
14 section, the State Board of Education shall file a report with the  
15 Governor and the Legislature setting out the plan for establishing  
16 the Academic Performance Index. Thereafter, on or before December  
17 31 and every year thereafter the Board shall file a report with the  
18 Governor and the Legislature on the state, districts, and site  
19 results of this implemented program.

20 SECTION 37. NEW LAW A new section of law to be codified  
21 in the Oklahoma Statutes as Section 2610 of Title 70, unless there  
22 is created a duplication in numbering, reads as follows:

23 Sections 38 through 43 of this act shall be known and may be  
24 cited as the "Oklahoma Tuition Scholarship Act".

25 SECTION 38. NEW LAW A new section of law to be codified  
26 in the Oklahoma Statutes as Section 2611 of Title 70, unless there  
27 is created a duplication in numbering, reads as follows:

28 There is hereby created the Oklahoma Tuition Scholarship  
29 Program. The purpose of the Program is to ensure that students who  
30 meet the criteria set forth in the Oklahoma Tuition Scholarship Act  
31 and who have completed a college preparatory curriculum upon  
32 graduation from high school and are intending to pursue studies at

1 an institution of higher education in The Oklahoma State System of  
2 Higher Education or a private institution of higher learning leading  
3 to an associate or baccalaureate degree, or are pursuing studies in  
4 a postsecondary vocational-technical program or course offered  
5 pursuant to a duly approved cooperative agreement between an area  
6 vocational-technical school and an institution of The Oklahoma State  
7 System of Higher Education, are rewarded by having the first two (2)  
8 years of general enrollment fees for enrollment at an institution in  
9 The Oklahoma State System of Higher Education paid for by the state.

10 SECTION 39. NEW LAW A new section of law to be codified  
11 in the Oklahoma Statutes as Section 2612 of Title 70, unless there  
12 is created a duplication in numbering, reads as follows:

13 A. To be eligible to participate in the Oklahoma Tuition  
14 Scholarship Program and qualify for payment of general enrollment  
15 fees pursuant to Section 40 of this act, a student shall:

16 1. Be a resident of this state for a minimum of two (2)  
17 calendar years immediately prior to high school graduation.

18 Provided, a student who is a dependent of a member of the armed  
19 services stationed in Oklahoma shall be eligible as a resident of  
20 the state for purposes of this section as long as the member is  
21 stationed in the state in full-time military service and under  
22 military orders;

23 2. Have graduated from a high school accredited by the State  
24 Board of Education or the Oklahoma School of Science and Mathematics  
25 and have been awarded a diploma of honor as provided for in Section  
26 11-103.2c of Title 70 of the Oklahoma Statutes;

27 3. Have obtained a score of 22 or higher on the American  
28 College Test;

29 4. Have a total adjusted gross family income from taxable and  
30 nontaxable sources of not more than Seventy Thousand Dollars  
31 (\$70,000.00);

32

1           5. Have satisfied admission standards as determined by the  
2 Oklahoma State Regents for Higher Education for first-time-entering  
3 students for the appropriate type of institution or, if attending a  
4 private institution of higher learning located within the state and  
5 accredited pursuant to Section 4103 of Title 70 of the Oklahoma  
6 Statutes or a postsecondary vocational-technical program or course  
7 offered pursuant to a duly approved cooperative agreement between an  
8 area vocational-technical school and an institution of The Oklahoma  
9 State System of Higher Education, have satisfied the admission  
10 standards for that private institution or vocational-technical  
11 program;

12           6. Have secured admission to, and enrolled in, an institution  
13 which is a member of The Oklahoma State System of Higher Education,  
14 a postsecondary vocational-technical program or course offered  
15 pursuant to a duly approved cooperative agreement between an area  
16 vocational-technical school and an institution of The Oklahoma State  
17 System of Higher Education, or a private institution of higher  
18 learning located within this state and accredited pursuant to  
19 Section 4103 of Title 70 of the Oklahoma Statutes;

20           7. Have made application for state and federal tuition aid  
21 programs; and

22           8. Not have been adjudicated as a delinquent for an offense  
23 defined in Section 571 of Title 57 of the Oklahoma Statutes as an  
24 exception to a nonviolent offense or convicted as an adult of an  
25 offense defined in Section 571 of Title 57 of the Oklahoma Statutes  
26 as an exception to a nonviolent offense.

27           B. To retain eligibility while pursuing the program of higher  
28 learning in which enrolled, the student shall:

29           1. Maintain a minimum 2.75 cumulative grade point average on a  
30 4.0 scale;

31  
32

1           2. Maintain good academic standing and satisfactory academic  
2 progress according to standards of the Oklahoma State Regents for  
3 Higher Education; and

4           3. Comply with the standards related to maintenance of  
5 eligibility as promulgated by the Oklahoma State Regents for Higher  
6 Education.

7           C. The Oklahoma State Regents for Higher Education shall  
8 promulgate rules relating to maintenance of eligibility under the  
9 Oklahoma Tuition Scholarship Program by a student.

10           SECTION 40.           NEW LAW           A new section of law to be codified  
11 in the Oklahoma Statutes as Section 2613 of Title 70, unless there  
12 is created a duplication in numbering, reads as follows:

13           A. Subject to the availability of funds, the general enrollment  
14 fees which a student who is eligible under the Oklahoma Tuition  
15 Scholarship Act is obligated to pay at an institution in The  
16 Oklahoma State System of Higher Education shall be satisfied by  
17 allocation from the Oklahoma Tuition Scholarship Trust Fund.

18           B. Subject to the availability of funds, for students enrolled  
19 in a private institution of higher learning located within this  
20 state and accredited pursuant to Section 4103 of Title 70 of the  
21 Oklahoma Statutes, the Oklahoma State Regents shall award to the  
22 institution, on behalf of the student, an amount equivalent to the  
23 amount of general enrollment fees for which the student would be  
24 eligible if the student were enrolled in a comparable program at a  
25 comparable institution of The Oklahoma State System of Higher  
26 Education. Comparability will be determined by the State Regents.

27           C. Subject to the availability of funds, the tuition for  
28 eligible students enrolled in a postsecondary vocational-technical  
29 program or course offered pursuant to a duly approved cooperative  
30 agreement between an area vocational-technical school and an  
31 institution of The Oklahoma State System of Higher Education shall  
32

1 be satisfied by allocation from the Oklahoma Tuition Scholarship  
2 Trust Fund.

3 D. The maximum limit on the number of courses or other  
4 postsecondary units for which general enrollment fees or tuition  
5 will be satisfied as provided for by this section shall not exceed  
6 sixty (60) credit hours, with not more than thirty (30) credit hours  
7 in any one year.

8 E. No benefits shall be awarded under the Oklahoma Tuition  
9 Scholarship Program for payment of general enrollment fees or  
10 tuition for remedial courses.

11 F. Benefits awarded under the Oklahoma Tuition Scholarship  
12 Program shall be awarded to all eligible applicants without any  
13 limitation on the number of awards in any year other than the amount  
14 of funds available for the Program and the number of eligible  
15 applicants. If funds are not sufficient to provide awards for all  
16 eligible applicants, the Oklahoma State Regents for Higher Education  
17 shall make awards on the basis of need. The Regents shall take into  
18 consideration other grants and scholarships received by an eligible  
19 applicant when making awards. If an eligible applicant receives  
20 state or federal tuition aid which pays for all or part of the  
21 general enrollment fee obligation of the applicant, the Regents  
22 shall adjust the award to cover only the remaining unpaid portion,  
23 if any, of the general enrollment fee obligation after the state or  
24 federal aid is applied.

25 SECTION 41. NEW LAW A new section of law to be codified  
26 in the Oklahoma Statutes as Section 3953.2 of Title 70, unless there  
27 is created a duplication in numbering, reads as follows:

28 A. There is hereby created a trust fund to be known as the  
29 "Oklahoma Tuition Scholarship Trust Fund". The Oklahoma State  
30 Regents for Higher Education shall be the trustee of the Trust Fund.

31 B. The State Regents shall utilize the Trust Fund to implement  
32 the provisions of the Oklahoma Tuition Scholarship Act.

1 C. The Trust Fund principal shall consist of monies the  
2 Legislature appropriates or transfers to the Oklahoma State Regents  
3 for Higher Education for the Trust Fund and any monies or assets  
4 contributed to the Trust Fund from any other source, public or  
5 private.

6 D. Notwithstanding other provisions of law, income and  
7 investment return on Trust Fund principal shall accrue to the Trust  
8 Fund for use as provided by authorization of the trustees for the  
9 purposes provided in the Oklahoma Tuition Scholarship Act. The  
10 State Regents may also utilize the Trust Fund principal for purposes  
11 provided in the Oklahoma Tuition Scholarship Act. Except as  
12 otherwise provided by law, no such income or investment return or  
13 principal shall be used for administrative expenses. Expenses  
14 incurred by the State Regents in the administration of the Trust  
15 Fund and the Oklahoma Tuition Scholarship Program established by the  
16 act shall be paid from monies appropriated to the State Regents  
17 coordinating board for their general operating budget.

18 E. The State Regents shall adopt rules for accomplishing  
19 transfer of funds from the Oklahoma Tuition Scholarship Trust Fund  
20 to the appropriate institutional Education and General Operations  
21 Revolving Funds, as established in Section 3901 of Title 70 of the  
22 Oklahoma Statutes, to private institutions of higher learning, and  
23 to the appropriate vocational-technical school to cover general  
24 enrollment fees or tuition for eligible students pursuant to the  
25 Oklahoma Tuition Scholarship Act. Allocations from the Trust Fund  
26 may be made only for the purpose of covering the general enrollment  
27 fees or tuition of eligible students. No portion of the Trust Fund  
28 may be used or allocated for administrative or operating expenses of  
29 any higher education or vocational-technical institution.

30 SECTION 42. AMENDATORY 70 O.S. 1991, Section 3954, as  
31 last amended by Section 16, Chapter 99, O.S.L. 1997 (70 O.S. Supp.  
32 1998, Section 3954), is amended to read as follows:

1 Section 3954. A. The Oklahoma State Regents for Higher  
2 Education shall discharge their duties as trustees of the Oklahoma  
3 State Regents' Endowment Trust Fund, as trustees of the Oklahoma  
4 State Regents' Academic Scholars Trust Fund, ~~and~~ as trustees of the  
5 Oklahoma Higher Learning Access Trust Fund, and as trustees of the  
6 Oklahoma Tuition Scholarship Trust Fund, hereafter "Trust Funds":

7 1. With the care, skill, prudence, and diligence under the  
8 circumstances then prevailing that a prudent person acting in a like  
9 capacity and familiar with such matters would use in the conduct of  
10 an enterprise of a like character and with like aims;

11 2. By diversifying the investments of the Trust Funds so as to  
12 minimize the risk of large losses, unless under the circumstances it  
13 is clearly prudent not to do so; and

14 3. In accordance with the laws, documents and instruments  
15 governing the Trust Funds.

16 B. The State Regents may procure insurance indemnifying the  
17 members of the State Regents from personal loss or accountability  
18 from liability resulting from a member's action or inaction as a  
19 trustee.

20 C. The State Regents may establish an investment committee for  
21 any of the Trust Funds or any combination of such Trust Funds. Such  
22 investment committee shall be composed of members of the State  
23 Regents appointed by the chairman of the State Regents. The  
24 committee shall make recommendations to the entire membership of the  
25 State Regents on all matters related to the choice of custodians and  
26 managers of the assets of the Trust Funds, on the establishment of  
27 investment and fund management guidelines, and in planning future  
28 investment policy. The committee shall have no authority to act on  
29 behalf of the State Regents in any circumstances whatsoever. No  
30 recommendation of the committee shall have effect as an action of  
31 the State Regents nor take effect without the approval of the State  
32 Regents.

1 D. The State Regents may retain qualified investment managers  
2 to provide for the investment of the monies of the Trust Funds and  
3 may pay the fees for the services of such investment managers from  
4 the investment proceeds attributable to each of the Trust Funds.  
5 The investment managers shall be chosen by a solicitation of  
6 proposals on a competitive bid basis pursuant to standards set by  
7 the State Regents. Subject to the overall investment guidelines set  
8 by the State Regents, the investment managers shall have full  
9 discretion in the management of those monies of the Trust Funds  
10 allocated to the investment managers. The State Regents shall  
11 manage those monies not specifically allocated to the investment  
12 managers. The monies of the Trust Funds allocated to the investment  
13 managers shall be actively managed by the investment managers, which  
14 may include selling investments and realizing losses if such action  
15 is considered advantageous to longer term return maximization.  
16 Because of the total return objective, no distinction shall be made  
17 for management and performance evaluation purposes between realized  
18 and unrealized capital gains and losses.

19 E. Funds and revenues for investment by the investment managers  
20 or the State Regents shall be placed with a custodian selected by  
21 the State Regents. Payment of the fees for the custodians' services  
22 may be paid from the applicable Trust Fund. The custodian shall be  
23 a bank or trust company offering pension fund master trustee and  
24 master custodial services. The custodian shall be chosen by a  
25 solicitation of proposals on a competitive bid basis pursuant to  
26 standards set by the State Regents. In compliance with the  
27 investment policy guidelines of the State Regents, the custodian  
28 bank or trust company shall be contractually responsible for  
29 ensuring that all monies of the Trust Funds are invested in income-  
30 producing investment vehicles at all times. If a custodian bank or  
31 trust company has not received direction from the investment  
32 managers of the Trust Funds as to the investment of the monies of

1 the Trust Funds in specific investment vehicles, the custodian bank  
2 or trust company shall be contractually responsible to the State  
3 Regents for investing the monies in appropriately collateralized  
4 short-term interest-bearing investment vehicles.

5 F. By November 1, 1989, and prior to August 1 of each year  
6 thereafter, the State Regents shall develop written investment plans  
7 for the Trust Funds.

8 G. The State Regents shall compile quarterly financial reports  
9 of all the funds and accounts of the Oklahoma State Regents'  
10 Endowment Trust Fund, the Oklahoma State Regents' Academic Scholars  
11 Trust Fund, and the Oklahoma Higher Learning Access Trust Fund on a  
12 fiscal year basis. The reports shall include several relevant  
13 measures of investment value, including acquisition cost and current  
14 fair market value with appropriate summaries of total holdings and  
15 returns. The reports shall contain combined and individual rates of  
16 returns of the investment managers by category of investment, over  
17 periods of time. The reports shall be distributed to the Director  
18 of the Legislative Service Bureau and the Chairman of the Joint  
19 Committee on Fiscal Operations.

20 H. After July 1 and before October 1 of each year, the State  
21 Regents shall publish three annual reports presented in simple and  
22 easily understood language. The reports shall be submitted to the  
23 Governor, the Speaker of the House of Representatives, the President  
24 Pro Tempore of the Senate, the Director of the Legislative Service  
25 Bureau, and the Chairman of the Joint Committee on Fiscal  
26 Operations. The annual reports shall cover the operation of the  
27 Oklahoma State Regents' Endowment Trust Fund, the Oklahoma State  
28 Regents' Academic Scholars Trust Fund, ~~and~~ the Oklahoma Higher  
29 Learning Access Trust Fund, and the Oklahoma Tuition Scholarship  
30 Trust Fund during the past fiscal year, including income,  
31 disbursements, and the financial condition of the Trust Funds at the  
32 end of the fiscal year. The annual reports shall also contain the

1 information issued in the quarterly reports required pursuant to  
2 subsection G of this section as well as a summary of the results of  
3 the most recent actuarial valuation to include total assets, total  
4 liabilities, unfunded liability or over-funded status, contributions  
5 and any other information deemed relevant by the State Regents.

6 SECTION 43. AMENDATORY 70 O.S. 1991, Section 3955, as  
7 amended by Section 8, Chapter 353, O.S.L. 1992 (70 O.S. Supp. 1998,  
8 Section 3955), is amended to read as follows:

9 Section 3955. A. A fiduciary with respect to the Oklahoma  
10 State Regents' Endowment Trust Fund, the Oklahoma State Regents'  
11 Academic Scholars Trust Fund, ~~or~~ the Oklahoma Higher Learning Access  
12 Trust Fund, or the Oklahoma Tuition Scholarship Trust Fund,  
13 hereafter the "Trust Fund," shall not cause the Trust Fund to engage  
14 in a transaction if the fiduciary knows or should know that such  
15 transaction constitutes a direct or indirect:

16 1. Sale or exchange, or leasing of any property from the Trust  
17 Fund to a party in interest;

18 2. Lending of money or other extension of credit from the Trust  
19 Fund to a party in interest;

20 3. Furnishing of goods, services, or facilities from the Trust  
21 Fund to a party in interest; or

22 4. Transfer to, or use by or for the benefit of, a party in  
23 interest of any assets of the Trust Fund.

24 B. A fiduciary with respect to the Trust Fund shall not:

25 1. Deal with the assets of the Trust Fund in the fiduciary's  
26 own interest or for the fiduciary's own account;

27 2. In the fiduciary's individual or any other capacity act in  
28 any transaction involving the Trust Fund on behalf of a party whose  
29 interests are adverse to the interests of the Trust Fund; or

30 3. Receive any consideration for the fiduciary's own personal  
31 account from any party dealing with the Trust Fund in connection  
32 with a transaction involving the assets of the Trust Fund.

1 C. A fiduciary with respect to the Trust Fund may:

2 1. Invest all or part of the assets of the Trust Fund in  
3 deposits which bear the highest interest rate available for funds  
4 with the necessary degree of availability in a bank or similar  
5 financial institution supervised by the United States or a state, if  
6 such bank or other institution is a fiduciary of such plan; or

7 2. Provide any ancillary service by a bank or similar financial  
8 institution supervised by the United States or a state, if such bank  
9 or other institution is a fiduciary of such plan.

10 D. A person or a financial institution is a fiduciary with  
11 respect to the Trust Fund to the extent that the person or the  
12 financial institution:

13 1. Exercises any discretionary authority or discretionary  
14 control respecting management of the Trust Fund or exercises any  
15 authority or control respecting management or disposition of the  
16 assets of the Trust Fund;

17 2. Renders investment advice for a fee or other compensation,  
18 direct or indirect, with respect to any monies or other property of  
19 the Trust Fund, or has any authority or responsibility to do so; or

20 3. Has any discretionary authority or discretionary  
21 responsibility in the administration of the Trust Fund.

22 SECTION 44. NEW LAW A new section of law to be codified  
23 in the Oklahoma Statutes as Section 1210.5E of Title 70, unless  
24 there is created a duplication in numbering, reads as follows:

25 Contingent upon the provision of appropriated funds designated  
26 for such purpose, students who do not perform satisfactorily on the  
27 mathematics portion of either the norm-referenced or criterion-  
28 referenced tests required pursuant to Section 1210.508 of Title 70  
29 of the Oklahoma Statutes shall be provided remediation. The  
30 remediation may include but not be limited to tutorial instruction  
31 after regular school hours, on Saturdays and during the summer.

32 Such instruction shall not be counted toward the one-hundred-eighty-

1 day school year required in Section 1-109 of Title 70 of the  
2 Oklahoma Statutes.

3 SECTION 45. NEW LAW A new section of law to be codified  
4 in the Oklahoma Statutes as Section 6-195.1 of Title 70, unless  
5 there is created a duplication in numbering, reads as follows:

6 It is hereby declared to be the intent of the Legislature to  
7 establish a continuing education program whereby teachers employed  
8 to teach mathematics may obtain certification in mathematics and  
9 teachers certified to teach mathematics in the state may take higher  
10 education courses in order to obtain the competencies needed to  
11 enable the teacher to successfully complete the subject area  
12 examinations and become certified to teach any of the core  
13 curriculum mathematics courses recommended by the American College  
14 Test. The program shall pay up to One Hundred Dollars (\$100.00) per  
15 credit hour up to a maximum of twenty-four (24) credit hours for a  
16 teacher to take higher education courses in mathematics. Teachers  
17 required to gain certification as provided in Section 4 of this act  
18 shall be given priority in the funding for the continuing education  
19 program. The purpose of the program is to improve the knowledge and  
20 skills of teachers and to ensure that the children of the state are  
21 taught by professional educators, fully prepared in the area of  
22 mathematics.

23 SECTION 46. AMENDATORY Section 3, Chapter 181, O.S.L.  
24 1997, as amended by Section 1, Chapter 350, O.S.L. 1998 (70 O.S.  
25 Supp. 1998, Section 6-204.2), is amended to read as follows:

26 Section 6-204.2 A. Subject to the availability of funds, the  
27 Oklahoma Commission for Teacher Preparation and the State Board of  
28 Education are ~~hereby~~ authorized to establish the Education  
29 Leadership Oklahoma program.

30 B. The purposes of the Education Leadership Oklahoma program  
31 are:  
32

1 1. Provide teachers throughout the state information about  
2 National Board certification and the Education Leadership Oklahoma  
3 program scholarships and services;

4 2. Provide technical assistance and National Board certified  
5 mentors to all teachers seeking National Board certification upon  
6 request;

7 3. Provide scholarships, pursuant to ~~Section 6-204 et seq. of~~  
8 ~~this title~~ the Education Leadership Oklahoma Act and Oklahoma  
9 Commission for Teacher Preparation rules, for teachers seeking  
10 National Board certification; ~~and~~

11 4. Provide a bonus to teachers who achieve National Board  
12 certification pursuant to ~~Section 6-204 et seq. of this title~~ the  
13 Education Leadership Oklahoma Act and State Board of Education  
14 rules;

15 5. Reward teachers who achieve National Board certification  
16 without the financial support of the Education Leadership Oklahoma  
17 program by awarding them the application fee and the amount of the  
18 scholarship given to Education Leadership Oklahoma participants  
19 pursuant to this section and commission rules; and

20 6. Provide recognition to National Board certified teachers.

21 C. To fulfill the objectives of ~~Section 6-204 et seq. of this~~  
22 ~~title~~ the Education Leadership Oklahoma Act, the Oklahoma Commission  
23 for Teacher Preparation shall:

24 1. Inform teachers of the Education Leadership Oklahoma program  
25 and the scholarships and services it provides to teachers seeking  
26 National Board certification;

27 2. Collect and review applications to the scholarship program  
28 from interested teachers;

29 3. Establish an applicant review committee for the purpose of  
30 identifying scholarship recipients pursuant to ~~Section 6-204 et seq.~~  
31 ~~of this title~~ the Education Leadership Oklahoma Act for the  
32 Education Leadership Oklahoma program; and

1 4. Ensure that all scholarship recipients, alternates, and  
2 teachers seeking National Board certification independently receive  
3 adequate information regarding the level of commitment required to  
4 acquire National Board certification.

5 D. The applicant review committee shall:

6 1. Consist of:

- 7 a. five classroom teachers appointed by the State Board  
8 of Education, at least one of whom shall be a National  
9 Board certified teacher, if available,  
10 b. five classroom teachers appointed by the Oklahoma  
11 Commission for Teacher Preparation, at least one of  
12 whom shall be a National Board certified teacher, if  
13 available,  
14 c. three classroom teachers appointed by the Oklahoma  
15 State Regents for Higher Education, at least one of  
16 whom shall be a National Board certified teacher, if  
17 available, and  
18 d. a chair to be designated by the Executive Director of  
19 the Oklahoma Commission for Teacher Preparation from  
20 among the appointed members; and

21 2. Select up to two hundred teachers for the ~~1998-99~~ 1999-00  
22 class, up to four hundred teachers beginning with the ~~1999-2000~~  
23 2000-01 class and every year thereafter, and the appropriate number  
24 of alternates, who:

- 25 a. have demonstrated a commitment to excellence in  
26 teaching,  
27 b. meet all eligibility requirements for potential  
28 certification as established by the National Board for  
29 Professional Teaching Standards,  
30 c. are employed in an Oklahoma public school, and  
31 d. meet other requirements of the Commission.  
32

1 E. Subject to the availability of funds appropriated by the  
2 Legislature for the purposes of this subsection, the application fee  
3 for National Board certification shall be paid for scholarship  
4 recipients by the Commission, and scholarship recipients shall be  
5 provided a scholarship in the amount of Five Hundred Dollars  
6 (\$500.00) to cover other expenses associated with obtaining National  
7 Board certification.

8 F. It is the intent of the Legislature that the Oklahoma  
9 Commission for Teacher Preparation contract with Southeastern  
10 Oklahoma State University to establish Education Leadership Oklahoma  
11 program training in higher education teacher preparation programs in  
12 the state to assist teachers in meeting the requirements to obtain  
13 National Board certification.

14 G. All teachers seeking National Board certification shall be  
15 eligible to participate in Education Leadership Oklahoma program  
16 training to assist them in meeting the requirements of the National  
17 Board certification process, free of charge.

18 H. The Oklahoma Commission for Teacher Preparation shall  
19 promulgate rules for the selection of scholarship recipients, the  
20 selection and utilization of alternates, the payment and  
21 reimbursement of application fees, and the issuance of scholarships.

22 I. Subject to district board of education policy, teachers who  
23 have submitted an application for National Board certification shall  
24 either be allowed to utilize two (2) of their five (5) professional  
25 days for National Board certification portfolio development or be  
26 provided an additional two (2) professional days during which a  
27 substitute teacher shall be provided by the school district at no  
28 cost to the teacher.

29 J. The State Board of Education shall provide all teachers who  
30 attain National Board certification a bonus in the amount of ~~Five~~  
31 ~~Thousand Dollars (\$5,000.00)~~ Seven Thousand Dollars (\$7,000.00)  
32 annually no later than January 31 for as long as they maintain their

1 National Board certification and are teaching in the classroom full-  
2 time in an Oklahoma public school. No school or school district  
3 shall be liable for payment of bonuses pursuant to this section.

4 K. The bonus shall not be included in the calculation of the  
5 teacher's salary for purposes of meeting the district or statutory  
6 minimum salary schedule or for purposes of compensating Oklahoma  
7 Teachers' Retirement System contributions or benefits.

8 L. The State Board of Education shall promulgate rules for the  
9 provision of the bonus pursuant to this section to include, but not  
10 be limited to, a process by which a National Board certified teacher  
11 will verify that:

- 12 1. The National Board certification has not lapsed; and
- 13 2. The teacher is still a full-time classroom teacher.

14 M. It is the intent of the Legislature that the Oklahoma State  
15 Regents for Higher Education incorporate the National Board  
16 certification portfolio development into all programs in education  
17 leading to a master's level degree.

18 SECTION 47. AMENDATORY 70 O.S. 1991, Section 698.2, as  
19 amended by Section 1, Chapter 232, O.S.L. 1992 (70 O.S. Supp. 1998,  
20 Section 698.2), is amended to read as follows:

21 Section 698.2 A. It is the intent of the Oklahoma Legislature  
22 that the Oklahoma State Regents for Higher Education establish a  
23 program for making available forgivable loans, as defined in this  
24 section, to students enrolled in a major course of study at the  
25 third- or fourth-year of undergraduate level or graduate ~~or~~  
26 ~~undergraduate~~ level who declare an intention to serve and who  
27 subsequently serve this state by teaching in the public schools of  
28 this state in the subject areas of ~~mathematics, science, computer~~  
29 ~~learning, middle school technology education, or foreign languages~~  
30 ~~at the elementary, middle or secondary level in the public schools~~  
31 ~~of this state~~ shortage as determined annually by the State Board of  
32 Education. ~~This program may be used by a state institution of~~

1 ~~higher education to meet any statutorily prescribed duty of~~  
2 ~~providing financial assistance to minority students who intend to~~  
3 ~~become teachers in the above subject areas.~~

4 B. The Oklahoma State Regents for Higher Education are  
5 authorized to provide student loans to persons who are enrolled at  
6 institutions of higher education in this state for the purposes  
7 specified in subsection A of this section. The loans shall be  
8 applied to the cost of said education. It is the intent of the  
9 Oklahoma Legislature that only those third- and fourth-year  
10 undergraduate and graduate students who are enrolled full time be  
11 eligible for said loans.

12 C. No person shall receive more than three annual loans of such  
13 kind. The maximum annual loan amount may be set by the Oklahoma  
14 State Regents for Higher Education at an amount not to exceed the  
15 normal cost of room, board, tuition, and fees at the state-supported  
16 colleges and universities, except that intersession or summer school  
17 loans may also be offered in amounts not to exceed one-third (1/3)  
18 of the annual loan amount.

19 D. The Oklahoma State Regents for Higher Education are  
20 authorized to forgive loans authorized pursuant to the provisions of  
21 subsection A of this section which have been provided to persons who  
22 actually render service as teachers in the public schools of this  
23 state if not less than seventy-five percent (75%) of the teaching  
24 assignment is in a subject area specified in subsection A of this  
25 section. Loan forgiveness shall be ~~one (1) year's~~ twenty percent  
26 (20%) of the total loan for each school year of service rendered up  
27 to a total of five (5) years. ~~One-half (1/2) school year of service~~  
28 ~~shall be required for forgiveness of an intersession or summer~~  
29 ~~session loan.~~

30 E. Persons failing to complete an appropriate program of  
31 studies or to meet any other requirements for full-time teaching  
32 employment, including certification in an area of ~~mathematics,~~

1 ~~science, computer learning, middle school technology education, or~~  
2 ~~foreign languages~~ shortage, shall immediately become liable to the  
3 Oklahoma State Regents for Higher Education for the sum of all  
4 outstanding loans received pursuant to the provisions of this  
5 section. Persons liable for repayment of loans shall also be liable  
6 for interest for the entire period of the loans at a rate to be  
7 determined at the time each loan is granted. The Oklahoma State  
8 Regents for Higher Education may grant forbearance or deferment for  
9 justifiable temporary periods of interruption of studies. In the  
10 event of a borrower's death or total and permanent disability, the  
11 Chancellor of the Oklahoma State Regents for Higher Education may  
12 cancel the borrower's indebtedness to this program. The State  
13 Regents may utilize the Oklahoma Guaranteed Student Loan Program to  
14 undertake collection of any outstanding loans.

15 F. The Oklahoma State Regents for Higher Education shall  
16 require the execution of appropriate contracts and promissory notes  
17 with loan recipients. The Chancellor, with approval of the State  
18 Regents, may contract with any other appropriate organization or  
19 unit of government for the administration of the provisions of this  
20 section.

21 G. All loans and interest repaid to the Oklahoma State Regents  
22 for Higher Education pursuant to the provisions of this section may  
23 be used for the continuation of this program.

24 H. If insufficient funds are available for loans to qualified  
25 persons during any fiscal year, the Chancellor may make reductions  
26 in the loans made to qualifying applicants. Priority consideration  
27 may be given to highly qualified persons previously participating  
28 and making satisfactory academic progress in the program as  
29 determined by the institution.

30 SECTION 48. AMENDATORY 70 O.S. 1991, Section 1210.553,  
31 is amended to read as follows:  
32

1 Section 1210.553 A. ~~The~~ Contingent upon the provision of  
2 appropriated funds designated for such purpose, the State Board of  
3 Education ~~shall solicit proposals for, and if funds are available~~  
4 ~~make~~ may award one or more competitive grants to school districts or  
5 nonprofit organizations for, pilot projects for the offering of  
6 providing academically-oriented activity programs ~~for~~ to students in  
7 at-risk or disadvantaged urban school districts needing or desiring  
8 ~~structured~~ such programs during before-school, after-school, and  
9 summer periods.

10 B. The State Board of Education shall determine pilot ~~project~~  
11 program criteria and establish a process for the consideration of  
12 proposals. Such proposals for pilot ~~projects~~ programs shall be  
13 considered on a statewide competitive basis. The State Board of  
14 Education is authorized to promulgate rules ~~and regulations~~ for the  
15 operation of such ~~projects~~ programs.

16 SECTION 49. AMENDATORY Section 44, Chapter 247, O.S.L.  
17 1996, as amended by Section 1, Chapter 175, O.S.L. 1997 (70 O.S.  
18 Supp. 1998, Section 1210.568), is amended to read as follows:

19 Section 1210.568 A. Beginning with the first semester of the  
20 1996-1997 school year, the State Board of Education shall implement  
21 a statewide system of alternative education programs which shall be  
22 phased-in within five (5) years. The statewide system shall include  
23 but not be limited to Alternative Approaches grant programs, funded  
24 pursuant to Section 1210.561 of this title, Alternative Education  
25 Academies pilot programs, funded pursuant to Section 1210.563 of  
26 this title and alternative academies or alternative programs  
27 implemented pursuant to this section. The funding for Alternative  
28 Education Academies pilot programs, after the third year of funding  
29 provided pursuant to Section 1210.563 of this title, shall be  
30 provided from funds appropriated for the statewide system.

31 B. Beginning with the first semester of the 2000-2001 school  
32 year, all school districts of this state shall provide alternative

1 education programs that conform to the requirements of statutes and  
2 rules applicable to alternative education. A program shall:

3 1. Allow class sizes and student/teacher ratios which are  
4 conducive to effective learning for at-risk students;

5 2. Incorporate appropriate structure, curriculum, and  
6 interaction and reinforcement strategies designed to provide  
7 effective instruction;

8 3. Include an intake and screening process to determine  
9 eligibility of students;

10 4. Demonstrate that teaching faculty are appropriately  
11 certified teachers;

12 5. Demonstrate that teaching faculty have been selected on the  
13 basis of a record of successful work with at-risk students or  
14 personal and educational factors that qualify them for work with at-  
15 risk students;

16 6. Reflect appropriate collaborative efforts with state  
17 agencies and local agencies serving youth;

18 7. Provide courses that meet the curricula standards adopted by  
19 the State Board of Education and remedial courses;

20 8. Offer individualized instruction;

21 9. State clear and measurable program goals and objectives;

22 10. Include counseling and social services components with the  
23 provision that providers of services are not required to be  
24 certified as school counselors;

25 11. Require a plan leading to graduation be developed for each  
26 child in the program;

27 12. Offer life skills instruction;

28 13. Provide opportunities for arts education to students,  
29 including Artists in Residence programs coordinated with the  
30 Oklahoma Arts Council;

31 14. Provide a proposed annual budget;

32

1 15. Include an evaluation component including an annual written  
2 self-evaluation; and

3 16. Be appropriately designed to serve middle school, junior  
4 high school and secondary school students in grades six through  
5 twelve who are most at-risk of not completing a high school  
6 education for a reason other than that identified in Section 13-101  
7 of this title.

8 C. Contingent upon the provision of appropriated funds  
9 designated for such purpose, all school districts in the state  
10 providing alternative education programs as required in subsection B  
11 of this section shall expand the programs to include middle school  
12 grade students. The program shall conform to the requirements of  
13 subsection B of this section.

14 D. Contingent upon the provision of appropriated funds  
15 designated for such purpose, each urban school district identified  
16 by the State Department of Education as having a high population of  
17 elementary grade students who are at-risk and in need of alternative  
18 education shall provide elementary level alternative education  
19 programs. The State Department of Education shall establish  
20 requirements for the programs. For purposes of this section, "urban  
21 school district" means a school district with an average daily  
22 membership of thirty thousand (30,000) or more.

23 E. By September 15 of each school year, all revenue received  
24 and expended for students participating in an alternative education  
25 program shall be reported to the State Department of Education by  
26 major object codes and by program classifications pursuant to the  
27 Oklahoma Cost Accounting System as adopted by the State Board of  
28 Education pursuant to Section 5-135 of this title.

29 ~~D.~~ F. 1. The State Board of Education shall contract for  
30 technical assistance for operation of an Alternative Education  
31 Technical Assistance Center. The technical assistance provider  
32 shall be an entity located in Oklahoma that has been officially

1 recognized by the United States Department of Education to assess  
2 and facilitate dissemination of validated educational programs in  
3 Oklahoma. The technical assistance provider shall have priority, if  
4 its operations are deemed satisfactory by the State Board of  
5 Education and if funds are available, for annual renewal of the  
6 contract.

7 2. The duties of the technical assistance provider shall  
8 include, but shall not be limited to:

- 9 a. providing initial and ongoing training of personnel  
10 who will educate at-risk populations through  
11 alternative education programs,
- 12 b. providing technical assistance to school districts to  
13 enhance the probability of success of their  
14 alternative education programs,
- 15 c. evaluating state-funded alternative education  
16 programs,
- 17 d. reporting to the State Board of Education the  
18 evaluation results of state-funded alternative  
19 education programs, and
- 20 e. providing in-depth program analysis and evaluation of  
21 state-funded alternative education programs.

22 ~~E.~~ G. All alternative education programs shall be subject to  
23 statutes and rules applicable to alternative education, including  
24 any exemptions from statutory or regulatory requirements authorized  
25 by statutes or rule.

26 ~~F.~~ H. An alternative education program may be offered by an  
27 individual school district or may be offered jointly by school  
28 districts that have formed interlocal cooperative agreements  
29 pursuant to Section 5-117b of ~~Title 70 of the Oklahoma Statutes~~ this  
30 title.

1 SECTION 50. AMENDATORY Section 1, Chapter 348, O.S.L.  
2 1997 (70 O.S. Supp. 1998, Section 1210.569), is amended to read as  
3 follows:

4 Section 1210.569 A. Beginning with the 1997-98 school year,  
5 each school district shall be required to update and submit on an  
6 annual basis the student needs assessment and alternative education  
7 plan outlined in Section 1210.566 of Title 70 of the Oklahoma  
8 Statutes. The alternative education plan of each school district  
9 shall provide for specific professional development programs for the  
10 teachers teaching in or working with an alternative education  
11 program. The annual needs assessment data shall be incorporated by  
12 the State Board of Education into an annual report which shall be  
13 submitted to the Speaker of the House of Representatives, the  
14 President Pro Tempore of the Senate and the Governor. The report  
15 shall also include a listing by school district of the number of  
16 students funded and the reported number of students served in an  
17 alternative education program.

18 B. Each urban school district as defined in Section 1210.568 of  
19 this title and as identified by the State Department of Education as  
20 having a high population of elementary grade students who are at-  
21 risk and in need of alternative education shall expand the annual  
22 student needs assessment and alternative education plan as required  
23 in subsection A of this section to include a needs assessment and  
24 education plan for elementary students who are at-risk and in need  
25 of alternative education.

26 SECTION 51. NEW LAW A new section of law to be codified  
27 in the Oklahoma Statutes as Section 1210.710 of Title 70, unless  
28 there is created a duplication in numbering, reads as follows:

29 It is hereby the intent of the Oklahoma Legislature to provide  
30 funding to urban school districts to hire school counselors at the  
31 elementary level. Preference for funding shall be given to those  
32 urban school districts that have the highest number of elementary

1 students at-risk and in need of alternative education. For purposes  
2 of this section, "urban school district" means a school district  
3 with an average daily membership of thirty thousand (30,000) or  
4 more.

5 SECTION 52. NEW LAW A new section of law to be codified  
6 in the Oklahoma Statutes as Section 3-152 of Title 70, unless there  
7 is created a duplication in numbering, reads as follows:

8 The State Board of Education shall develop an Academic  
9 Performance Award Program for school districts and individual school  
10 sites who meet or exceed the expected growth targets as established  
11 by the Board. Those districts or sites who have not met their  
12 expected growth targets, but demonstrate significant growth as  
13 determined by the Board, shall be included in the performance award  
14 program, but receive a decreased award amount.

15 SECTION 53. AMENDATORY 70 O.S. 1991, Section 18-108, as  
16 amended by Section 3, Chapter 220, O.S.L. 1994 (70 O.S. Supp. 1998,  
17 Section 18-108), is amended to read as follows:

18 Section 18-108. ~~It is the intention of the Legislature to~~  
19 ~~provide a free public kindergarten for every five-year-old child in~~  
20 ~~this state.~~

21 ~~1. Each day during which a child attends a kindergarten for two~~  
22 ~~and one-half hours or more shall be counted as one hundred percent~~  
23 ~~(100%) of one (1) day of average daily attendance. Each day a~~  
24 ~~kindergarten student is on the membership roll in a school district~~  
25 ~~shall be counted as one hundred percent (100%) of one (1) day of~~  
26 ~~average daily membership.~~

27 ~~2. It~~ A. Except as otherwise provided for in this section, it  
28 shall be the duty of every school district in this state to provide  
29 and offer a full six-hour day of kindergarten free of tuition for  
30 every child residing in such district who attains the age of five  
31 (5) years on or before the first day of September during the school  
32 year such kindergarten is offered ~~or who is underage and is admitted~~

1 ~~to kindergarten classes as provided for in Section 1-114 of this~~  
2 ~~title,~~ provided that this duty may be satisfied by transferring  
3 kindergarten children to other school districts which accept them  
4 and provide kindergarten for such children. The requirement to  
5 attend kindergarten provided in Section 10-105 of this title may be  
6 satisfied by attendance in either a half-day or full-day program.  
7 Membership in a kindergarten for either two and one-half (2 1/2)  
8 hours or six (6) hours per school day shall be counted as one (1)  
9 day for average daily membership purposes. For purposes of State  
10 Aid, the pupil grade level weight for a two and one-half hour half-  
11 day of kindergarten shall be 1.3, and for a six-hour full day of  
12 kindergarten shall be 1.5.

13 B. The requirement to offer a full six-hour day of kindergarten  
14 as provided for in subsection A of this section shall not become  
15 effective until three (3) years after the provisions of this section  
16 are implemented as provided for in Section 56 of this act.

17 SECTION 54. NEW LAW A new section of law to be codified  
18 in the Oklahoma Statutes as Section 1210.508E of Title 70, unless  
19 there is created a duplication in numbering, reads as follows:

20 A. A teacher who determines a third-grade student is unable to  
21 meet competencies required for completion of third grade and  
22 promotion to fourth grade, shall have the authority to recommend  
23 that the promotion of the student to the fourth grade is contingent  
24 upon the participation in and successful completion of the required  
25 competencies by the student at a summer academy. If the student  
26 does not successfully complete the competencies in the summer  
27 academy, the student shall be retained in the third grade. Summer  
28 academy programs shall be designed to ensure that participating  
29 students successfully complete the competencies necessary for  
30 promotion to fourth grade and to enhance next-grade readiness.

31 B. Beginning one (1) year after implementation of this section  
32 as provided for in Section 56 of this act, the requirements of

1 subsection A of this section shall be expanded to apply to fourth-  
2 grade students being promoted to fifth grade. Each year thereafter  
3 the requirements shall be expanded by one grade level until the  
4 requirements apply to third-grade students through eighth-grade  
5 students. Summer academy programs shall be designed for each grade  
6 level.

7 SECTION 55. NEW LAW A new section of law not to be  
8 codified in the Oklahoma Statutes reads as follows:

9 The provisions of Section 30 of this act shall become effective  
10 only if all of the provisions in House Bill No. 1513 of the 1st  
11 Session of the 47th Oklahoma Legislature becomes law. If the  
12 provisions of Section 30 of this act become effective pursuant to  
13 this section, said section shall become operative on July 1, 1999.

14 SECTION 56. NEW LAW A new section of law not to be  
15 codified in the Oklahoma Statutes reads as follows:

16 Implementation of Sections 37 through 54 of this act shall be  
17 delayed until the current expenditure per pupil in average daily  
18 attendance in public elementary and secondary schools in unadjusted  
19 dollars for the 1998-99 school year or any school year thereafter  
20 for Oklahoma as reported by the National Center for Education  
21 Statistics annually in the Digest of Education Statistics reaches at  
22 least ninety percent (90%) of the regional average expenditure for  
23 that same year, and funds are provided. For purposes of this  
24 section, the regional average expenditure shall consist of the  
25 current expenditure per pupil in average daily attendance in public  
26 elementary and secondary schools in unadjusted dollars for each of  
27 the following states: Arkansas, Colorado, Kansas, Missouri, New  
28 Mexico, Oklahoma, and Texas, averaged together. By January 1 of  
29 each year the State Board of Education shall report whether or not  
30 the ninety-percent expenditure level has been reached based on  
31 information reported annually in the Digest of Education Statistics  
32 by the National Center for Education Statistics. Sections 37

1 through 54 of this act shall be implemented on July 1 after the  
2 first January 1 report verifies that the ninety-percent expenditure  
3 level has been reached and funds have been provided.

4 SECTION 57. REPEALER 70 O.S. 1991, Section 8-102, as  
5 amended by Section 34, Chapter 239, O.S.L. 1993 (70 O.S. Supp. 1998,  
6 Section 8-102), is hereby repealed.

7 SECTION 58. This act shall become effective July 1, 1999.

8 SECTION 59. It being immediately necessary for the preservation  
9 of the public peace, health and safety, an emergency is hereby  
10 declared to exist, by reason whereof this act shall take effect and  
11 be in full force from and after its passage and approval.

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